Amount expended from Jan. 1, 1953, to Feb. 28, 1953 (under H. Res. 686, 82d Cong.)	$2,662.52
Total amount expended from Apr. 1, 1951, to Feb. 28, 1953 (under H. Res. 686, 82d Cong.)	244,543.59
Balance unexpended as of	5,456.41

DANIEL A. REED,
Chairman.

SUBCOMMITTEE OF COMMITTEE ON WAYS AND MEANS ON ADMINISTRATION OF THE INTERNAL REVENUE LAWS

JULY 1, 1953.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 4, 1953, to June 30, 1953, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Florence Botta	Typist	$1,261.89
Bertha A. Brito	Court reporter	2,113.67
Henry B. Clagett, Jr.	Attorney (from Jan. 15).	2,077.82
Bess J. D'Onofrio	Staff assistant (to Jan. 18).	120.97
James P. Donovan	Chief investigator	5,725.93
William A. Friedlander.	Attorney	2,544.80
Grace Good	Administrative assistant.	2,405.31
Lola M. Hanson	Staff assistant	2,113.67
Barbara Z. Heslowitz	Court reporter	2,113.67
William P. Hindman, Jr.	Assistant chief counsel.	5,725.93
M. William Krasilovsky.	Attorney	2,466.14
Murray M. McCulloch.	Attorney (from Feb. 9).	1,730.65
Kirsten M. Neergaard	Court reporter (from Mar. 1).	1,698.52
Joseph M. F. Ryan, Jr.	Attorney	3,515.81
Arthur J. Schissel	do	2,273.63
Joseph Stein	do	2,466.14
Lillian Stillman	Staff assistant	2,113.67
Walter C. Taylor, Jr.	Special counsel (from Mar. 1 to Mar. 31).	970.50
John E. Tobin	Chief counsel (contract basis).	7,500.00
Paul J. Yesawich, Jr.	Attorney	3,308.25

Funds authorized or appropriated for committee expenditures	$100,000.00
Amount of expenditures previously reported	None
Amount expended from Jan. 4, 1953 to June 30, 1953	67,211.71
Total amount expended from Jan. 4, 1953 to June 30, 1953	67,211.71
Balance unexpended as of June 30, 1953	32,788.29

DANIEL A. REED,
Chairman.

THE SOCIAL SECURITY SUBCOMMITTEE OF THE COMMITTEE ON WAYS AND MEANS

JULY 13, 1953.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1953, to June 30, 1953, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Eileen R. Browne [1]	Clerk	$577.31
Rita R. Campbell [2]	Economist	397.62
Wallace M. Smith [3]	Lawyer	337.48

[1] Appointed June 1, 1953.
[2] Appointed June 15, 1953.
[3] Appointed June 8, 1953.

Funds authorized or appropriated for subcommittee expenditure	$100,000.00
Amount expended from June 1, 1953 to June 30, 1953	1,562.10
Balance unexpended as of June 30, 1953	$98,437.90

CARL T. CURTIS,
Chairman.

SELECT COMMITTEE ON SMALL BUSINESS

JULY 13, 1953.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1953, to June 30, 1953, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Elva W. Bell	Clerical assistant	$1,956.02
Florence D. Brown	do	696.45
Victor P. Dalmas	Executive director	2,814.44
Carl E. Davis	Staff director	707.67
Jane M. Deem	Clerk	2,855.83
Elizabeth H. Feltman	Clerical assistant	2,649.39
Ruth E. Giles	do	889.10
Marjorie E. Heston	do	251.24
Bynum E. Hinton, Jr.	Counsel	1,604.04
Edith Knight	Clerical assistant	370.45
Edith Marsh	do	453.86
Melvin M. Miller	Investigator	655.47
L. V. Monzel	Research analyst	3,249.48
John J. Phelan, Jr.	Executive director	2,426.24
David E. White	Chief investigator	3,562.82

Funds authorized or appropriated for committee expenditures	$135,000.00
Amount expended from Jan. 4 to June 30	30,910.07
Balance unexpended as of June 30, 1953	104,089.93

WILLIAM S. HILL,
Chairman.

SENATE

FRIDAY, JULY 24, 1953

(Legislative day of Monday, July 6, 1953)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Edward Gardiner Latch, D. D., minister, Metropolitan Memorial Methodist Church, Washington, D. C., offered the following prayer:

Almighty God, our Heavenly Father, infinite in wisdom, power, and love, whose mercy is over all Thy works, and whose will is ever directed to Thy children's good, by the might of Thy spirit lift us into Thy presence that we may be still and know that Thou art God.

Thou dost satisfy us in the morning with Thy loving kindness; Thou dost uphold us at noonday by the strength of Thy spirit; and when evening comes Thou art our hope and our rest. When our path is rough and the way hard, give us to know that Thou art with us and that with Thee is grace adequate for our need. Always may we remember Thy goodness toward us and throughout the days of our lives may we be upheld by an unfaltering trust in Thee.

Bless Thou our country, our President, our Congress, and our people. By a unity of spirit, by a faith in Thee, by a willingness to serve may we maintain the freedoms won by our fathers and share them with the rest of the world. We pray in the spirit of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 23, 1953, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 23, 1953, the President had approved and signed the following joint resolutions:

S. J. Res. 82. Joint resolution to provide for the reappointment of Robert V. Fleming as citizen regent of the Board of Regents of the Smithsonian Institution; and

S. J. Res. 83. Joint resolution to provide for the appointment of Owen Josephus Roberts as a member of the Board of Regents of the Smithsonian Institution.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5969) making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1954, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WIGGLESWORTH, Mr. SCRIVNER, Mr. FORD, Mr. MILLER of Maryland, Mr. OSTERTAG, Mr. HRUSKA, Mr. TABER, Mr. MAHON, Mr. SHEPPARD, Mr. SIKES, and Mr. CANNON were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H. R. 4017) to provide for the conveyance of certain land and improvements to the England Special School District of the State of Arkansas, in which it requested the concurrence of the Senate.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

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

S. 2078. An act to provide for the early transaction of the public business in the event of the death, incapacity, or separation from office of a disbursing officer of the military department;

H. R. 4484. An act to amend section 365 of the act entitled "An act to establish a code of laws for the District of Columbia," approved March 3, 1901, as amended, to increase the maximum sum allowable by the court out of assets of a decedent's estate for funeral expenses;

H. R. 5227. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1954, and for other purposes;

H. R. 5804. An act to authorize the Secretary of the Interior to grant easements for rights-of-way through, over, and under the parkway land along the line of the Chesapeake and Ohio Canal, and to authorize an exchange of lands with other Federal departments and agencies, and for other purposes; and

H. J. Res. 253. Joint resolution to amend the joint resolution of June 16, 1938, creating the Niagara Falls Bridge Commission.

LEAVES OF ABSENCE

On request of Mr. MANSFIELD, and by unanimous consent, Mr. GREEN and Mr. PASTORE were excused from attendance on the sessions of the Senate beginning sometime during the afternoon, and including tomorrow, for the purpose of attending the funeral of the late former Senator Edward L. Leahy, of Rhode Island.

On request of Mr. MANSFIELD, and by unanimous consent, Mr. LENNON was excused from attendance on the session of the Senate tomorrow.

On request of Mr. MANSFIELD, and by unanimous consent, Mr. MAYBANK was excused from attendance on the sessions of the Senate for the next few days.

On his own request, and by unanimous consent, Mr. THYE was excused from attendance on the sessions of the Senate tomorrow.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the purpose of allowing Senators to introduce bills and joint resolutions, to make insertions in the RECORD, and to transact other routine business, with the usual limitation on speeches of 2 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

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

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. KNOWLAND. I move that the Senate proceed to the consideration of executive business, for the consideration of nominations on the Executive Calendar under the heading of "New Reports."

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

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing the nomination of Monroe Mark Friedman, of California, to be United States district judge for the northern district of California, vice Herbert W. Erskine, deceased, which nominating messages were referred to the appropriate committees.

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

The VICE PRESIDENT. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar under the heading "New Reports."

UNITED STATES COAST GUARD

The Chief Clerk read the nomination of Vice Adm. Merlin O'Neill to be Commandant of the United States Coast Guard.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. KNOWLAND. I ask that the President be immediately notified.

The VICE PRESIDENT. Without objection, the President will be immediately notified.

NOMINATION OF GLENN L. EMMONS TO BE COMMISSIONER OF INDIAN AFFAIRS

Mr. KNOWLAND. Mr. President, I invite the attention of the distinguished Senator from North Dakota [Mr. LANGER], as well as that of both Senators from New Mexico, and other Senators, to the fact that, at the request of Mr. Glenn L. Emmons, of New Mexico, who was nominated to be Commissioner of Indian Affairs, the question has been raised relative to holding hearings on the nomination. He had previously appeared before the committee for a brief hearing, but it was on the day that the nomination came to the Senate, I believe, as the Senator from North Dakota pointed out.

I have been informed by the chairman of the Committee on Interior and Insular Affairs that a hearing is being arranged for Tuesday next, July 28, on the nomination of Mr. Emmons.

With that background, I move that the nomination of Mr. Glenn L. Emmons, of New Mexico, to be Commissioner of Indian Affairs be committed to the Committee on Interior and Insular Affairs, and I now give notice that the hearing will be held on Tuesday morning next, July 28.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to.

Mr. LANGER. Mr. President, in connection with the nomination of Glenn L. Emmons, of New Mexico, to be Commissioner of Indian Affairs, the senior Senator from North Dakota wishes to reiterate once more that he does not know Mr. Emmons; he has never met him; he has never seen him, so far as he knows. The Senator from North Dakota has absolutely no personal interest in the matter.

As I think everyone knows, in the State of North Dakota there are four Indian reservations. Some of those Indians have made outstanding records. They are very much interested in the Indian Bureau.

In this connection I invite the attention of Senators to the fact that the Indian Bureau was organized back in 1824, more than 125 years ago. I now read from the United States Government Organization Manual for 1952–53, page 200, regarding the purpose of the Indian Bureau:

> The Bureau of Indian Affairs has two major responsibilities in its work with Indians and natives of Alaska: (1) To act as trustee with respect to Indian lands and moneys held in trust by the United States and to assist the owners in making the most effective use of their lands and other resources, and, (2) to provide public services—such as education, public health work, and welfare aid—where these services are not available to Indians from other agencies.

I invite the attention of Senators particularly to the following language:

> The ultimate goal of the Bureau is to abolish the need for its own existence.

In other words, to get rid of the Indian Bureau.

> This involves (1) guidance and assistance for those Indians who wish to leave their ancestral homes and enter normal channels of American economic and social life, and (2) collaboration with the Indian people (both tribally and individually) in the development of programs leading toward full-fledged Indian responsibility for the management of their own property and affairs as well as the gradual transfer of public service responsibilities from the Bureau of Indian Affairs to the agencies which normally provide these services to non-Indian citizens.

When I saw this nomination on the clerk's list, in order to protect the Indians of my own State, and, for that matter, of neighboring States, I asked for a copy of the hearings. All I wanted to do was to find out what kind of man Mr. Emmons was, who had interrogated him, what his past experience was, whether he was friendly toward the purposes expressed in the United States Government Organization Manual, from which I have just read, and whether he would be in favor of releasing some 10

Indian tribes which Mr. Zimmerman, First Assistant of the Indian Bureau for years, testified before the Committee on Post Office and Civil Service, when I was chairman of that committee, should have been released 10 years ago.

I wanted to find out what his general attitude would be. For that purpose I obtained from the committee dealing with this nomination a copy of the record of the hearing held on Wednesday, July 15, 1953.

I repeat, that was my sole interest. I have no objection to the nominee. I had no candidate for the position. I did just what any Senator would do who is interested in the people of his own State. There are thousands of Indians in North Dakota and in neighboring South Dakota, many of whom are my very warm personal friends.

In looking over the record of the hearing which was held on July 15, I find the testimony of Mr. Lewis, the Under Secretary of the Department of the Interior. He was interrogated by the Senator from Washington [Mr. JACKSON]. I shall not read the entire record. In fairness I think I should read what Mr. Lewis said. I read from page 17:

Senator JACKSON. Let me say, from what I have heard about Mr. Emmons, it is all to the good.

Mr. LEWIS. I understand.

Senator JACKSON. I am not for one moment sugesting that he is not qualified. From what I gather, you could not find a better qualified person. I am merely trying to suggest in making these nominations, it is probably a good idea to give wide publicity about what you intend to do, so no one can come along later and say that it was rushed through without notice.

* * * * *

Senator JACKSON. Some of them had their own choices to suggest, but as far as any opposition is concerned, it was nil. I am merely doing this to try to help you, because I might make the observation that it is not a very smart thing to nominate a person—I believe his nomination is just being made public today—and to have a hearing and ask for a confirmation all in the same day. In this case, I will not object, but with the Bureau of Mines matter coming up, I will have to object. I merely want to make that suggestion for your own benefit.

* * * * *

Senator JACKSON. I am merely making this for the record. As I say, this is entirely unrelated to Mr. Emmons. I am just making it as a matter of procedure, because I do not think it is always the wisest thing to do, because this office has been vacant since January 20.

Further along in the hearings Senator JACKSON said:

Senator JACKSON. We had a situation not very long ago on these appointments in which I think we did the Department of the Interior a favor, although it was just by accident that we brought out certain information.

He was evidently referring to the Lyon nomination.

We have before us today a man of very fine reputation, from all that I know about him. I am not raising the question as a personal matter at all. I am raising the question as a procedural matter. It is a matter that should be of help to the Department of the Interior to avoid what might be unfair criticism, but nevertheless it can be justified as long as time factors are not given appropriate consideration.

Mr. LEWIS. If I may add something that I believe will be helpful there, from the number of communications that I had received within the last couple of weeks on the subject of Mr. Emmons' appointment, both pro and con, it never occurred to me that people did not know pretty well about it, despite the fact that there had not been a public announcement. I have had telegrams and letters, one after the other, that have come in during that period of time, from varying sections of the country, from South Dakota, from Oklahoma, from the Far West, and from New Mexico.

Senator SMATHERS. Have you had any from the Seminole Indians in Florida?

Mr. LEWIS. Not in this last batch, I believe.

Senator SMATHERS. Did you have any in the first batch? Have you had any from the Seminole Indians?

Mr. LEWIS. Yes; there were some representatives of the Seminole Indians very early in the game, when I first got here.

Senator SMATHERS. Did they approve of the nomination of this man as Indian Commissioner?

Mr. LEWIS. I haven't the slightest idea.

Mr. Lewis is advocating the confirmation of a man, and yet when the distinguished Senator from Florida asks him whether the Indians of Florida are in favor of the nomination, he says, "I haven't the slightest idea," although he had interviewed 125 groups of Indians. I continue to read from the hearings:

Mr. BUTLER of Nebraska. Mr. President, will the Senator yield?

Mr. LANGER. I would like to finish reading the testimony.

Mr. BUTLER of Nebraska. I wonder whether the Senator would yield for a question.

Mr. LANGER. I yield.

Mr. BUTLER of Nebraska. I merely want to ask a very short question, and I do not desire to start any lengthy argument. I wondered whether the implication of the remarks the Senator from North Dakota has read is that it would be physically possible to satisfy the representatives of 125 tribes.

Mr. LANGER. I want to say to my distinguished friend that that is not the question at all. I do not care whether the nominee satisfied one Indian tribe or every Indian in the United States of America. The question is that we in the Senate are called upon to confirm a nomination without knowing anything about the nominee. We are entitled to have a hearing held. The distinguished Senator from Nebraska may feel that Mr. Emmons is the finest man in America. Perhaps a man who never saw an Indian in his life is the finest man in America. That is not the question. I say every Senator is entitled to be notified of a hearing to be held on a nomination to an office, the incumbent of which is going to handle millions of dollars. That is the question. That is the only reason the Senator from North Dakota is on his feet at the moment.

Mr. BUTLER of Nebraska. I was going to ask if the distinguished acting majority leader had told the Senator from North Dakota that a hearing was going to be held.

Mr. LANGER. The distinguished Senator notified me yesterday, and I am deeply gratified.

In all fairness to Mr. Lewis it should be stated that he has been in office for only 4 or 5 months. I am satisfied that Mr. Lewis, not knowing the procedure generally followed in the Senate before nominations are confirmed, did not realize the importance of notifying Senators in whose States there are Indian tribes and who might be interested in having a hearing, or in a public announcement that a hearing would be held.

I desire to continue reading from the hearing which was held, to show the good faith of the Senator from North Dakota. I might say that after the hearing is held on Tuesday the Senator from North Dakota will likely vote for the confirmation of the nomination. There is nothing personal in the matter at all. I want my friend from Nebraska to know that. Before the distinguished Senator from Nebraska came into the Chamber I explained very carefully that there are numerous Indian tribes in North Dakota, and four Indian reservations. Those Indian tribes want to know something about the man who is to be the Indian Commissioner. They look to the junior and senior Senators from North Dakota to find out whether the nominee believes in the policies of the Indian Bureau. For example, I read from the United States Government Organization Manual, which states that when the Indian Bureau was organized in 1824, more than 125 years ago, the purpose of it was to emancipate the Indians, among other things, and to gradually abolish the Bureau.

Certainly the Indians are entitled to have their representatives find out what the attitude of Mr. Emmons is toward abolishing the Indian Bureau.

Mr. BUTLER of Nebraska. It is the impression of the Senator from Nebraska that the answer is in the hearings from which the Senator from North Dakota has been reading, given in response to a question which was asked of Mr. Emmons.

Mr. LANGER. That is correct. However I am dealing with one subject now, I may say to my distinguished friend, and that is the procedural matter of a public announcement and Senators being notified and given an opportunity to ask questions.

In the Judiciary Committee, when a man is nominated for a position, such as for Attorney General, marshal, or judge, as the Senator from Nebraska well knows, notice of a hearing is placed in the CONGRESSIONAL RECORD. There must be a notice of at least 7 days. Anyone who is interested has 7 days in which to communicate with anyone he wants to in the particular locality involved, and anyone may come before the committee and be heard.

I have read from the testimony that the Senator from Washington [Mr. JACKSON] called the attention of the committee to the fact that Mr. Emmons was nominated in the morning and that he was up for confirmation in the afternoon of the same day. I want to read further from the testimony:

Senator MALONE. I have listened attentively, and I am perfectly astisfied with the answers given to Senator WATKINS, but the

answers, too, have that all-familiar ring. Everyone wants to prepare them for citizenship, and whenever they are prepared for citizenship we will turn them loose. But the more they get into the preparation, the more they get interested in preparing themselves, and when this administration, whatever it was for the last 25 years, goes out of office, they are less prepared than they were before.

In other words, for 50 years we have built up an Indian Bureau and forgot all about the Indians. Now it is costing the Government about $100 million a year.

The Senator from Nevada [Mr. MALONE] continued—and I particularly wish to call to the attention of my colleagues on the floor of the Senate the fact that we are not dealing with a small thing:

For 50 years we have built up an Indian Bureau and forgot all about the Indians. Now it is costing the Government about $100 million a year. Fifteen years ago it was $10 million.

In other words, during the last 15 years the cost of the Indian Bureau has risen from $10 million a year to $100 million a year.

I read further from the statement of the Senator from Nevada:

The Indians are not as well off or as near citizenship, most of them, as they were 15 years ago.

Mr. President, I may say that one reason why I became so vitally interested was that I asked the chairman of the Committee on Post Office and Civil Service about this matter. I discovered that when John Collier became Commissioner of the Indian Bureau, under President Roosevelt, there were 230,000 Indians enrolled. Mr. Collier wanted to build up a large agency or organization, so he looked around to find a great many more Indians. Believe it or not, Mr. President, he discovered a sufficient number of other Indians to make a total of 400,000. Where did he get them? Mr. President, he included college graduates of Harvard, Yale, and Columbia. He found more than 2,000 Indians in New York City. He found several thousand more Indians in St. Paul, Minn. He went all over the United States and increased the number of Indian enrolled with the Indian Bureau from 230,000 to 400,000.

Then some members of the Senate committee commenced to question. We said, "Surely in 120 years some of these Indians must have become sufficiently educated to be removed from the rolls."

Mr. Collier's first assistant, William A. Zimmerman, testified that, in his opinion, 10 tribes at that moment were ready to be taken off the rolls of the Indian Bureau and were capable of handling their own property.

I was not satisfied with that. I visited the Navaho Indians and spent a week there at my own expense. Then I went to California and investigated the situation among the Indians of the Martinez-Torres Tribe, at Palm Springs—one of the most pathetic tribes in America.

Mr. President, I now read from page 27 of the transcript, where we find further the remarks of the Senator from Nevada [Mr. MALONE], when he interrogated Mr. Emmons. What the Senator from Nevada said on that occasion is, in my opinion, correct:

I do know a lot of Indians and on the average they are as intelligent as anyone else, but after you browbeat them on a reservation from the time they can understand what you are doing until they are 25 years old they lose all hope.

I introduced a bill on two different occasions—and I intend to introduce it again before the end of the session—that would simply make the Indians people, just like the Irish. There would not be any difference at all.

Mr. KERR. Mr. President, will the Senator from North Dakota yield to me?

Mr. LANGER. I yield.

Mr. KERR. Would the distinguished Senator from North Dakota do what he could to prevent that occurrence?

Mr. LANGER. I beg the Senator's pardon; I did not quite understand him.

Mr. KERR. Would the Senator from North Dakota do what he could, personally, to prevent that occurrence?

Mr. LANGER. I am quoting the Senator from Nevada [Mr. MALONE].

Mr. KERR. I understand, but I am seeking the aid of the Senator from North Dakota.

Mr. LANGER. At the present time I have no opinion on these matters. I am dealing solely and exclusively with the statements made at the hearing by the Senator from Washington [Mr. JACKSON], the Senator from Utah [Mr. WATKINS], and the Senator from Nevada [Mr. MALONE].

As I have said, personally I have no interest in the nomination of Mr. Emmons, so far as he personally is concerned. After the hearing on Tuesday, it is very likely that I shall vote in favor of confirmation of his nomination; it is just as likely that I shall do that, as it is that I shall vote against the confirmation of his nomination. My interest in this matter is purely regarding the procedural one of having notice given.

Mr. KERR. I have no knowledge of any difference or if there is any but the Senator from North Dakota spoke of the differences between the Indians and the Irish people, and just in case of the possibility that the Senator was correct, I was seeking to enlist his support in maintaining the differences, if they exist.

Mr. LANGER. Let me say that I believe the Indians are just as competent to manage their own affairs as is the distinguished Senator from Oklahoma or the Senator from North Dakota or any other Member of the Senate.

Mr. KERR. I should like entirely to agree with the Senator from North Dakota not only that some Indians and some Irish are just as capable but that I think all of them are as capable as I and I want to extend the application to any other Senator——

Mr. LANGER. Mr. President, I do not yield further at this time; I wish to complete what I had begun to say.

Mr. KERR. Very well.

Mr. LANGER. Mr. President, the Senator from Nevada further said—and I wish to have the distinguished Senator from Oklahoma listen to this very carefully:

We had one (Indian) from Kansas, Vice President Curtis, a fellow good enough to be Vice President of the United States, but the Indian Bureau settled his estate. They did not think he knew enough to do it.

Any time you are one-sixty-fourth Indian, you are still an Indian and you are still subject to regulation.

Mr. President, I submit that Vice President Curtis, of the United States, had just as much ability as does any Member of the Senate.

Let me state, in that connection, that I understand that the distinguished senior Senator from Nebraska [Mr. BUTLER] is partly a Cherokee Indian, himself. Certainly he would not want someone from the Indian Bureau to settle his estate, after he dies.

Mr. BUTLER of Nebraska. Of course I would not.

Mr. LANGER. Yet under the Indian Bureau regulations, that is the situation.

Mr. CASE. Mr. President, will the Senator from North Dakota yield to me?

Mr. LANGER. I yield.

Mr. CASE. The illustration the Senator from North Dakota has given reminds me of the experience of Sam Charger, a very outstanding member of the Sioux Tribe, on the Cheyenne River Reservation, in South Dakota. For approximately 20 years he was employed as a farmer, and in that capacity he had the responsibility of recommending to the Indian Office, from time to time, that other Indians be issued patents in fee on land. Sam Charger had that responsibility. He was a very able man. He made those recommendations to the Indian Bureau for approximately 20 years. But after he retired, and when he wanted a patent for a piece of land for himself, he could not obtain it, because the Indian Bureau decided that he was not competent to manage his own affairs, although for over 20 years he had managed the affairs of other Indians for the Indian Bureau.

Mr. LANGER. I thank the Senator from South Dakota.

Mr. President, I ask unanimous consent that further excerpts from the remarks of the Senator from Nevada [Mr. MALONE] at the hearing may be printed at this point in the RECORD, as a part of my remarks.

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

Senator MALONE. I have listened attentively, and I am perfectly satisfied with the answers given to Senator WATKINS, but the answers, too, have that all-familiar ring. Every one wants to prepare them for citizenship, and whenever they are prepared for citizenship we will turn them loose. But the more they get into the preparation, the more they get interested in preparing them; and when this administration, whatever it was for the last 25 years, goes out of office, they are less prepared than they were before.

In other words, for 50 years we have built up an Indian Bureau and forgot all about the Indians. Now it is costing the Government about $100 million a year. Fifteen years ago it was $10 million. The Indians are not as well off or as near citizenship, most of them, as they were 15 years ago.

I do know a lot of Indians, and on the average they are as intelligent as anyone else, but after you browbeat them on a reservation from the time they can understand what you are doing until they are 25 years old, they lose all hope.

I introduced a bill on two different occasions and I intend to introduce it again before the end of the session, that would simply make the Indians people, just like the Irish. There would not be any difference at all.

I would hate to have the Indian Bureau go through with their attitude toward the Irish race and put all of them on a reservation that they did not consider were able to take care of themselves.

Senator JACKSON. Following the Irish theme, are you going to divide them, north and south?

Senator MALONE. When you free the Indians, the Indian Bureau runs out of a job.

Mr. EMMONS. That is right.

Senator MALONE. Not the top. They know they are going to lose their jobs anyway when the administration changes. But the first and second and third layers in there have never been reconciled to the idea that an Indian could ever get loose. You do not know now perhaps—maybe you do—that they never turn loose of an Indian voluntarily. We had one from Kansas, Vice President Curtis, a fellow good enough to be Vice President of the United States, but the Indian Bureau settled his estate. They did not think he knew enough to do it.

Any time you are one sixty-fourth of an Indian, you are still an Indian and you are still subject to regulation.

I am not thinking of the men and women 35 or 40 years old. You are not going to help anybody after they are that old. They are ingrained and browbeaten to the point they are not going to come back. I am thinking of these kids 5 or 6 years old, playing with the white boys and girls; and when they are 7, 8, or 9 years old, somebody points a finger at them and tells them they are an Indian, and that is the beginning of the end.

You are not going to do any good, in my humble opinion, in the Indian Bureau in job training, as such, if you turn them loose and let them go to the schools and let them go to high school with the white folks.

I made a commencement address at Vernon, Nev., where there were about 8 or 10 Indian boys and girls graduating from that high school, the finest people you ever saw. They have been allowing them to go to the high school there. It is nice to have all these good feelings, and then let this first, second, and third layer of your Bureau up there prevail on you, when you get there, that these people, if they get out, somebody is going to take their property away from them and we cannot afford to do that.

Senator JACKSON. Will the Senator yield at that point for a question?

Senator MALONE. I want to finish that one statement.

They took my property away from me 3 or 4 times, but they did not put me on a reservation, so I do not think that is any reason for not turning them loose.

Senator JACKSON. I want to say in the State of Washington we do not have any Indian schools. They all go to our public schools. They are no problem. I think that is a good thing wherever you can do it.

There are some areas where there are so many Indians so far away that you have only Indian children to go to school, and, of course, you have to have an Indian school. But we have had no trouble in the State of Washington, and they have been absorbed right into our public school system. It has worked out very well.

Senator MALONE. Of course, that is true. My point is this: Do not congregate them in a reservation and hope to bring them out of this thing. If we owe them any more than the reservation, have hearings and give them that, and if we owe them anything else, give it to them. As long as we keep the Japanese, Chinese, Indians, or Irish, or anybody else, congregated together, and they talk their own language, and you teach them what they call folklore, or whatever it is, to make blankets or to make something else for which there is no market, they never can have a standard of living.

I just wanted to bring to your attention that everybody talks as you have, general statements, and they you get under the spell of "this great race of people who must not be turned loose until every one of them has a college education."

The way to get a man to take care of himself is to turn him loose and let him take care of himself. I do not think you are going anywhere until you do.

Mr. LANGER. Mr. President, for the fourth or fifth time, I desire to reiterate my statement that I have no interest in this matter. Yet I find, in the Washington Post of July 23, in big headlines, "LANGER Lied, Emmons Declares." Under that headline, the news item reads:

SANTA FE, N. MEX., July 22.—Charges raised yesterday in the Senate by Senator WILLIAM LANGER, Republican, North Dakota, are "the most astounding lies I have ever heard," Glenn L. Emmons, Indian Commissioner nominee, said today.

"I expected that Senator LANGER would continue in his view of untruths"—

Mr. President, I repeat, I have never met this man in my life. There would be no reason for my attacking him personally; and I am not doing so. The news item reads, further:

"But I never expected that he would stoop to such a lie as that."

The article then continues:

"It is significant," Emmons told the Santa Fe New Mexican, "that the Senator appended the phrase 'or didn't.' That will leave him something to hide behind when the charges are refuted."

Mr. President, what are we to think of a man nominated to a position which involves the handling of several billions of dollars' worth of property who, when a Senator, in the fulfillment of his sworn duty, rises on the floor of the Senate to say that in his opinion there should be a hearing on the nomination, since the appointee had been nominated in the morning and the nomination was reported in the afternoon, immediately attacks the Senator? I say a man who would do that would very likely make similar charges against any other Senator who might happen to disagree with him, and would charge him with uttering untruths; or he might even attack similarly the President of the United States who appointed him.

I bring the matter to the attention of the Senate, and in doing so, I am glad to know that there is to be a hearing. I desire to thank the distinguished Senator from Nebraska for granting the hearing. I think it was the right thing to do. I hope the witnesses whom I have enumerated in my former statements on the floor will be summoned. I repeat, unless it is shown that there is something in the nominee's character which would render him unfit for the position of Commissioner of Indian Affairs, the senior Senator from North Dakota intends to vote for the confirmation of his nomination.

LEGISLATIVE SESSION

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

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

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

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, we have already had a unanimous-consent request for a morning hour, under the usual limitation of remarks to 2 minutes, which was agreed to. But I thought, for the benefit of Senators, I would like to outline the general program for the next few days, as the situation now shapes up. Today, previous to taking up the conference report on the independent offices appropriation bill there are several bills to be considered. The first is Calendar No. 613, House bill 4152; then Calendar No. 583, House bill 2828, Calendar 622, Senate Joint Resolution 34, and Calendar No. 612, House bill 157.

On tomorrow, we propose to have a call of the calendar from the beginning, to be followed by the taking up of the customs simplification bill, the agricultural surplus relief bill, and then——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield at that point?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. I understand that two bills were reported from the Committee on Agriculture and Forestry regarding surpluses. Does the Senator plan to take up both of those bills?

Mr. KNOWLAND. No. I did not see the second one. One has been reported. I always want to have the report available to Senators before calling up a bill. If the report on the second bill is available, and is ready tomorrow, it might be taken up, conditions permitting.

Mr. JOHNSON of Texas. Does the Senator from California have information as to which of the two bills was reported?

Mr. KNOWLAND. I believe it was the emergency bill, which would limit the amount for overseas relief, recommended by the President, and would put a time limit of March 15 next year on it. I believe that is the measure which has been reported.

Mr. JOHNSON of Texas. The Senator is correct. That is the one which was reported. We are hoping to be able to report the other bill this afternoon.

Mr. KNOWLAND. In addition to that, I had planned to call up the District of Columbia appropriation bill tomorrow. The distinguished Senator from South Carolina [Mr. JOHNSTON] indicated that he might have to be away tomorrow, and that he had an amendment to propose to it. I am waiting the arrival of the senior Senator from Illinois [Mr. DOUGLAS] in the Chamber, and I then intend to address an inquiry to him and to other Senators. Under the rule, appropriation bills normally have to lie over for 3 days, but since we have given advance notice, and since the report has been printed and is available, I should like, when the senior Senator from Illinois arrives, to make a unani-

mous-consent request that the rule be waived, in order that the Senate may take up the bill either late this afternoon—if that meets with the wishes of the Senator from South Carolina, otherwise, on tomorrow—so we can move that bill out of the way and clear up our work for next week.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSTON of South Carolina. I should like to say that the consideration of my amendments will not require more than 5 or 10 minutes, unless there be discussion in opposition to them.

Mr. KNOWLAND. I do not wish to make the unanimous-consent request until the senior Senator from Illinois is present in the Chamber.

I should also like to invite the attention of Senators to the fact that, on the Executive Calendar, there are two treaties, on both of which the reports are available to each Senator, and may now be obtained. One of them has been available for some time, and the other is now available. I hope we may take up those treaties tomorrow, if we are able to dispose of the other business early enough. If not, I hope to take them up on Monday. One of the treaties involves a convention for the preservation of the halibut fishery and the other is a protocol to prolong the international agreement regarding the regulation and marketing of sugar.

On Monday, I propose to move to take up Calendar 632, Senate bill 1917, the emergency refugee bill; and I hope that by that time the conference report on the Continental Shelf bill will be available to the Senate for consideration.

Today, after concluding consideration of the bills I have mentioned, to reiterate, I shall then move to take up the conference report on the independent offices appropriation bill. I hope that by tomorrow at the latest, and possibly today, but more likely tomorrow, the Appropriations Committee will be able to report not only the mutual aid appropriation bill but also the remaining appropriation bills which are before the committee. One is the legislative bill, the other is a supplemental bill. If those are reported, I would then hope that the legislative bill might be taken up on Tuesday next, and, on Wednesday, we might take up the mutual aid appropriation bill, in order to clear the decks for adjournment by, I hope, midnight next Friday.

Mr. McCARRAN. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. I yield to the Senator from Nevada.

Mr. McCARRAN. I think the Senator from California mentioned Calendar No. 612, House bill 157, to provide that the tax on admissions shall not apply to moving-picture admissions.

Mr. KNOWLAND. That is correct.

Mr. McCARRAN. Would it be convenient to allow that bill to go over until Monday?

Mr. KNOWLAND. I may say to the distinguished Senator from Nevada, I have given notice now for several days regarding that bill. I should like to take it up today, because of the very heavy schedule we have for next week.

Mr. McCARRAN. I have offered an amendment, which was ordered to be printed and to lie on the table, and I have certain data I should like to present with reference to the amendment.

Mr. KNOWLAND. My plan had been to take up that bill as the last of the bills to be considered before we reach the conference report on the independent offices appropriation bill. If it would not inconvenience the distinguished Senator from Nevada too much, I may say that if we are going to try to work toward the target date for adjournment, we should clear the decks this week as much as possible. Pursuant to the suggestion of the Senator from Florida [Mr. SMATHERS], I intend this evening, when we complete our work, to move a recess until 10 o'clock tomorrow morning, hoping that we may be able to recess at an early hour tomorrow afternoon.

Mr. McCARRAN. It would accommodate the Senator from Nevada if Calendar 612, House bill 157, could be taken up late this afternoon, if possible.

Mr. KNOWLAND. I shall try to accommodate the Senator, and will do so as far as possible.

Mr. McCARRAN. I thank the Senator.

CHANGE OF DATE OF ANNUAL ASSESSMENT WORK ON MINING CLAIMS—CORRECTION

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

Mr. KNOWLAND. I yield to the Senator from South Dakota.

Mr. CASE. In view of the fact that the distinguished acting majority leader has announced that the calendar will be called tomorrow, I wonder whether it would be in order to ask unanimous consent to have the RECORD show the passage of Senate bill 2320. I understand it was actually passed on the last call of the calendar on July 18. Senate bill 2320 proposes to change the annual date for completing assessment work on mining claims from July 1 to October 1. I endeavored to look it up in the CONGRESSIONAL RECORD following the last call of the calendar. Nothing appeared in the RECORD, though my clerk advises me that the Journal shows that the bill was passed. The bill no longer appears on the calendar. I should like to enter a request, either that the bill may be restored to the calendar, so that it may be passed, or——

The PRESIDING OFFICER. The Chair will advise the Senator from South Dakota that the Journal shows that the bill was passed.

Mr. KNOWLAND. I think it is largely a matter of correcting the permanent RECORD, since the Journal shows that the bill was passed. Apparently the omission was through an inadvertence in the printing of the RECORD, rather than in a failure to pass the bill.

Mr. CASE. I should like the RECORD to show at this point, as it will, in view of the statement by the Chair, that the bill passed the Senate.

The Senator from South Dakota was very much interested in the bill. I was endeavoring to keep track of it for the benefit of one or more of my constituents who wanted me to send them copies of the RECORD showing consideration of the bill. I have been unable to do so. But with the statement of the Presiding Officer that the bill was passed, the Senator from South Dakota assumes that he may now so advise his constituents.

The PRESIDING OFFICER. The Chair will advise the Senator from South Dakota that the Chair has before him the House Calendar, which, on page 91, refers to Senate bill 2320, as follows:

Mining claims, annual assessment, change of date. Reported in Senate July 15, 1953; Interior and Insular Affairs; Report No. 585. Passed Senate July 18, 1953. Referred to Interior and Insular Affairs July 20, 1953.

Mr. CASE. Mr. President, I ask that the permanent RECORD may be corrected to show the passage of the bill as shown by the Senate Journal.

The PRESIDING OFFICER. The correction will be made.

EXECUTIVE COMMUNICATIONS, ETC.

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

ESTIMATES OF APPROPRIATION—EMERGENCY MIGRATION PROGRAM (S. DOC. NO. 67)

A communication from the President of the United States, transmitting estimates of appropriation, for the fiscal year 1954, in the amount of $4,465,000 to carry out the emergency migration program covered by either S. 1917 or H. R. 6397, bills now pending before the Congress (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT OF SECRETARY OF DEFENSE ON CERTAIN PUBLIC WORKS PROJECTS

A letter from the Deputy Secretary of Defense, transmitting, pursuant to law, a report, as of the close of the 82d Congress, listing all authorized military, naval, and air-force public works projects for the completion of which adequate funds have not been appropriated (with an accompanying report); to the Committee on Armed Services.

REPORT ON SANTA MARIA PROJECT, CALIFORNIA

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on the Santa Maria Project, California (with an accompanying report); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution adopted by the Sovereignty Preservation Council of Delaware, relating to individual rights under the treatymaking power; to the Committee on the Judiciary.

Three resolutions adopted by the Western States Land Commissioners Association, at Jackson, Wyo., relating to land grant colleges, the Taylor Grazing Act, and expeditious action on the lieu land selections (with an accompanying paper); to the Committee on Interior and Insular Affairs.

IMMUNITY UNDER FIFTH AMENDMENT OF CONSTITUTION—REPORT AND RESOLUTION OF NEW YORK BAR ASSOCIATION

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed in

the RECORD and appropriately referred, a report and resolution of the committee on civil rights of the New York Bar Association which was adopted unanimously by the association at its meeting of June 27.

The report and resolution deal with the constitutional privilege against self-incrimination guaranteed by the fifth amendment. Although the Senate has acted upon one phase of this matter, I feel that we must continue to study this problem. I want to commend the New York Bar Association for its pledge to educate the public on the importance of this great constitutional guaranty, and at the same time to discourage the improper use of the privilege against self-incrimination.

There being no objection, the report and resolution were referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

REPORT OF NEW YORK STATE BAR ASSOCIATION COMMITTEE ON CIVIL RIGHTS ON THE CONSTITUTIONAL PRIVILEGE AGAINST SELF-INCRIMINATION

Today the fifth amendment to the United States Constitution which provides that "no person * * * shall be compelled in any criminal case to be a witness against himself" has become a familiar headline in the daily press.

The long procession of witnesses in the ever-expanding investigations of subversion and crime by congressional and State bodies, who intone with deadly monotony "I stand on the fifth amendment," or "I decline to answer on the ground that it may incriminate me" has brought the constitutional privilege into popular disfavor and has caused even thoughtful citizens to question whether there is continued need for its preservation.

In addition to the fifth amendment to the United States Constitution, 46 States have incorporated this basic safeguard into their constitutions and the two remaining States, New Jersey and Iowa, protect the privilege by judicial decision.

The organized bar which is and should be the continuing champion of the rights and liberties of our people, generally believes that the constitutional protection against self-incrimination is a vital safeguard to freedom which has not lost its usefulness with the passage of time or possible abuse. Believing also that lack of understanding as to the extent and meaning of the constitutional protection may lead to abuse, we think it important to review and clarify its history, purposes, and the policy it represents.

The protection against self-incrimination embodied in the fifth amendment of our Constitution has an ancient history, developing from the 16th century Court of Star Chamber in England where a victim was interrogated in order to draw charges against him. The Star Chamber Court was denounced in 1637 in the famous Lilburn trial when Lilburn refused to take the oath and testify. Thereafter, in 1641, England abolished the Star Chamber proceedings and the privilege against self-incrimination became a right gradually recognized by the common law courts in England.

Although in the United States there were no similar conditions leading to the adoption of the privilege against self-incrimination in the English common law, in response to overwhelming popular demand the privilege against self-incrimination was written into the Bill of Rights of our Constitution proposed at the 1st session of the American Congress on September 25, 1789.

In 1807, the privilege was upheld by Chief Justice Marshall of the United States Supreme Court at the trial of Aaron Burr for treason, and the great Chief Justice said:

"It is the province of the court to judge whether any direct answer to the question which may be proposed will furnish evidence against the witness. If such answer may disclose a fact which forms a necessary and essential link in the chain of testimony, which would be sufficient to convict him of any crime, he is not bound to answer it so as to furnish matter for that conviction. In such a case, the witness must himself judge what his answer will be: and if he says on oath that he cannot answer without accusing himself, he cannot be compelled to answer."

In providing that no person shall be compelled in a criminal case to be a witness against himself, the witness has the option to refuse to testify either in a judicial trial or before an official governmental body. However this does not prohibit a congressional committee from inquiring.

A witness may not avoid disclosing facts involving disgrace (rather than criminality). The privilege against self-incrimination does not exist unless claimed, and there must be a real basis for the claim. The privilege is personal to the witness, who may not refuse to answer on the ground that the answer would incriminate someone else.

Under certain circumstances the privilege does not come into being: (1) where testimony relates to a crime for which the witness is immune from prosecution, as where the statute of limitations has barred prosecution, (2) where immunity has been accorded the witness, and (3) where the witness testifies without claim of privilege, thereby waiving his constitutional right.

Under our system of law, no man is guilty until proved to be so by competent evidence. No man, it is felt under a humane system of justice, need aid in his own conviction. The burden is on the prosecution both to establish guilt and obtain the evidence necessary for that purpose. It may well be that some guilty persons escape or the claim of privilege requires greater effort on the part of the prosecution. The same might be said with equal accuracy about many other procedural safeguards which we regard as among the most precious. We do not here pass on the problem of legislative encroachment on executive powers or judicial functions, despite the facts that the courts have consistently dismissed Congressional contempt citations based on the witnesses' proper claim of fifth amendment privilege.

Nor do we here consider the vital problem of the individual called upon to testify before a Federal body on matters which may incriminate him under State law, or one whose fate is precisely the opposite. In neither case, under general law, does the witness receive any constitutional protection, although under our Federal system, we have not only separate but dual jurisdictions, each operating in the same physical territory. As was observed by the United States Court of Appeals for the Fifth Circuit:

"It appears as futile * * * to expect an individual to feel that his constitutional privilege has been safeguarded because the penitentiary into which his answer may land him is under the supervision of the State instead of the Federal Government."

Nor do we deal here with the very vital question of whether a congressional or State legislative committee should be permitted to grant immunity to a witness whose information the committee deems vital to its inquiry, but which is withheld through the witness' claim of the privilege. The danger of carelessness or abuse of this power by indiscriminate grants of immunity may present a far greater threat to the orderly administration of criminal justice than the possible abuse of the privilege by some individual.

1. *Marcello* v. *United States* (196 F. 2d 437, 442 (5th Cir. 1952)).

CONCLUSION

Your committee recommends the following resolution for adoption by the New York State Bar Association:

"Resolved by the New York State Bar Association as follows, That the constitutional privilege against self-incrimination continues to be a vital safeguard of individual freedom and the bar should educate the public as to its importance and discourage both those who would restrict its application and those who would abuse it by asserting it improperly; and be it further

"Resolved, That the New York State Bar Association urges Congress to make a study of the whole problem of the privilege against self-incrimination and the corresponding immunity statutes with a view to recommending to Congress a comprehensive program of legislation which would preserve and effectuate the principle of individual freedom as guaranteed by the privilege against self-incrimination, on the one hand, and the needs of society for the discovery and punishment of crime and subversion on the other."

Respectfully submitted.

Louis Waldman, Chairman; Samuel C. Duberstein, Daniel J. Dugan, Joseph P. Fogarty, Arthur K. Garfinkel, Eugene C. Gerhart, William J. Mackay, Clifford B. Marshall, George McKinley, Arnold T. Olena, Charles B. Seton, Whitney North Seymour, Florence P. Shientag, Myron Sulzberger, Jr.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. AIKEN, from the Committee on Agriculture and Forestry:

S. 2249. A bill to authorize the Commodity Credit Corporation to make agricultural commodities owned by it available to the President for the purpose of enabling the President to assist in meeting famine or other urgent relief requirements in countries friendly to the United States; with amendments (Rept. No. 631).

By Mr. MILLIKIN, from the Committee on Finance:

H. R. 5877. A bill to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes; with amendments (Rept. No. 632);

H. R. 3884. A bill to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines; without amendment (Rept. No. 637);

H. R. 5303. A bill to amend sections 1606 and 1607 of the Internal Revenue Code in order to permit unemployment insurance coverage under State unemployment compensation laws for seamen employed on certain vessels operated by the United States; without amendment (Rept. No. 633);

H. R. 5636. A bill to amend veterans' regulations to establish for persons who served in the Armed Forces during World War II a further presumption of service connection for tuberculosis other than pulmonary; without amendment (Rept. No. 634);

H. J. Res. 293. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Washington State Third International Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes; without amendment (Rept. No. 635); and

H. R. 5148. A bill to continue until the close of June 30, 1954, the suspension of duties and import taxes on metal scrap, and

for other purposes; with an amendment (Rept. No. 636).

By Mr. BUTLER of Nebraska, from the Committee on Interior and Insular Affairs:

S. J. Res. 98. Joint resolution authorizing and directing the Secretary of the Interior to liquidate the Puerto Rico Reconstruction Administration; with amendments (Rept. No. 639).

By Mr. CARLSON, from the Committee on Post Office and Civil Service:

S. 2348. A bill to repeal the act entitled "An act to authorize the Director of the Census to collect and publish statistics of redcedar shingles"; without amendment (Rept. No. 640).

By Mr. POTTER, from the Committee on Interstate and Foreign Commerce:

S. 2408. A bill to amend the Merchant Marine Act, 1936, to provide a national defense reserve of tankers and to promote the construction of new tankers, and for other purposes; without amendment (Rept. No. 641).

FRED P. HINES—REPORT OF A COMMITTEE

Mr. LANGER, from the Committee on the Judiciary, to which was referred the bill (S. 152) for the relief of Fred P. Hines, together with the message from the President of the United States, returning the bill without his approval, reported the bill with the recommendation that it do pass, the objections of the President notwithstanding, and submitted a report (No. 638) thereon.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 24, 1953, he presented to the President of the United States the enrolled bill (S. 2078) to provide for the orderly transaction of the public business in the event of the death, incapacity, or separation from office of a disbursing officer of the military department.

BILLS INTRODUCED

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

By Mr. KILGORE:

S. 2465. A bill for the relief of Lydia Wickenfeld Butz; to the Committee on the Judiciary.

By Mr. HUNT:

S. 2466. A bill to preserve the eligibility of certain veterans to dental outpatient care and dental appliances; to the Committee on Labor and Public Welfare.

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

By Mr. THYE:

S. 2467. A bill to confer jurisdiction on the States of California, Minnesota, Nebraska, Oregon, and Wisconsin, with respect to criminal offenses and civil causes of action committed or arising on Indian reservations within such States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WELKER (for Mr. BRIDGES):

S. 2468. A bill to authorize the President to appoint to the grade of general in the Army of the United States those officers who, in grade of lieutenant general, during World War II commanded the Army ground forces, commanded an army, or commanded Army forces which included a field army and supporting units, and for other purposes; to the Committee on Armed Services.

By Mr. MALONE:

S. 2469. A bill for the relief of Francisco Vasquez-Dopazo (Frank Vasquez); to the Committee on the Judiciary.

By Mr. SALTONSTALL (by request):

S. 2470. A bill to authorize the transfer to the Government of Japan of certain military equipment, and for other purposes; to the Committee on Armed Services.

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

By Mr. KENNEDY:

S. 2471. A bill to amend the act of June 30, 1936 (the Walsh-Healey Act); to the Committee on Labor and Public Welfare.

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

By Mr. MALONE:

S. 2472. A bill for the relief of the city of Las Vegas, Nev.; to the Committee on Government Operations.

By Mr. KNOWLAND (for himself, Mr. TAFT, Mr. BUSH, Mr. POTTER, and Mr. FERGUSON):

S. 2473. A bill to provide for payments by the Federal Government to States or local taxing units adversely affected by Federal acquisition, ownership, or use of defense production facilities, to provide for the taxation of certain Federal properties, and for other purposes; to the Committee on Government Operations.

By Mr. LEHMAN (for himself and Mr. IVES):

S. 2474. A bill to authorize the coinage of 50-cent pieces to commemorate the tercentennial of the foundation of the city of New York; to the Committee on Banking and Currency.

By Mr. SCHOEPPEL (for himself, Mr. ANDERSON, Mr. CLEMENTS, Mr. EASTLAND, Mr. HOEY, Mr. JOHNSTON of South Carolina, Mr. MUNDT, Mr. AIKEN, Mr. THYE, Mr. WELKER, and Mr. YOUNG):

S. 2475. A bill to authorize the President to use agricultural commodities to improve the foreign relations of the United States and for other purposes; to the Committee on Agriculture and Forestry.

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

By Mr. DIRKSEN:

S. 2476. A bill to establish a postal ratemaking procedure in the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. DIRKSEN (for himself, Mr. HENDRICKSON, Mr. IVES, and Mr. SMITH of New Jersey):

S. 2477. A bill to amend the Trading With the Enemy Act, as amended, and for other purposes; to the Committee on the Judiciary.

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

DENTAL OUTPATIENT CARE AND DENTAL APPLIANCES FOR CERTAIN VETERANS

Mr. HUNT. Mr. President, I introduce for appropriate reference a bill designed to preserve the eligibility of certain veterans to dental outpatient care and dental appliances.

Unfortunately, an amendment to the appropriation bill for independent executive departments on the floor of the House, modified slightly in the Senate by Senate amendments which did not prevail in conference, deprives some 300,000 veterans from receiving dental care to which they are entitled under previous legislation. These 300,000 veterans have individually been advised that their dental work was the function and duty of the Veterans' Administration and when and if moneys were available the work would proceed.

To my way of thinking, we have reneged on our obligations to these veterans. My bill is for the purpose of carrying out the promises made to these veterans by previous authorizations on the part of the Congress.

I, too, believe in economy, but do not think we should accomplish economy by failing to live up to commitments made to and received in good faith by veterans.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2466) to preserve the eligibility of certain veterans to dental outpatient care and dental appliances, introduced by Mr. HUNT, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

TRANSFER OF CERTAIN MILITARY EQUIPMENT TO JAPAN

Mr. SALTONSTALL. Mr. President, I introduce for appropriate reference a bill recommended by the Department of Defense to authorize the transfer to the Government of Japan of certain military equipment, and for other purposes.

I ask that the accompanying letter of transmittal explaining the purpose of the bill be printed in the RECORD immediately following the listing of the bill.

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

The bill (S. 2470) to authorize the transfer to the Government of Japan of certain military equipment, and for other purposes, introduced by Mr. SALTONSTALL, by request, was received, read twice by its title, and referred to the Committee on Armed Services.

The letter accompanying Senate bill 2470 is as follows:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, July 16, 1953.

Hon. LEVERETT SALTONSTALL,
Chairman, Committee on Armed Services, United States Senate.

DEAR MR. CHAIRMAN: There is forwarded herewith a draft of legislation "to authorize the transfer to the Government of Japan certain military equipment, and for other purposes."

This proposal is a part of the Department of Defense legislative program for 1953, and the Bureau of the Budget has advised that it has no objection to the submission of the proposal for the consideration of the Congress. The Department of Defense recommends that it be enacted by the Congress.

PURPOSE OF THE LEGISLATION

This proposal is designed to provide statutory authority for the transfer to the Government of Japan, without reimbursement, of United States military equipment

at such times as may be determined by the President. This proposed legislation, in addition, is so phrased that the President may use the authority to transfer the equipment as a part of any overall financial settlement that may be proposed in the future between the country concerned and the United States.

The Security Treaty between the United States and Japan, under which United States forces are maintained in Japan, contemplates the increased assumption by Japan of responsibility for its own defense. Japanese security forces have been using equipment loaned by the United States for training purposes. The object of the proposed legislation is to permit the transfer of equipment to the Japanese Government, in accordance with mutually acceptable arrangements which may be worked out between the two Governments.

Under the words "procured prior to July 1, 1953," in the proposal, it is intended that any military equipment and supplies currently in the possession of the Department of Defense which were purchased with appropriated funds prior to July 1, 1953, could be transferred, and any military equipment and supplies not yet delivered but which were contracted for prior to July 1, 1953, and for which funds were obligated prior to July 1, 1953, could also be transferred.

Because this proposal involves military programs and plans, it is requested that the Department of Defense be permitted to present the justification of this legislation by testimony to be given before the appropriate committees of the Congress in executive session.

COST AND BUDGET DATA

This transfer will not include any grants of money but of assets already procured.

DEPARTMENT OF DEFENSE ACTION AGENCY

The Department of the Army has been designated as the representative of the Department of Defense for this legislation.

Sincerely yours,

JOHN G. ADAMS,
Acting General Counsel.

CLARIFYING AMENDMENTS TO WALSH-HEALEY PUBLIC CONTRACTS ACT

Mr. KENNEDY. Mr. President, I introduce for appropriate reference a bill to amend the act of June 30, 1936—the Walsh-Healey Act. I ask unanimous consent that a statement by me relating to the bill be printed in the RECORD.

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

The bill (S. 2471) to amend the act of June 30, 1936—the Walsh-Healey Act—introduced by Mr. KENNEDY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The statement by Senator KENNEDY is as follows:

STATEMENT BY SENATOR KENNEDY

I have today introduced a bill providing for several clarifying amendments to the Walsh-Healey Public Contracts Act.

The Senator from Maine [Mr. PAYNE] and the Senator from Rhode Island [Mr. GREEN] have also introduced legislation which I have supported to expedite proceedings under this act, and it is my understanding that consideration is to be given this legislation at an early date by the Senate Committee on Labor and Public Welfare. The purpose of my bill is to supplement their bills and to give to the committee an opportunity to consider the various changes needed to expedite Walsh-Healey proceedings.

I have previously pointed out to the Senate that a strong and effective Walsh-Healey Act was an important step in the achievement of a strong national economy without undesirable industry dislocation. The purpose of this amendment is to clarify the definition of certain key terms used in the act in order to bolster the present, and I believe proper, administrative interpretation of those terms. Secondly, this bill attempts to meet one of the most frequent complaints about the Walsh-Healey Act; namely, the lag between wage levels and administrative findings. Under this bill, the Secretary of Labor is called upon to make such redeterminations from time to time as are necessary to reflect with reasonable accuracy prevailing minimum wages, and the procedures for periodical reviews of existing wage determinations are spelled out.

Business and labor groups in New England—including the New England Council's annual tabulation of business leaders and the report of the New England Governors' committee on the textile industry—as well as other organizations and individuals in all parts of the country have recognized the need for improving the Walsh-Healey Act. This act is an important foundation of our labor-standards legislation, necessary to protect fair-minded employers in all parts of the country from depressed wage competition.

USE OF AGRICULTURAL COMMODITIES TO IMPROVE THE FOREIGN RELATIONS OF THE UNITED STATES

Mr. SCHOEPPEL. Mr. President, on behalf of myself, the Senator from New Mexico [Mr. ANDERSON], the Senator from Kentucky [Mr. CLEMENTS], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolna [Mr. HOEY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from South Dakota [Mr. MUNDT], the Senator from Vermont [Mr. AIKEN], the Senator from Minnesota [Mr. THYE], the Senator from Idaho [Mr. WELKER], and the Senator from North Dakota [Mr. YOUNG], I introduce for appropriate reference, a bill to authorize the President to use agricultural commodities to improve the foreign relations of the United States and for other purposes.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States and for other purposes, introduced by Mr. SCHOEPPEL (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Subsequently,

Mr. SCHOEPPEL, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, reported it favorably, without amendment, and submitted a report (No. 642) thereon.

AMENDMENT OF TRADING WITH THE ENEMY ACT, AS AMENDED

Mr. DIRKSEN. Mr. President, on behalf of myself, the junior Senator from New Jersey [Mr. HENDRICKSON], the Senator from New York [Mr. IVES], and the senior Senator from New Jersey [Mr. SMITH], I introduce for appropriate reference a bill to amend the Trading With the Enemy Act, as amended, and for other purposes.

The Committee on the Judiciary held rather extended hearings on the whole question of alien property, and as a result of those hearings there has been contrived what might be called a package bill which reflects the results of a great variety of bills introduced by Members of the Senate.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2477) to amend the Trading With the Enemy Act, as amended, and for other purposes, introduced by Mr. DIRKSEN (for himself and other Senators), was received, read twice by its title and referred to the Committee on the Judiciary.

HOUSE BILL REFERRED

The bill (H. R. 4017) to provide for the conveyance of certain land and improvements to the England Special School District of the State of Arkansas, was read twice by its title, and referred to the Committee on Agriculture and Forestry.

CONSIDERATION OF NOMINATION OF ROBERT D. COE, TO BE AMBASSADOR TO DENMARK

Mr. WILEY. Mr. President, the White House sent to the Senate today the nomination of Robert D. Coe, of Wyoming, to be Ambassador of the United States to Denmark. I give notice that the nomination will be considered by the Committee on Foreign Relations, after 6 days have expired, in accordance with the committee rule.

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

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

By Mr. JOHNSON of Texas:

Article discussing the effects of the Texas drought, written by Charles Lucey, and published in the Fort Worth (Tex.) Press of July 20, 1953.

By Mr. CLEMENTS:

Article by Barry Bingham, published in the Louisville (Ky.) Courier-Journal of April 26, 1953, reporting on conditions in Vietnam.

Article by Barry Bingham published in the Louisville (Ky.) Courier-Journal of June 7, 1953, in the form of a report on Pakistan.

By Mr. WILEY:

Editorial from New York Times of July 24, 1953, and resolution of the Wisconsin Pipe Trade Association regarding the Bricker amendment.

Editorial entitled "Why This 'Bricker' Frenzy?" published in the Milwaukee Journal, and statement prepared by Senator WILEY entitled "The Fallacies of the Judiciary Committee's Majority Views on the Bricker Amendment."

By Mr. DIRKSEN:

Editorial entitled "Taking Them as They Are," published in the Christian Science Monitor on July 16, 1953, with reference to a report from a study group in France criticizing the French fiscal system and recommending severe curtailment of economic aid.

By Mr. POTTER:

Article entitled "New Orleans: Clean Port, Lower Costs," from the New Orleans Port Record.

An editorial headed "Merchant Shipping," published in the El Paso (Tex.) Times.

By Mr. KERR:

Editorial entitled "Social-Security Law Full of Holes," published in the North Star, of Oklahoma City, Okla.

By Mr. BUTLER of Maryland:

Article entitled "How To Grab 20 Acres for $1.25," relating to Federal lands subject to mining laws, published in a recent edition of the Reader's Digest.

Editorial entitled "Downward Trend in a Mighty Fleet," published in the Baltimore Sun of July 24, 1953, discussing the American merchant marine.

Article entitled "Equal Rights Fight Is On," published in the New York Times of July 19, 1953, relative to the proposed equal rights amendment to the Constitution; and letter addressed to him by Hazel Palmer, under date of July 17, 1953, on the subject of equal rights for men and women, which will appear hereafter in the Appendix.

Article entitled "State Prepares To Lift Peace Cross Roads; AAA Demands Action"; and editorial entitled "Where Droughts Are Welcome," published in the Washington Evening Star of July 23, 1953.

By Mr. SPARKMAN:

Article entitled, "Can Boswell Win His Sixth Title," written by Ali Van Hoose and published in the magazine section of the Birmingham News of last Sunday.

Article entitled, "Hi Neighbor," written by Steele McGrew, dealing with the TVA.

Letter written by Mr. C. D. Boartfield, of Huntsville, Ala., on the subject of the Tennessee Valley Authority.

By Mr. KEFAUVER:

Editorial entitled, "The Bricker Amendment Again," published in the New York Herald Tribune of July 7, 1953.

A statement prepared by him on the 20-percent excise tax on moving-picture admissions.

THE CHIEF GOES WEST—DEATH OF BEN DWIGHT

Mr. KERR. Mr. President, I wish to pay tribute to the memory of one of Oklahoma's finest sons. For many years Ben Dwight was one of my most trusted and devoted friends. He passed away a few nights ago. He will long be missed by thousands of Oklahomans who knew and cherished and trusted him.

I have expressed my sense of deep loss and regret in a brief statement which I ask to have printed in the RECORD as a part of my remarks.

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

THE CHIEF GOES WEST

Down the long trail of his fathers, out of the midnight of death into the light of an eternal dawn, his gallant spirit moves aloft.

He had known for many moons that he must go, but he was unafraid. He spent his time making plans for others with an abiding faith that the great chief of all would care for him.

He trusted the white man's God, knowing he could do so without forsaking his own.

He never appeased an enemy, or failed a friend—yet he did not hate the one, nor impose upon the other.

Ben Dwight was a blessing to all—a burden to none. As he remembered and cherished the virtues of his friends, so shall his virtues never be forgotten by so many who knew and loved him.

He honored the highest precepts and traditions of his Indian forebears while adopting and enhancing his white brothers' finest way of life.

The Choctaws exalted him as one of their noblest chiefs—white men approved and welcomed his leadership with highest respect.

Now he is gone. No more will we see his face, or hear his voice around the council fires. His feet have sped across the wide river, over the great prairies. His soul has soared beyond the purple mountains.

A chief he lived, a chief he died. A chief he will ever be—to inspire in us a greater faith—a finer courage—a nobler aim.

Strive as we will, we cannot hope to do more.

SALE OF INLAND WATERWAYS CORPORATION TO THE FEDERAL WATERWAYS CORP. OF DELAWARE

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared in connection with the sale of the Commerce Department's Inland Waterways Corporation to a private company, together with a press release issued by Secretary Weeks, and a copy of a letter which he sent to each Member of Congress.

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

STATEMENT BY SENATOR CAPEHART

Secretary of Commerce Sinclair Weeks, with the approval of President Eisenhower, has removed the Federal Government from direct competition with private barge lines by selling the Commerce Department's Inland Waterways Corporation to the Federal Waterways Corp of Delaware, a private company.

The Secretary's action is concrete evidence that the Eisenhower administration is keeping its pledge to remove Uncle Sam from business which better can be done by private industry.

FINANCIAL TERMS OF SALE

The sale is a good business transaction for the public from any way one looks at it.

Secretary Weeks has taken the Government-owned barge line, on which from 1939 through 1952 the taxpayers have lost $9,749,000 in 12 of the 14 years, and not only gets a sales price of $9 million but, in addition, he has arranged for the United States Government to retain quick assets of the Corporation, which, after deduction of current liabilities, should net approximately $2,700,000 in cash and accounts receivable.

Taxpayers no longer will be making up losses. Instead, the private corporation will pay taxes.

The sale is a good thing for the users of the system, especially those shipping less than bargeload freight. The contract provides that the purchaser shall continue to furnish cargo service similar to the current arrangement.

The purchaser will take over the current labor contracts.

So the administration at a stroke has carried out constructive action that is good for the public, good for the customers and good for the workers.

The Federal Waterways Corp. of Delaware is a new and wholly owned subsidiary of the St. Louis Shipbuilding & Steel Co., of which Herman T. Pott, of St. Louis, is the president. Mr. Pott is chairman of the board of the Federal Waterways Corp.

The sale calls for the purchaser to put in $1 million in new working capital and in addition to pay the purchase price of $9 million over a period of 10 years, plus interest at the rate of 3¾ percent annually.

The agreement provides that the purchaser may prepay any or all installments and accrued interest. The agreement also restricts the payment of dividends until the entire purchase price of $9 million, plus accrued interest, has been paid.

DESCRIPTION OF BARGE LINES

Before I discuss further details of the sale and the interesting history of the transportation experiment, I should like to describe the Federal barge system, which in recent years often has been called a "white elephant."

The Inland Waterways Corporation was created by Congress in 1924. It operates a common carrier transportation service on the Mississippi, Illinois, Missouri, and Warrior Rivers, with 20 towboats, 4 tugs, and 253 barges on 3,300 miles of inland rivers.

PURPOSE IN CREATION OF SYSTEM

The purposes of the Corporation's creation were:

(a) To develop common carrier barge transportation,

(b) To exploit the possibilities of water transportation, and

(c) To make available the benefits of resulting economies to the widest possible number of shippers, both large and small, at river ports as well as in the hinterland.

The laudable original purposes long since have been served. In recent years the losses incurred by Government operation have been a drain on the taxpayers.

WIDE DIFFERENCES OF OPINION ON LINES

Although recent administrations, on occasion, have professed that they were willing to sell the Corporation, they never have succeeded in getting a customer to sign on the dotted line.

Federal ownership of the barge system has caused wide differences of opinion.

Advocates of planned economy and State control have clung to the idea. They have repeatedly sought large public expenditures to rehabilitate equipment and to expand operations. But the Congress in the last two sessions has refused to dump any more of public funds into the venture.

Other groups, also, in the past have favored operations. Back in 1917 the original champions turned to the idea as a means of more effectively utilizing our domestic waterways. Later in World War I, railroad congestion of military freight caused the Government to enter the barge business for relief.

CONDITIONS HAVE CHANGED SINCE CREATION

But these earlier reasons have lost their force. In the initial period there was scarcely any private barge service on the inland waters. Channels had not been dredged. River terminals were few. Equipment had not been developed to meet the requirements of modern barge transportation.

Today there are several thousand miles of improved waterways. Modern types of floating equipment are at hand. Approximately 100 private barge lines are in operation.

SMALL SHIPPERS FULLY PROTECTED

Small shippers need not fear the current transfer to private industry. For their protection Secretary Weeks had safeguards written into the contract which provide for a continuance of common-carrier service "in a manner substantially similar" to the service which the Inland Waterway Corporation has been providing since its inception.

Common-carrier service is defined and provided for in the contract briefly as follows:

1. Adequate provision for transporting such less-than-bargeload and less-than-carload shipments as can reasonably be anticipated, and the active solicitation of such shipments.

2. The maintenance as authorized by law of such joint tariffs with rail carriers as shall make generally available the privileges of joint rail and water transportation upon terms reasonable and fair joint tariffs with

motor carriers whenever feasible in the promotion of transportation service.

3. Alertness to make reasonable arrangements for interline traffic with other transportation services.

4. The maintenance of transportation service in specified districts and divisions and the making of specified minimum trips as follows:

(a) From the port of New Orleans, La., to the port of St. Louis, Mo., and return (designated as the lower district), 125 trips per annum in each direction.

(b) From the port of St. Louis, Mo., to the ports of St. Paul and Minneapolis, Minn., and including Stillwater, Minn., on the St. Croix River and Port Cargill and Black Dog, Minn., on the Minnesota River, and return (designated as the Upper District), 40 trips per annum in each direction.

(c) From the port of St. Louis, Mo., to the port of Chicago, Ill., and return (designated as the Illinois District), 75 trips per annum in each direction.

(d) From the port of St. Louis, Mo., to the port of Omaha, Nebr., and return (designated as the Missouri District), 16 trips per annum in each direction.

(e) From the port of New Orleans, La., to Port Birmingham, Ala., and return (designated as the Warrior River Division), 18 trips per annum in each direction.

(f) From Port Birmingham, Ala, to the city of Ensley, Ala, and return (designated as the Railroad Division), such trips as may be necessary to transport cargoes in reasonable quantities delivered at or destined to Port Birmingham, Ala., and such on-line cargo in reasonable quantities as may be offered for transportation.

(g) In the event transportation to Sioux City, Iowa, becomes practical and feasible, the purchaser will extend service to this area to provide such services as are justified in the light of demand therefor and cargo available.

The contract further provides that at intermediate ports and landings, calls will be made and barges spotted whenever a reasonable quantity of cargo is offered for transportation.

Let me repeat, small shippers and those who enjoyed the benefits of small shipments will receive the same type of service they have had in the past. And in addition they will get all the advantages of progressive, efficient, private management.

SECURITY FOR PERFORMANCE OF SERVICE

As security for the performance of the purchaser's obligation with respect to service, the contract provides that until such time as the entire purchase price, plus accrued interest has been paid, that the purchaser shall utilize funds provided by depreciation and/or amortization, excess self-insurance reserves, and net income after taxes from operations for the following purposes in order of priority:

1. To maintain necessary working capital.

2. To meet payments and interest, if any, under the purchase contract.

3. To repay loans, or to rehabilitate existing facilities or to acquire other facilities, until the facilities have been rehabilitated or built up to a point where the purchaser has carried out his service obligations and appears reasonable to continue such service.

4. The balance may be used for increasing working capital and/or for making advance payments on the principal due.

The purchaser may pay no dividends until the entire purchase price and accrued interest have been paid.

The agreement further provides for the payment of damages by the purchaser to Inland Waterways Corporation for defaulted trips, unless excused, ranging from $1,000 to $3,500 per defaulted trip.

A default of 50 percent of required trips in any one year in any one district or division, if not excused, will be deemed a total default of the conditions of performance of the contract. A default in common-carrier service on 30 percent of the required trips in any one year on which common-carrier service is to be provided will, if not excused, also constitute a total default.

Under the terms of the agreements, 14 percent of the total tonnage each year, or 375,000 tons, whichever is lower, must comprise less than barge-load traffic. Default on this requirement will mean the payment of damages to Inland Waterways Corporation of $2 per ton of deficiency. A deficiency of more than 150,000 tons will be deemed a total default.

In the event of breach of contract the Government has recourse to the courts to enforce performance or to recover damages, or by written notice to terminate the agreement and repossess the facilities sold, possess new facilities acquired, and demand the surrender of any retained net earnings.

OPPOSITION TO GOVERNMENT OWNERSHIP

Opposition to Federal ownership and operation has increased over the years. Private transportation companies have strenuously objected to competition from a Federal corporation that paid no taxes.

In recent years there has developed increasing public opinion against all sorts of Government ownership. Antipathy for big government has been reflected in both the Republican and Democratic Parties. During the election campaign, Republicans repeatedly promised to do everything possible to remove Uncle Sam from competition with private business—a competition which was curtailing private investment opportunities and destroying private jobs.

ECONOMY-MINDED OPPOSITION

The case against the Federal barge lines was very strong among economy-minded people, who pointed out that in most years since the Corporation's start it had operated in the red.

From 1939 through 1952, the system piled up losses totaling $9,749,000, losing money in 12 of the 14 years.

SECRETARY WEEKS PROMISES ACTION

Shortly after he became Secretary of Commerce, Mr. Weeks, in a public statement on February 8, 1953, announced that he would try to sell the Inland Waterways Corporation. He declared: "Operation of the Federal Barge Lines is the type of Federal activity which could be better performed by private enterprise. This is an instance in which Government should get out of business, with resultant savings to the taxpayer."

Sinclair Weeks stuck to his principles. Unlike some of his predecessors, he really tried to sell the properties. He succeeded where all others refused or failed. And he made a good bargain for the Government.

In announcing the sale, Secretary Weeks in a public statement declared:

"The sale is a good business transaction for the taxpayers. It not only will add a substantial sum to the United States Treasury but it also will place the property where for the first time it will yield annual tax revenues to the Government.

"The sale is a good thing for the users of the system, particularly those shipping less-than-bargeload freight. We made provision in the contract for cargo service substantially similar to that furnished now.

"From 1939 through 1952, the system piled up losses totalling $9,749,000, losing money in 12 of the 14 years. We liquidated a Government-operated system, in which losses over the years had been made up by the taxpayers, and we obtained for the public the highest sales price ever offered for it.

"Recent administrations have repeatedly said they would take the Federal Government out of the barge business. But they never did.

"As soon as the new administration arrived in Washington we promised to do our best to sell the barge line so that Government no longer would compete with private industry. Today's action is proof that we have kept our promise."

HISTORY OF FEDERAL BARGE LINES

The significance of this major accomplishment is better appreciated if we recall in more detail the salient points in the history of this Government experiment in operating barge lines.

The Inland Waterways Corporation—as I sketched briefly earlier—was the outgrowth of a study undertaken by the Council of National Defense in June 1917, looking to the more effective utilization of domestic waterways. The Federal Control Act of March 21, 1918, authorized the acquisition of boats, barges, and other transportation facilities on inland canal and coastwise waterways.

The Director General of Railroads thereupon commandeered all privately owned floating equipment on the New York State Barge Canal and on the Mississippi and Warrior Rivers. He simultaneously set up a field organization for the conduct of those respective activities.

The Wilson administration declared that the unprecedented wartime demands for transportation to supply our troops overseas had caused such a congestion on the railroads that it had become necessary to turn to inland waterways for relief.

The Railroad Administration began operations on the lower Mississippi with the first sailing from St. Louis on September 28, 1918. The hastily acquired fleet consisted of 5 towboats and 29 barges. Service on the Warrior River was begun in December 1918, with 1 towboat and 2 self-propelled barges and 10 coal barges.

ACTION BY REPUBLICAN ADMINISTRATIONS

The operations commenced by the Railroad Administration were continued to February 29, 1920, when the Harding administration transferred the Government-owned facilities to the Secretary of War for operation under the terms of the Transportation Act of 1920.

The facilities acquired by the Railroad Administration, as a wartime measure, were continued in operation under mandate of Congress by the Secretary of War as a national defense measure and as an experiment until June 3, 1924. Then, in the Coolidge administration, the facilities were transferred to the Inland Waterways Corporation, created by an act of Congress.

It is interesting to note that the Secretary of War, who transferred the barge system to the Inland Waterways Corporation, was the late John W. Weeks, father of Sinclair Weeks, the Secretary of Commerce, who has written the final chapter to the story of that Government Corporation.

EARLY CORPORATION OPERATIONS

In creating the Corporation, the Republican Congress, mindful of the fact that operations in the Wilson administration had been conducted at a loss of over a million dollars a year, enunciated the policy that the Corporation should enjoy the same rights and privileges as a privately owned transportaion company.

When the Corporation was set up in 1924, its operations extended from New Orleans to St. Louis on the Mississippi River; from New Orleans via the inland waterways to Mobile, thence up the Warrior River system to Port Birmingham, Ala. Subsequently the service was extended on the upper Mississippi from St. Louis to Minneapolis; on the Illinois waterways system from St. Louis to Chicago; and on the Missouri River from St. Louis to Omaha.

In 1926 the Corporation purchased the capital stock of the Warrior River Terminal Co., a rail line switching facility, extending from Port Birmingham to Ensley, Ala., a distance of about 18 miles, where now it connects with the Birmingham Southern Railroad, thereby enabling exchange of traffic with rail lines serving the Birmingham district.

River-rail terminals are available at the principal ports along the 3,300 river-miles of the Corporation's operations, thereby permitting interchange of traffic between river and land carriers.

CAPITAL STOCK

The Corporation's originally authorized capital stock of $5 million was increased in 1928 to $15 million all of which has been appropriated. On July 1, 1939, the Corporation was transferred to the Secretary of Commerce under Reorganization Plan No. 2.

Over the years the barge line has depreciated greatly. The fixed assets have a book value—based on a 20-year depreciation schedule—of $9,100,000, approximately, but the Interstate Commerce Commission's appraisal assigns a value of only $2,900,000. This latter figure covers railroad property only, no commercial value being assigned to waterline facilities.

TONNAGE FIGURES, 1924–52

An analysis of tonnage in the calendar years 1924 to 1952 reveals the following facts:

Year	Waterline			Railroad[1]
	Merchandise	Bulk	Total	
1924	553,769	518,079	1,071,848	----------
1925	676,007	466,212	1,142,219	----------
1926	948,305	394,251	1,342,556	143,686
1927	1,030,568	609,309	1,639,877	218,162
1928	1,074,939	683,305	1,758,244	373,252
1929	1,247,088	328,141	1,575,229	461,089
1930	1,126,449	298,028	1,424,477	357,323
1931	1,165,660	316,091	1,481,751	387,714
1932	1,170,078	402,791	1,572,869	272,183
1933	1,067,804	411,353	1,479,157	319,329
1934	979,866	420,540	1,400,406	281,716
1935	1,349,355	382,704	1,732,059	334,536
1936	1,439,968	416,546	1,856,514	503,826
1937	1,611,202	498,652	2,109,854	683,332
1938	1,501,187	1,266,023	2,767,210	599,314
1939	1,303,738	871,960	2,175,698	574,425
1940	1,416,046	871,108	2,287,154	587,146
1941	1,419,434	1,147,596	2,567,030	444,689
1942	880,475	1,380,222	2,260,697	227,695
1943	712,651	1,220,011	1,932,662	240,834
1944	494,476	1,589,680	2,084,156	347,085
1945	349,327	1,539,932	1,889,259	523,598
1946	479,975	1,168,483	1,648,458	634,059
1947	610,140	1,401,490	2,011,630	924,642
1948	597,666	1,838,292	2,435,958	1,089,930
1949	704,051	1,794,963	2,499,014	1,105,140
1950	762,741	2,058,513	2,821,254	1,547,520
1951	590,204	2,073,775	2,663,979	1,312,157
1952	584,444	1,969,232	2,553,676	1,082,870

[1] Acquired May 1, 1926.

REVENUES AND EXPENSES FOR 1924–52

An analysis of operating revenues and expenses for the calendar years 1924 to 1952 shows the following facts:

Year	Operating revenues	Operating expenses	Operating income	Net income
1924	3,499,631	4,052,663	[1] 553,032	[1] 550,925
1925	4,004,578	4,071,686	[1] 67,108	[1] 59,366
1926	5,262,469	5,071,139	191,330	192,841
1927	6,287,840	6,347,297	[1] 59,457	[1] 43,286
1928	6,927,341	6,539,046	388,295	375,893
1929	6,789,463	6,887,259	[1] 97,796	[1] 6,479
1930	6,338,363	6,310,677	27,686	145,622
1931	6,576,100	6,324,010	252,090	322,625
1932	6,297,531	5,875,162	422,369	475,805
1933	5,212,734	5,181,553	31,181	88,691
1934	4,470,135	5,436,049	[1] 965,914	[1] 896,959
1935	6,173,183	5,588,415	584,768	757,582
1936	6,628,969	6,249,181	379,788	485,402
1937	7,238,914	7,110,402	128,512	253,935
1938	8,087,452	7,090,269	997,183	1,140,826
1939	6,935,456	7,343,013	[1] 407,557	[1] 299,950
1940	7,442,083	7,834,360	[1] 392,277	[1] 273,725
1941	8,200,017	8,518,224	[1] 318,207	[1] 159,129
1942	7,480,635	8,378,275	[1] 897,640	[1] 726,492
1943	8,270,013	8,433,377	[1] 163,364	178,012
1944	8,661,538	9,157,099	[1] 495,561	[1] 385,545
1945	7,907,323	8,796,761	[1] 889,438	[1] 845,252
1946	5,613,002	8,211,254	[2] 598,252	[2] 541,980
1947	7,545,094	9,453,781	[1] 1,908,687	[1] 1,914,425
1948	9,542,470	11,033,664	[1] 1,491,194	[1] 1,480,262
1949	9,587,316	10,256,549	[1] 660,233	[1] 1,153,766
1950	10,741,655	11,144,390	[1] 402,735	[1] 397,156
1951	10,714,642	10,845,612	[1] 130,970	[1] 128,788
1952	10,911,619	10,538,688	372,931	379,385

[1] Indicates loss.

HISTORY OF PURCHASE PROPOSALS

The record of various purchase proposals made to previous administrations also is enlightening and significant.

Commerce Department files disclose that over the years many communications were received by various Secretaries of Commerce from prospective purchasers or lessees. Many conferences were held. None resulted in offers that were accepted. Formal proposals were presented to the Secretary of Commerce by the following:

1. A committee of businessmen representing all segments of the Mississippi Valley, submitted a proposal in January 1948 for the purchase of the Mississippi Division of the Federal Barge Line. They offered a sum not to exceed $2 million for the operating rights, tariffs, 6 towboats, 1 tug, and 99 barges.

They promised that an additional $4,400,000 would be paid for equipment under construction and a minimum working capital of $1 million was to be provided. The record says that due to sectional difficulties the committee disbanded before its offer could be fully considered by the Secretary of Commerce.

2. A Mississippi Valley syndicate, acting for 14 privately owned barge lines, offered to lease the facilities of the Corporation for a period of 5 years with renewal rights for another 10 years and an option to purchase at any time after the first 5-year period.

The proposal was rejected on February 14, 1950. The Secretary of Commerce, at that time, gave as reasons inadequate provision for rehabilitating the barge line and because the proposal would leave the Government encumbered with responsibilities and financial liabilities.

3. A former Army officer on June 15, 1950, offered to purchase the assets and rights of the Corporation for $6 million, half cash within 6 months after acceptance of offer and the balance payable over a period of years in annual installments of 50 percent net profits before taxes. The Assistant Secretary of Commerce requested additional information on July 3, 1950, but Commerce Department files do not disclose any further communications from the prospect.

4. A group of businessmen from St. Louis and New York in January 1951 submitted a proposal involving the payment of $772,000 cash plus long-term notes for $6 million, payable $300,000 annually for 9 years and $3,300,000 at the end of the 10th year.

They agreed to complete acquisition of equipment on order ($1,500,000), to place immediate orders for new equipment to cost $3,500,000 and to proceed with plans for acquisition of additional equipment, costing $5 million to $7 million.

On February 12, 1951, the Acting Solicitor of the Department of Commerce advised them that the Secretary of Commerce had decided not to accept the offer.

5. The current purchaser, Herman T. Pott, on July 3, 1952, made a tentative offer of $3 million to purchase the Corporation. At a conference with the then Secretary of Commerce the proposal was rejected and an alternative plan was suggested by Mr. Pott, combining leasing of the equipment with an option to purchase. But nothing came of it.

SECRETARY WEEKS' SALES CAMPAIGN

As soon as Secretary Weeks assumed office on January 20, 1953, he announced his determination to sell the system—and he did. He got a higher price for the public than any of the offers just described.

But the achievement was the result of aggressive salesmanship and patient negotiation. Secretary Weeks' announcement of the proposed sale prompted nibbles from all sections of the country. In all, 200 inquiries were received from prospective bidders as to terms and conditions. A brochure fully describing the physical and financial conditions of the corporation was prepared with facts that would arouse the interest of prospective buyers.

LETTER TO PROSPECTIVE BIDDERS

Robert B. Murray, Jr., Under Secretary of Commerce for Transportation, under whose direction the Federal barge lines operated, and Corporation Board Chairman Louis S. Rothschild then contacted potential customers. Secretary Murray enclosed in each brochure a copy of the following letter:

"In accordance with my recent letter to you, there is attached hereto material descriptive of the property, conditions of transfer and history, financial and otherwise, of the Inland Waterways Corporation which I have assembled for the benefit of prospective purchasers.

"The Secretary, in his press release of February 8, 1953, stressed his intention of disposing of the Corporation as an appropriate instance of turning a Government-operated business over to private enterprise. For this reason he has stated that while consideration would be given to proposals to lease the facilities with a firm offer to purchase, preference will be given to proposals providing for outright purchase and prompt payment in full.

"Proposals in accordance with the attached conditions for disposal of the facilities of the Inland Waterways Corporation should be submitted in duplicate not later than June 1, 1953. The Secretary reserves the right to reject any and all proposals received."

Eventually seven firm proposals were made by bidders up to that date, among them that by Mr. Pott, the purchaser.

BUSINESSMEN STOPPED GOVERNMENT'S COMPETITION

Thus businessmen in the Eisenhower administration, using business sales methods, took the Government out of business competition with private business. They removed a load from taxpayers and drove a good bargain for the public. Moreover, all who patronize the lines will have the continuing advantages which alert, efficient private management always offers in comparison with the slow motion of diffident or neglectful bureaucracy.

A HALT TO INTRUSION ON PRIVATE BUSINESS

I am sure that the public and this Congress is in hearty agreement with the action of the Secretary of Commerce in the Eisenhower administration, whose sale of the Federal barge line has called a halt to Government's intrusion in one area of private enterprise.

But Secretary Weeks has done even more for the public—he has served customers, workers, and taxpayers. That's the keynote of the administration's economic policies—sound measures that benefit all the people.

PRESS RELEASE BY SECRETARY OF COMMERCE SINCLAIR WEEKS

Secretary of Commerce Sinclair Weeks, with the approval of President Eisenhower, today sold the Government barge line to the Federal Waterways Corp. of Delaware.

In addition to the sales price of $9 million, the United States Government retains quick assets of the Inland Waterways Corporation which, after deduction of current liabilities, should net approximately $2,700,000 in cash and accounts receivable.

The Federal Waterways Corp. of Delaware is a new and wholly owned subsidiary of the St. Louis Shipbuilding and Steel Co., of which Herman T. Pott, of St. Louis, is the president. Mr. Pott is chairman of the board of the Federal Waterways Corp.

"The sale is a good business transaction for the taxpayers," declared Secretary Weeks. "It not only will add a substantial sum to the United States Treasury but it also will

place the property where for the first time it will yield annual tax revenues to the Government.

"The sale is a good thing for the users of the system, particularly those shipping less-than-bargeload freight. We made provision in the contract for cargo service substantially similar to that furnished now.

"From 1939 through 1952, the system piled up losses totaling $9,749,000, losing money in 12 of the 14 years. We liquidated a Government-operated system in which losses over the years had been made up by the taxpayers, and we obtained for the public the highest sales price ever offered for it.

"Recent administrations have repeatedly said they would take the Federal Government out of the barge business. But they never did.

"As soon as the new administration arrived in Washington we promised to do our best to sell the barge line so that Government no longer would compete with private industry. Today's action is proof that we have kept our promise."

Involved in the sale are physical facilities consisting of 20 towboats, 4 tugs, and 253 barges, in addition to 20 barges and 1 towboat now under construction.

The sale calls for the purchaser to put in $1 million in new working capital and in addition to pay $9 million over a period of 10 years, plus interest at the rate of 3¾ percent annually.

The agreement provides that the purchaser may prepay any or all installments and accrued interest. The agreement also restricts the payment of dividends until the entire purchase price of $9 million, plus accrued interest, has been paid.

In support of the interest of the people of the area, the administration obtained an agreement from the purchaser to continue common-carrier service in a manner substantially similar to the services rendered by the Inland Waterways Corporation.

It is required that there be—

1. Adequate provision for transporting such less-than-bargeload and less-than-carload shipments as can reasonably be anticipated, and that there be active solicitation of such shipments.

2. Maintenance of such joint tariffs with rail carriers as shall make generally available the privileges of joint rail and water transportation upon terms reasonable and fair to both rail and water carriers, and maintenance of reasonable and fair joint tariffs with motor carriers whenever feasible in the promotion of transportation service.

3. Arrangements for interline traffic with other transportation services.

4. Transportation service in specified districts and divisions and the making of specified minimum trips as follows:

(a) From the port of New Orleans, La., to the port of St. Louis, Mo., and return (designated as the lower district), 125 trips per annum in each direction.

(b) From the port of St. Louis, Mo., to the ports of St. Paul and Minneapolis, Minn., and including Stillwater, Minn., on the St. Croix River, and Port Cargill and Black Dog, Minn., on the Minnesota River, and return (designated as the upper district), 40 trips per annum in each direction.

(c) From the port of St. Louis, Mo., to the port of Chicago, Ill., and return (designated as the Illinois district), 75 trips per annum in each direction.

(d) From the port of St. Louis, Mo., to the port of Omaha, Nebr., and return (designated as the Missouri district), 16 trips per annum in each direction.

(e) From the port of New Orleans, La., to port Birmingham, Ala., and return (designated as the Warrior River division), 18 trips per annum in each direction.

(f) From Port Birmingham, Ala., to the city of Ensley, Ala., and return (designated as the railroad division), such trips as may be necessary to transport cargoes in reasonable quantities delivered at or destined to Port Birmingham, Ala., and such on-line cargo in reasonable quantities as may be offered for transportation.

(g) In the event transportation to Sioux City, Iowa, becomes practical and feasible, the purchaser will extend service to this area to provide such services as are justified in the light of demand therefor and cargo available.

The contract further provides that at intermediate ports and landings, calls will be made and barges spotted whenever a reasonable quantity of cargo is offered for transportation.

The agreement further provides for the payment of damages by the purchaser to Inland Waterways Corporation for defaulted trips, unless excused, ranging from $1,000 to $3,500 per defaulted trip.

A default of 50 percent of required trips in any one year in any one district or division, if not excused, will be deemed a total default of the conditions of performance of the contract. A default in common-carrier service on 30 percent of the required trips in any one year on which common-carrier service is to be provided will, if not excused, also constitute a total default.

Under the terms of the agreement, 14 percent of the total tonnage each year, or 375,000 tons, whichever is lower, must comprise less than bargeload traffic. Default on this requirement will mean the payment of damages to Inland Waterways Corporation of $2 per ton of deficiency. A deficiency of more than 150,000 tons will be deemed a total default.

In the event of breach of contract the Government has recourse to the courts to enforce performance or to recover damages, or by written notice to terminate the agreement and repossess the facilities sold, possess new facilities acquired, and demand the surrender of any retained net earnings.

Breach of contract includes (1) default on principal installments; (2) failure to maintain minimum working capital of not less than $600,000 net; (3) total default in providing transportation service; (4) failure to perform any other covenants or agreements of the contract; and (5) assignment to creditors or bankruptcy.

Over the years the barge line has depreciated greatly. The fixed assets have a book value, based on a 20-year depreciation schedule—of $9,100,000, approximately, but the Interstate Commerce Commission's appraisal assigns a value of only $2,900,000. This latter figure covers railroad property only, no commercial value being assigned to waterline facilities.

The Corporation operates the most complete common carrier service by barge offered on the Mississippi, Illinois, Missouri, and Warrior Rivers. All types of freight, except livestock and perishables, are handled on 3,300 miles of inland rivers. Operations are conducted through numerous private terminals as well as through 20 general merchandise facilities.

The Corporation also operates a railroad switching facility, approximately 18 miles, between Port Birmingham and Ensley, Ala., to serve the industrial area in and near Birmingham, Ala., and to provide a connecting link between the Corporation's Warrior River barge service and the trunk-line railroads serving the Southeast.

The Inland Waterways Corporation had its origins in a study by the Council of National Defense in June 1917 looking to the more effective use of domestic waterways.

Under the Federal Control Act of March 21, 1918, the Director General of Railroads commandeered privately owned floating equipment on the New York State Barge Canal and on the Mississippi and Warrior Rivers and initiated the construction of new floating equipment. The unprecedented wartime demands for transportation to supply United States troops overseas caused such a congestion of the railroads that it became necessary to turn to inland waterways.

Operations commenced on the lower Mississippi with the first sailing from St. Louis on September 28, 1918. The hastily acquired fleet consisted of 5 towboats and 29 barges. Service on the Warrior River began in December of that year with 1 towboat, 2 self-propelled barges, and 10 coal barges.

The operations begun by the Railroad Administration on inland waterways continued to February 29, 1920, when the Government-owned facilities were transferred to the Secretary of War for operation under the terms of the Transportation Act of 1920.

On July 19, 1924, Secretary of War John W. Weeks, father of Sinclair Weeks, now Secretary of Commerce, signed an order under the Transportation Act transferring to the newly created Corporation all inland waterways' assets and facilities under his control.

On February 8, 1953, Secretary of Commerce Weeks announced his intention to take the Government out of the barge-line business. At that time he invited inquiries from private sources interested in the possibility of purchasing the business.

He received approximately 200 inquiries from all sections of the country, and each inquirer was sent a brochure describing the physical and financial condition of the Corporation and setting forth the terms and conditions of sale. Seven firm offers were finally received by the Secretary and after scrutiny the successful bidder was Federal Waterways Corporation.

MEMORANDUM FOR MEMBERS OF THE CONGRESS

THE SECRETARY OF COMMERCE,

Washington, July 24, 1953.

As we expect later in the day to announce—with the approval of the President—the sale of the Inland Waterways Corporation, it occurs to me that you might like to have firsthand the story of the transaction.

The law (49 U. S. C. 151–157) authorizes us to sell the facilities of the Corporation and we have been careful to carry out the intent of the Congress.

For some years there has been considerable talk of selling the business, but although five specific attempts to purchase were made since 1948 and prior to January 20 this year, these attempts were all abortive and the new administration found the problem before it when we took office last January.

The problem seemed difficult, first because the Corporation for the last 14 years netted a loss of $9,749,000, having made a profit during that period for only 2 of the 14 years.

Furthermore, the difficulties were not lessened by a report of the Interstate Commerce Commission made to the President on December 17, 1952, in which it was observed that because of statutory requirements as to continuation of service, the value of the property was very substantially impaired and the notation was made that unless legislative restrictions as to such continuation were removed, a "sale is now impossible."

We proceeded, however, to solicit bids for delivery on June 1, and of the total of 7 which came in on that date, we determined, after study, that 3 were entitled to further consideration.

And after such consideration, we have now, as indicated above, sold the property to the Federal Waterways Corp., a wholly owned subsidiary of the St. Louis Shipbuilding & Steel Co., which was the highest bidder.

Before outlining the terms of sale, it is well to have understood exactly what we are selling.

The fixed assets have a book value—based on a 20-year depreciation schedule—of $9,100,000, approximately, but the Interstate Commerce Commission's appraisal—noted above—assigns a commercial value of only $2,900,000. This latter figure covers rail-

road property only, no value being assigned to waterline facilities.

For the fixed assets which include 22 tugboats, 268 barges (82 of which are in whole or in part uninsurable), the railroad (18 miles in length), docks, terminal facilities, etc., we are receiving $9 million, payable over a 10-year period. The Government retains the present net working capital totaling approximately $2,700,000, and the buyer contracts to provide new working capital in the amount of $1 million.

The Government takes a mortgage on all the property and equipment and there is further provision for a continuation of substantially the services offered by Inland Waterways Corporation.

In connection with the services, it is important to note that there are adequate default provisions enforceable in case this service is not maintained. These default provisions involve a penalty of $2,500 for each trip not made (and the number we call upon the purchaser to make is spelled out in the contract). If 50 percent of the trips are not made, then there is total default under terms of the contract.

There is further provision that less than barge load service be provided and penalties for failure to provide it. This is of tremendous importance to small shippers in the area served by the lines.

Additionally, security for the performance of the contract is provided by provisions as to the disposal of net income after taxes. This may be used—in the order named—to keep up working capital, make payments on the purchase contract, on such loans as may be outstanding and on rehabilitation of the property and facilities, and it is further provided that no dividends shall be paid until the contract payments have been fully completed.

This has been a difficult contract to work out largely because of the statutory provisions about the continuation of service. Obligations under this provision have handicapped the sale heretofore, but the purchaser, as outlined above, has by the terms of the contract indicated his readiness to carry on the service and give the shippers who have used the line the same facilities which have been offered by the Government up to this time.

In addition to the approval of the President, the sale has also been reviewed and approved in the usual manner by the Bureau of the Budget, the Department of Justice, and other agencies which have a collateral interest however remote.

In summary we believe those who use the line will be well taken care of by the purchaser and we think the Government is well protected and well out of the business.

Trusting the above will be of interest and helpful to you.

Most sincerely yours,

SINCLAIR WEEKS,
Secretary of Commerce.

INVESTIGATION OF GOVERNMENT EMPLOYEES BY THE DEPARTMENT OF JUSTICE

Mr. WILLIAMS. Mr. President, on July 7, 1953, I introduced Senate bill 2308, the purpose of which was to spell out affirmatively that the Department of Justice would have the right and responsibility to investigate alleged criminal violations on the part of any Government employee in any Government agency. I emphasized, when I introduced the bill, that I did not intend to cast any reflection on the integrity of the heads of any of these agencies, but I pointed out how, during the past 2 years, the exposure of corruption and the prosecution of those guilty had been severely handicapped by the refusal of the Treasury Department to recognize the right of the Department of Justice to investigate or prosecute employees of the Treasury Department without first obtaining the consent of the Secretary of the Treasury. That consent was refused.

To prevent a recurrence of such arbitrary action by a future Cabinet officer, 20 Senators joined with me in the introduction of S. 2308, and hearings were scheduled.

Yesterday the Attorney General suggested that the bill be held over until the next session, on the ground that the Department of Justice and the Treasury Department might be able to compose a slight difference of opinion regarding the application of the law. With his letter the Attorney General enclosed a memorandum, outlining the present agreement between the two departments, and also reaffirming their position, that while agreeing to the postponement, they still thought the bill should be considered at the next session of Congress.

I was very much interested in having the bill enacted at this session. However, in light of the apparent effort of the two Departments to work out an agreement, I shall defer to their request to withhold consideration of the bill until the next session of the Congress.

I ask unanimous consent to have printed at this point in the RECORD the letter of the Attorney General, dated July 23, 1953, together with the memorandum attached thereto.

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

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., July 23, 1953.

Hon. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Attached is a joint statement of the Treasury Department and the Department of Justice suggesting that consideration of S. 2308 be postponed until the next session of the Congress. If this is satisfactory to you, will you see that it is submitted to Senator LANGER, chairman of the Senate Judiciary Committee, and made a part of the record.

Thanking you in advance, I am,

Sincerely yours,

HERBERT BROWNELL, Jr.,
Attorney General.

JOINT STATEMENT

In February discussions began between the Secretary of the Treasury and the Attorney General to make the necessary arrangements to effectuate the desire of both of them that, in any case where reasonable suspicion might develop that any Treasury employee was guilty of crimes such as receipt of a bribe, extortion or conspiracy, the necessary criminal investigation would be made by the Federal Bureau of Investigation. The instructions required to accomplish this result have been agreed upon and are awaiting issuance by both Departments.

One of the questions discussed was whether legislation was required for this purpose and whether Public Law 79 passed by the 82d Congress relating to the jurisdiction of the Secret Service in any way interfered with its accomplishment. The Department of Justice is advised that the Treasury is agreeable to the repeal of the provision of Public Law 79 in question as soon as arrangements can be made to reinsert in its appropriation acts the language customarily used in them before the passage of Public Law 79 to authorize the Secret Service to perform its traditional functions.

The Department of Justice prefers to have this entire problem disposed of by legislative action of the Congress and fully approves S. 2308 for that purpose. It is now willing to have any action on this bill held over by the Congress until its next session and to try, during the interval, by agreement with the Treasury Department to have a working understanding that will fully provide for the proper functioning of the FBI in investigating any case of suspected criminal misconduct on the part of Treasury personnel.

The Treasury Department believes that, within the broad agreement of principle that exists between the two Departments concerning the proper function of the FBI in investigating any such case of suspected criminal misconduct on the part of Treasury personnel, the exact details can best be worked out on a case by case basis, and that it might be unwise to attempt to define the relationships by statute.

Accordingly, the Department of Justice and the Treasury Department are placing in effect immediately a working agreement concerning this matter with the understanding that consideration will be given during the next session of the Congress as to whether and to what extent legislation may be necessary or desirable. The Treasury Department and the Department of Justice are therefore recommending the postponement of consideration of S. 2308 during this session of the Congress. The Department of Justice expressly reserves the position that legislative action as provided in this bill should be enacted by the next Congress.

ORDER FOR CONSIDERATION OF THE CALENDAR TOMORROW

Mr. KNOWLAND. Mr. President, I ask unanimous consent that on tomorrow the calendar be called from the beginning for the consideration of bills to which there is no objection.

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

Mr. KNOWLAND. For the information of the Senate, we would not contemplate, in calling the calendar, going beyond the last number shown on the calendar. We would begin at the beginning, starting with Order No. 19, and run through Order No. 632.

I wish to thank the Senate. I think I have exceeded my time approximately 2 minutes.

ACTIVITIES OF ADVISORY COUNCIL TO THE SENATE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. CARLSON. Mr. President, I ask unanimous consent that I may speak for not to exceed 5 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas? The Chair hears none, and the Senator may proceed.

Mr. CARLSON. Mr. President, much concern and a great deal of interest is currently being expressed regarding the activities of the Advisory Council to the Senate Post Office and Civil Service Committee on postal matters appointed April 1, 1953, pursuant to Senate Resolution 49, approved by the Senate March 6, 1953.

Senate Resolution 49, which is similar to the language contained in the postal-rate bill of the 82d Congress, which authorized the appointment of a joint committee and received the unanimous endorsement of both Houses of Congress, provides that the Senate Committee on Post Office and Civil Service report on January 31, 1954, on the results of the studies and recommendations of this group. However, because of the interest in the activities of this Advisory Council, I desire to now give a short statement in the nature of an interim progress report in an attempt to outline some of the things this group has done and some of the objectives during the next 6 months.

On April 1, 1953, I appointed a group of 10 outstanding citizens comprised of industrial, labor, and civic leaders, and widely known representative large users of the various mail services with a vast amount of valuable experience to assist the Senate committee in this very complicated problem of trying to improve the efficiency and the service of the Post Office Department to the American public and to reduce the deficit that has been steadily mounting in recent years. Many meetings of this Advisory Council have been held in Washington and a number of subcouncils have been established in an attempt to break the study down into different segments considered important in arriving at a solution in the short period of time allotted to the committee to complete its study.

One of the subgroups composed of outstanding businessmen is currently preparing recommendations to be presented through the Senate committee which, if adopted, might well save approximately $100 million annually in transportation costs alone. Another subgroup is busily engaged in a study of the cost ascertainment system now being used by the Post Office Department. As most Members of this body well know, when the Senate has had to consider postal-rate increases in the past many charges have been made concerning the validity of the cost ascertainment system when used for rate-making purposes. One of the things we hope to do is to establish a postal rate-making formula which will be more equitable and acceptable to all mail users and which may be used by the Congress as a sound basis when considering future proposals in mail rates. When the Post Office Department was established, Congress delegated itself the authority to set and adjust rates. This problem has become so complicated that the Congress must now establish the necessary machinery to guide it in establishing such rates.

The Advisory Council has initiated, with the approval of the Senate Committee on Rules and Administration, a contract with the National Education Association for a special study to ascertain the value to the Nation of the numerous educational provisions of the United States postal service. This study will proceed on this thesis:

A segment of postal service concerns activities having to do with education and particularly adult education. Books, magazines, newspapers, films handled through the mail, correspondence instruction, and mail of all classes has to do in the broadest way with education. Does the value to the Nation of this education use justify a decision that a portion of this cost should be regarded as Government service to its citizens as is the case with other Government departments?

We are also negotiating for a study to be made by the National Industrial Conference Board to explore the relationship of the Post Office Department to our national economic structure, particularly its contribution to American business. In addition the committee has been able to secure the services of one of the outstanding cost accounting firms of this Nation to assist it in its accounting surveys.

For the first time in many years all of the organizations representing the post-office employees have been given the opportunity to sit down around the table and pool their resources in one common objective, that of improving the efficiency of the Post Office Department at less cost to the taxpayer. Many meetings of this personnel group have been held and much progress made. I am confident from this reservoir of knowledge gained through many active years of postal service and representing the postal employee before the committees of Congress that recommendations will be made which will result in far greater efficiency and economy to the Department and to the people of this Nation.

Mr. President, I feel confident that when the work of this study group has been completed there will be made recommendations which, if approved, will save the Post Office Department and the taxpayers of the Nation several hundred million dollars. I am firmly convinced that we are proceeding along the correct path.

INADEQUACY OF GRAIN STORAGE FACILITIES

Mr. MURRAY. Mr. President, I ask unanimous consent that I may speak for 10 minutes on the subject of grain storage facilities.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Montana may proceed.

Mr. MURRAY. Mr. President, earlier this week I wrote the Secretary of Agriculture urging him to take immediate action to prepare for storing the wheat harvest in the northern States.

An extremely critical situation exists in the area, although the harvest has not yet started. I am advised that last year's wheat is being delivered to Commodity Credit Corporation from farm bins, in preparation for the harvest, and that elevators are right now plugged all the way from country points to the big terminals. The Commodity Credit Corporation is not moving its wheat out of terminals to other areas or into export. An embargo against shipments from country elevators to many terminals is in effect. The preparation of farm storage space to receive the 1953 crop is therefore at a standstill in a tremendous area.

The harvest is only 2 to 3 weeks away in most of the Northwest areas.

I ask unanimous consent, Mr. President, to have printed at this point in the RECORD the text of my letter to Secretary of Agriculture Benson, urging him to do everything possible to provide storage.

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

JULY 21, 1953.

Hon. EZRA TAFT BENSON,
Secretary of Agriculture,
Department of Agriculture.

DEAR MR. SERCETARY: I am greatly concerned about the adequacy of storage facilities for the coming wheat harvest in Montana. I have a number of communications from growers telling me the situation looks very serious, that there will be a considerable shortage of space which might be worsened if commercial elevators hold space for their own purchases, or if the railroads are unable to move wheat either as a result of shortage of cars or blocked terminal facilities. They advise me that they are unaware of anything being done in the area to meet the situation.

As you know, the intent of Congress and of the price support laws is nullified if farmers are forced to dispose of their grain below support levels for lack of space to store their crop. I understand that there is already a record spread between cash wheat prices and support in many areas.

This is written to urge your Department, if it has not already done so, to take every possible step to assure availability of adequate storage for the northern wheat harvest. I understand that you have some bins on order, but they are for corn. I urge that as many as necessary be diverted and erected immediately in the northern wheat States, including my own, where storage shortage is likely.

I also urge that steps be taken now to assure the construction of adequate, permanent elevator facilities to handle our crops. Wheat farmers tell me there is major need for elevator space, preferably on rail sidings, where wheat can be efficiently handled, kept in condition, and moved to market regardless of storms which sometimes make hauling over farm roads impossible for weeks and even months at a time in the northern areas.

While it is too late to provide such permanent type storage for the current harvest season, it is not too soon to start work to see that there are adequate facilities in 1954.

Sincerely yours,

JAMES E. MURRAY,
United States Senator.

Mr. MURRAY. Mr. President, I have been in communication with farmers and elevator men in the area since the letter was dispatched. They tell me they have been waiting days for some relief, but there are no signs either of the Commodity Credit Corporation moving its grain out of the terminals or of providing new storage facilities to relieve the distress that now appears inevitable when the harvest starts.

Sometime ago the Montana Commission of Agriculture made an effort to get responsible agencies at work on the storage emergency. He called a meeting at Helena of Federal officials, the grain trade, and railroads to consider what might be done.

I ask unanimous consent to have printed at this point in my remarks an editorial from the Bozeman (Mont.) Chronicle relative to this meeting.

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

THE STATE'S WHEAT STORAGE PROBLEM

Heavy wheat crops, such as that presently in prospect in Montana, cause transportation

and storage problems and irritations that stubbornly resist solutions at the time. This matter was discussed in Helena at a meeting called by Albert H. Kruse, State commissioner of agriculture. Mr. Kruse invited in Federal officials and representatives of the grain trade and railroads to consider what could be done if the harvest this year should exceed the facilities now available to handle it.

The consensus was that the only practical answer was for the farmers themselves to provide the additional storage on their farms. These experts said that commercial storage at terminals is already being clogged as wheat pours in from areas already harvesting and as some of the carryover from last year moves to market. As to the matter of providing the necessary number of cars to move the crop out of Montana elevators to the terminals, railroad men contended that it does no good to get cars if there is no place to unload them. Also in the picture is the Federal price support situation and the effects it will have on the marketing of the grain.

As a final desperate alternative it was suggested at the Helena gathering that farmers could dump their wheat on the ground. It was said that, contrary to the prevailing opinion, dumping grain on the ground does no substantial damage to the cereal if the weather is not too wet. This is a point on which we do not feel competent to comment, except to say that dumping wheat on the ground has been generally considered an unsafe procedure.

Conclusions at the Helena conference might be summed up in the assertion that an abnormal wheat crop is like water backing up behind a dam. For obvious reasons, commercial facilities do not exceed much more than normal demands, and when an emergency comes and the elevators are filled to the brim, the answer has to be sought elsewhere. On their part, the railroads do not feel justified in having a reserve of grain cars that normally would be idle.

The storage situation which may confront Montana this year is not novel. It has long been recognized that farm storage is a desirable solution. But the farmer can hardly be blamed if he objects being not only the one who grows the wheat but also the one expected to keep the grain, free from spoilage or deterioration, until the grain trade is able to absorb it. And yet whether the farmers like it or not, many of them have recognized for quite a while that is largely up to them.

There was a Federal farm-storage program a few years back which did produce some good results and would have been even more satisfactory if it had not been dragged into politics. This should not be a political issue, for raising grain, be it wheat in Montana or corn in Iowa, is vital in feeding the Nation and some other parts of the world.

Mr. Kruse deserves commendation for acting as he did in anticipation of a not improbable emergency. It is unfortunate that the experts called in to consider the outlook seemed so helpless in proposing a solution other than tossing the problem into the laps of the farmers.

Mr. MURRAY. Mr. President, the important point in the editorial is that the officials attending that meeting offered no solution, except possibly for farmers to dump their grain on the ground.

Department of Agriculture officials took the same position at the Montana meeting they took in a Des Moines, Iowa, storage meeting recently, namely, that "this is the farmers' problem; let them solve it."

I ask unanimous consent to have printed at this point in the RECORD an account of the Des Moines meeting, which was published in the Des Moines Register.

I also ask unanimous consent to have printed in the RECORD an article about the Des Moines meeting, written by a staff correspondent of the Wall Street Journal.

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

[From the Des Moines Register of June 3, 1953]

UNITED STATES TO QUIT STORING GRAIN—WOULD LEAVE IT TO FARMERS—PLAN DISCLOSED HERE IN SIX-STATE MEETING

(By B. G. Thrailkill)

The Federal Government plans to get out of the grain-storage business.

That was made known Wednesday by Under Secretary of Agriculture True D. Morse who, with other Government officials, was in Des Moines to consider critical problems connected with corn loans and corn storage.

"We are moving forward on the premise that grain storage should not be run by the Government," Morse said.

"It should be stored by farmers on the farm and when it leaves the farm it should be handled by commercial people."

How this program will be put into effect is the $64 question.

Iowa, one of the six States represented at the meeting at Hotel Savery, is considered the critical State as far as corn storage is concerned.

BUMPER CROP?

Marvin L. McLain, chairman of the Iowa Production and Marketing Administration (PMA), reported to Morse that under the best conditions 42 million bushels of corn can be stored on Iowa farms.

An additional 80 million bushels can be stored in bins and elevators. This leaves 47 million bushels for which storage space must be found this fall.

This makes a total of some 169 million bushels, the amount of corn now under loan or purchase agreement in Iowa.

Another bumper corn crop this year—and prospects for it are good—would further complicate the storage problem.

It means that officials must provide more storage space than ever before has been available.

COMMERCIAL ELEVATORS

Morse said the storage problem will be taken up with commercial elevator operators Thursday in Omaha, Neb.

John H. Davis, president of the Commodity Credit Corporation (CCC), and Elwood Chase, special assistant to Davis, will attend the Omaha meeting. They were with Morse in Des Moines.

Morse said the storage problem is tremendously important.

"The quick and easy suggestion would be more CCC bins," he said, "but this is not good business for farmers. We shouldn't put the Government deeper in the grain business.

"A prosperous Iowa was not build on selling corn. The basis of Iowa's prosperity is hogs, beef, and poultry. So, corn should be held on the farm where it is used."

SHOULD BE INTERESTED

He added that Nebraska, Missouri, Illinois, South Dakota, and Minnesota—the other States represented at the meeting—would have their economics upset if the basis of income were grain.

Morse said every farmer, businessman, banker, and anyone who has a stake in the State's economy should be interested in seeing that farm storage is provided.

LOANS AVAILABLE

"If we team up and succeed," Morse said, "it will be a service to everyone, but first to the farmers who produce."

How to get the program into effect?

Morse said it would take the cooperation of farm organizations, the agricultural extension service, the PMA, bankers, farm managers, bin material companies, the press, and radio.

Eighty percent loans for constructing new storage facilities are available to farmers, who have 4 years in which to pay off the loans at 4 percent interest.

If banks will not make such loans, the CCC will, Morse said.

OFFER FEES

To encourage farmers to reseal corn on their own farms, the CCC is offering a storage fee of 13 cents a bushel for keeping it another year.

During Wednesday's meeting, PMA representatives from the six States, were to give reports detailing how much corn there is and how much storage space is available.

[From the Wall Street Journal of June 4, 1953]

CORN STORAGE CONFERENCE—MIDWEST'S 65 MILLION BUSHELS OF 1952 CROP FACE EVICTION, BUT FARMERS ARE LUKEWARM TO PROPOSAL THEY BUILD BINS

(By John S. Cooper)

DES MOINES, IOWA.—About 65 million bushels of 1952 crop corn now stored on Midwestern farms will be homeless this fall when the new crop comes in unless emergency facilities are built either by the farmers or by the Government.

This was the conclusion reached yesterday at an emergency conference on storage problems of more than 200 farm leaders of 6 corn-belt States, sponsored by the Department of Agriculture.

About 45 million bushels of the surplus corn is in Iowa, 15 million in Minnesota and 5 million in South Dakota.

Under Secretary of Agriculture, True D. Morse, suggested to the meeting that it would be "good business" if the farmers themselves built the storage facilities on their own farms to handle the surplus corn with the aid of Government 4-year 4 percent loans covering 80 percent of the cost.

He warned: "This is not apt to be a temporary situation. We have 90 percent of parity loans scheduled for the 1953 and 1954 crops. And I don't see much evidence of either party in Congress lowering this rate very much. The added problem of farm mechanization has put farmers in the grain storage business for good.

"We have been offered the quick and easy suggestion that John Davis (president of Commodity Credit Corporation) go out and buy bins for 50 million or 60 million bushels and put them up out here. That would be the quick and easy way, with the Treasury and all the money of the Federal Government behind us. But we don't believe that is the constructive approach."

He then added: "I fear that if the Government must resort to buying bins and putting them up to store corn, we will have to look at them in the future as monuments to the failure of free enterprise.

The Under Secretary's remarks got a lukewarm response from the farm leaders. Before the session was over even some Government Production and Marketing Administration officials indicated they thought the Government would have to go into the bin building business again to take care of the surplus grain.

Howard Hill of the Iowa Farm Bureau Federation told Mr. Morse: "I think your program is ideal. But I have reservations

that you will be able to persuade farmers to do the job. If all this surplus corn is going to be taken care of in Iowa this year, I think you Federal fellows had better be letting the orders for bins, and right now. As for Federal bins being new monuments, they more likely will be monuments too high to support prices."

Charles Schumann of the Illinois Agricultural Association said that the Government would have difficulty selling its farm-storage program to farmers, particularly in cash-grain areas, where more corn is produced than is needed for livestock feeding. Most of these areas already have facilities for storing a year's crop now, and are not interested in building more storage, he said.

Joe Rimdahl, Production and Marketing Administration county chairman from Boone County, Iowa, said:

"Our problem is that most of the Government corn on farms is sealed by tenants. They don't know whether they will be working on the farm next year and so aren't inclined to put up more storage, and, besides, it is the landlords who have all the money and they don't want to spend any more of it than they have to."

Ralph Hanks, State PMA chairman for Nebraska, said his State has a property tax on grain that discourages construction of facilities for carrying over crops from one year to the other.

Richard Phillips of Iowa State College remarked that farmers are concerned with deterioration of corn stored on their farms and are afraid of their corn ending up as No. 5 grade instead of No. 1 or No. 2.

George Bradley, CCC director for the Chicago area, who has been assigned the responsibility of disposing of old corn in Government-owned bins dating back to 1948, gave a discouraging report about the clearing space there for new-crop corn.

He told the State PMA officials: "I don't believe there is any hope for you for more space from us. The only answer seems to be for the Government to build additional space."

Mr. Bradley said he is marketing about a million bushels of 4- and 5-year-old corn a week through the Chicago office, and that 25 million to 30 million bushels of additional old corn is deteriorating so rapidly that it should be put on the market as soon as possible.

"If corn is not deteriorating, there is nothing we can do about moving it out of Government-owned space. There is no private space available and we can't unload it on the market as we're committed not to depress the market. Therefore, for the big corn areas of Illinois and Iowa, I can give no assurance at all of any extra space this fall."

Finally, Mr. MORSE returned to the speakers' stand and said: "I don't want to be a party to any Government effort to overequip any of your farms with unnecessary storage space. If it develops that we still will have to buy Government bins, then I am going to vote for buying them."

Mr. MURRAY. These stories make it clear, Mr. President, that the new team at Agriculture are doctrinaire foes of an adequate Federal storage program. It is clear that they are opposed to and have resisted provision of adequate space, and that, even when confronted with the insistence of farmers on provision of more adequate capacity, they have shaved and trimmed.

The Department has now ordered just under 90 million bushels of new storage bin capacity, and that is for corn, not wheat. It happens to be the amount estimated to be needed in Iowa alone this fall, but it is being distributed to eight States. Up to this moment, I can find nothing whatever that has been done to provide one additional bushel of new storage space for wheat.

Mr. President, it matters little whether the farmer is forced to sell at far below support level because some elevator man is withholding available space from him, or because the Commodity Credit Corporation has the elevators filled up and plugged tight with its wheat, a situation which is general in the northwestern wheat area right now.

The Department of Agriculture and the Commodity Credit Corporation have the necessary authority—and they have had it during the past 6 months of inactivity—to provide storage facilities.

I have requested in my letter that they divert as many of the 90 million bushels of grain as possible, and immediately erect bins in the wheat area, to meet the current crisis. I am advised bins can be supplied and erected in 6 weeks, or less, if a real effort is made.

I do not want to take advantage of the Midwest corn producers. Commodity Credit Corporation should order more bins, and order them at once, to meet the corn storage problem. There is time, if there is no more holding back at the Department of Agriculture.

At the same time, the Department of Agriculture should drop its doctrinaire opposition to Federal storage and get under way an adequate program for permanent-type storage for our agricultural products.

These products can be of incalculable value to us as weapons either for defense or for peace. It is shameful that they should be dumped on the ground at great risk. I would like to see this Nation with a great stockpile of wheat, and a great stockpile of corn, insuring us and our allies throughout the world against flood, drought, and disaster. I would like to see an international food reserve, of which our supplies would be a part, which would become the foundation of freedom from want, one of the essential freedoms if there is to be peace in the world.

It is shocking that there are men in these days and times who, confronted with a storage problem, shrug and say, "Let the farmers worry about it. Let them dump it on the ground." Wheat is the "staff of life," figuratively and literally. It should not be gambled or wasted away, nor should corn or any other food product.

I sometimes wonder if the present "team" at the Department of Agriculture realizes the seriousness—the potential human tragedies—involved in their decisions, their actions, or their lack of action.

The newspapers reported some time ago, and some Senators then discussed on the floor, the fact that Under Secretary Morse and Assistant Secretary Davis, head of Commodity Credit Corporation, felt that it would be good to squeeze some of the farmers off the land because there are too many.

That is precisely what they will do if they continue to pursue their present course on storage, either deliberately or for lack of ability and initiative to meet the crisis.

Our farm price-support programs and the loan programs were designed, among other things, to make it unnecessary for farmers to sell their grain at harvest-time when markets are lowest. It was intended that the grain might go into storage and loans taken out on it so the farmer could sell it on a more favorable market later or let the Government take it at the support loan.

The whole purpose of the program is nullified if storage is not available. The whole intent of this Congress is defeated if the storage end of the program is not sustained on an adequate basis.

We gave the Department of Agriculture authority to provide storage because it is essential to make the farm programs work.

I am informed the spread between the wheat price-support level and cash prices is already running from 50 to 75 cents a bushel.

When a farmer is unable to find cover for his wheat, he has no alternative but to sell at what he can get. The Department of Agriculture has authorized loans for wheat on the ground for 90 days in some areas, but they are below normal support, and they do nothing to meet the need for storage—they only postpone the emergency a little and incur the risk of serious damage from wet and humid weather.

I observe in the press that President Eisenhower has by Executive order established a permanent Agricultural Commission to study farm problems.

We have had an interim committee or commission in existence for about 6 months studying farm problems. There are at least a dozen commodity committees studying special problems.

There is a growing belief in the farming areas that we have had about enough study, enough committees and commissions, and that it is time to quit studying and do something. There is an idea prevalent that when men take over national programs they are supposed already to know something about them, not just to be starting to study.

It is no consolation to a farmer facing bankruptcy to be told that a national commission will hold an autopsy over the corpse of his farming enterprise, that his case will be studied by such commission.

Farmers will know, without benefit of autopsy, why they went broke. What they want is not more study but more storage bins, and have Commodity Credit to get its wheat out of the normal storage facilities of the Northwest wheat farmers.

There is a feeling that the Department should get out fewer questionnaires and more storage bins.

Mr. HUMPHREY. Mr. President, I am glad the Senator from Montana [Mr. MURRAY] has brought up a subject of the most critical importance to farmers of the Midwest at the present time. I concur most emphatically in what he has said.

Our storage situation in Minnesota is serious. We are going to have trouble taking care of the corn harvest, because adequate preparations have not been made.

Minnesota has a total Government storage capacity of about 43 million

bushels at this time. We now have 23 million bushels of corn in Government bins—from the 1948 and 1949 crops. There are about 43 million bushels of 1952 corn under crop loan on the farms or under purchase agreements. These loans run out on July 31; with 60 days' grace to the Government, it means this corn must be moved by September 30. That is only about 2 weeks prior to corn picking.

Yet as the situation now stands, we have room for taking care of only 20 million more bushels in the Government bins. I understand that the Department of Agriculture is hoping to get 10 million bushels resealed by farmers, and then intends providing about 10 million bushel capacity in new bins to take care of the rest.

I must warn that I do not think that even last-minute expansion of storage facilities is going to be adequate. I do not think Minnesota farmers are going to reseal 10 million bushels of 1952 crop corn. Interest rates on the 1952 crop loans have been raised from 3 to 3½ percent; it will be 4 percent on the 1953 crop. The 13-cent-per-bushel storage fee simply will not cover this higher interest and the possible loss from spoilage.

Minnesota farmers have built some additional storage space this summer, but it is mainly to meet 1953 crop needs.

Faribault County alone needs 1 million bushels additional storage space now. This is typical of the southern Minnesota counties.

Unfortunately, the handwriting is on the wall as to what will happen under such circumstances. The corn will be dumped on the market. We have seen that happen before, and know that price support is useless protection without adequate storage.

Failure to anticipate and provide for storage needs can wipe out effectiveness of price protection just as surely as repealing the price-support laws now on the books.

The most vital part of our program to get fair prices for grain farmers is adequate storage facilities.

If there is enough storage space, farmers do not have to sell their grain crops, such as wheat, barley, oats, and corn immediately after harvesting them, when prices are at their lowest point of the year.

A shortage of storage always causes a spread between the support level and the market level, with the farmer taking a licking. As of June, with harvest in full swing, the market price in many areas was reported running 50 to 75 cents a bushel, a half or a third below the support price, adding up to millions and millions of dollars lost by all farmers on all grain crops during the year.

That is why we must fight for adequate storage just as vigilantly as we fight for price support laws. One is of little use without the other.

The Senator from Montana has done a service to agriculture in focussing the spotlight on the seriousness of this situation.

I have been watching the situation closely and hopefully, but I regret to say the administration's record has been a shameful example of neglect, a sad case of "too little, too late."

I know that career employees in the Department of Agriculture endeavored to impress the new Secretary with the serious nature of the problem ever since he took over last January.

Yet the administration delayed any action until harvest was on top of many farmers, and their prices were already depressed. I have kept close track of this storage story this year, and I know that the complaint from the Senator from Montana is well founded. As evidence supporting that protest, I should like to have appear in the RECORD a chronology of just what has taken place—the whole story to date, taken from grain trade reports and official Department of Agriculture press releases. I ask unanimous consent that these reports in their chronological order, be printed in the RECORD at this point as a part of my remarks.

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

CHRONOLOGY OF THE GRAIN SHORTAGE

(All dates are in 1953)

APRIL 24

"The Department of Agriculture announced a 1-year extension of price support loans on corn and oats grown in 1952, having the effect of resealing that grain in farm bins to keep it from moving into the crowded market." (Press release.)

NOTE.—The resealing did not add a single bushel to the total storage capacity of the country.

MAY 12

"Secretary Benson Asks Farmers and Others To Anticipate Wheat Storage Needs." (Press release.)

The announcement stated that "farmers themselves can do much to see that this year's big wheat supply is properly housed" and that private agencies have handled most of this in the past and are expected to be adequate this year."

MAY 27

"The Department of Agriculture announced a 1-year extension (through June of 1954) for farmers to borrow from CCC to build storage on their farms." (Press release.)

NOTE.—It also reported that 34,263 loans of more than $40,500,000 had been granted by CCC for more than 142 million bushels of this kind of storage since 1949, when Democrats started this program.

MAY 28

Secretary Benson called a conference at Des Moines a week later to "consider the threatened shortage of storage to handle corn supplies this fall, and develop plans to increase farm storage facilities." (Press release.)

MAY 29

"The Department of Agriculture arranged to use surplus merchant ships on the Atlantic seaboard for grain storage." (Press release.)

NOTE.—This was also done in 1949.

JUNE 3

The Wall Street Journal rounded up the situation from Chicago, under the following headline: "Storage Trouble—Hefty Grain Surpluses Threaten Side-Splitting Strain on Bin Space."

Among other authorities, it quoted the following:

"Never in all my years in the grain business have I seen the disparity between the loan price and market price so great. In Chicago the loan rate is $2.53 a bushel and the market is $2.02. * * * Usually the drop occurs after the new crop has started to come in, but this year the decline took place in advance. A most unusual situation." (Richard Uhlmann, president, Uhlmann Grain Co., Chicago.)

"Here in the Midwest we are going to have a big crop * * * and our red wheat is proving strictly a dog on the market. Nobody wants to buy it and you just can't find any storage around here for loan wheat." (E. J. Kazmarek, Illinois Grain Corp., Chicago.)

"Our crop looks big * * * but everyone is concerned about the storage problem. Terminal elevator space in Ohio suitable for wheat is not estimated over 4 million bushels, and the millers, who have their own space, won't bother with Government storage. It naturally is to their interest to buy at the depressed market prices, far below loan." (Walter See, Ohio Farm Bureau Federation.)

To these quotes from grain experts, the Journal added:

"If and when the Commodity Credit Corp. specialists are able to solve the awe-inspiring problem in wheat storage logistics, they face the prospect of an even worse problem in corn.

"With Midwest wheat on a semi-distress basis, the price decline here has dragged down prices all over the national producing belt."

JUNE 3

"United States to quit storing grain—would leave it to farmers—plan disclosed here in 6-State meeting

"The Federal Government plans to get out of the grain storage business." (Des Moines Register news story about the Department's storage meeting in that city.)

"I [Under Secretary Morse] fear that if the Government must resort to buying bins and putting them up to store corn, we will have to look at them in the future as monuments to the failure of free enterprise." (Wall Street Journal story about the same meeting.)

JUNE 4

"I wish to take this opportunity to protest the lack of storage facilities for grain that will be harvested during the next few weeks in my area. The lack of storage facilities creates a decided hardship for the small farmers in that they have no place to store their grain. * * * In other words, they find it necessary to sell their grain on the market for the market price thus losing the difference between the guaranteed price and the market price.

"This problem has been known for several months and no action has been taken by the Kansas City office until just recently. * * * I feel that our small farmers are entitled to the same benefits that others who can secure storage facilities are entitled." (Letter to the Department of Agriculture from Congressman JEFFREY P. HILLELSON, the Republican who represents Harry S. Truman's district in Missouri.)

JUNE 6

"Delay on CCC bins

"As this issue * * * goes to press, the Commodity Credit Corporation Board has not yet ordered the purchase of the new bins needed. * * * Why the delay? Most of the PMA and CCC officials see the problem. But there are other folks in the Department of Agriculture who dislike the corn loan, object to Government handling of storage, and who keep hoping that something will happen to get them off the hook without their actually buying more bins." (Wallace's Farmer and Iowa Homestead.)

JUNE 7

"Worst Grain Storage Squeeze Looms—United States To Require Space for a Billion Bushels of Wheat and Corn." (Headline in the New York Times.)

JUNE 10

"The Department announced that CCC 'authorized some additional purchase of storage bins to help handle CCC grain stocks, especially corn,' and declared that 'officials believe that only limited purchases will be necessary if farmers reseal considerable quantities of 1952-crop loan corn for another year and provide additional on-farm storage to handle the 1953 crop.'" (Press release.)

JUNE 14

"In their efforts to find a way out of the dilemma, grain traders were talking of the possibility the Agriculture Department would make loans to farmers on wheat stored on the ground. There has not been the slightest hint this will be done, but it has happened in the past." (Journal of Commerce, June 15.)

JUNE 15

"Wheat breaks 10-cent limit, tips other markets

"Yesterday's declines carried wheat still further below Government support price levels and, at the close, the final quote was approximately 65 cents a bushel lower than the Government-support price. Corn was about 20 cents a bushel under the support level. * * *

"The Corporation (CCC) has been wrestling for some time with the problem of finding additional storage facilities and, while some progress has been made, the problem still is far from a solution." (Journal of Commerce, June 16.)

JUNE 15

"The Department held a meeting with bin manufacturers 'to survey the availability of materials for bin structures' and to distribute specifications for bins. Manufacturers 'were told by Department officials that a minimum quantity of structures would be purchased.'

"The figure was set at approximately 50 million bushels, which is expected to be adequate. Offers were to be received by June 24, and 'as many as possible of the structures are desired for delivery on or before July 31, 1953, and the remainder on or before August 15, 1953.'" (Press release.)

JUNE 15

"Wheat led a sharp downturn in commodity markets. * * * For the first time since February 11, 1948, wheat futures in all United States markets tumbled 10 cents a bushel, the daily limit. * * *

"Weakness in wheat [was] again caused by expanded harvest of the 1953 winter wheat crop and concern over storage room. * * *

"Combines are now active in Texas and Oklahoma, and by the end of this week, harvesters will be active in southern parts of Kansas. Private reports from harvesting areas noted that wheat was already being piled on the ground because of a lack of storage room." (Wall Street Journal, June 16.)

JUNE 16

"A top Agriculture Department official called Monday's commodity market break disturbing, but he indicated the Government is contemplating no shift of policy because of current market activity. * * *

"'I suppose that sort of activity is a natural reaction to the fact that winter wheat is moving into harvest at a time of already heavy supplies and a shortage of storage space,' said John H. Davis, president of the Commodity Credit Corporation, 'I rather expected something of this sort to happen in the commodity markets when the wheat crop estimate came out last week.'" (Wall Street Journal, June 17.)

JUNE 17

"'The Department of Agriculture announced today that it will make emergency price-support loans on wheat stored on the ground in arid areas of the Southwest, where a shortage of storage facilities had been reported. * * *

"'This action was taken in an effort to stabilize grain markets that have been declining because of a critical storage situation and shrinking export sales' [said John H. Davis, President of CCC].

"Davis said details of the ground-storage program have not yet been worked out, but that they should be ready by the end of the week.

"The decision to make loans on grain piled on the ground came as a surprise, because Davis said yesterday no changes were being contemplated in the Department's grain program." (Associated Press news story in the Chicago Tribune, June 18.)

JUNE 17

"Wheat shot up the full trading limit of 10 cents a bushel at one time, but sold off on profit taking and more sober consideration as to the ultimate effect of new Government support action announced during the day. * * *

"The Commodity Credit Corporation had announced that the price-supporting loans would be made available to producers of supplies on the ground in the arid areas of the Southwest. Later it was realized that the CCC offer applied to only a limited part of the new crop, leaving the majority of producers ineligible for loans owing to shortage of storage facilities." (Journal of Commerce, June 18.)

JUNE 19

"The Department announced details of 'the special distress wheat loan program' for wheat on the ground." (Press release.)

JUNE 20

"I am amazed to discover that the Department of Agriculture only recently has taken cognizance of [the shortage of storage] and to date have taken no significant action to work out a solution. This situation has been foreseeable for several months and in sufficient time to initiate an orderly and adequate program for the protection of the grain producers of this Nation and to make available to them the benefits of price support which were designed by the Congress for this very type of situation." (Letter to President Eisenhower from James G. Patton, president of the National Farmers' Union.)

JUNE 21

"Grain surplus is headache—Wheat prices hit

"CHICAGO, ILL.—This country has so much wheat this year that nobody knows what to do with it.

"This factor has depressed prices in an already weak wheat market just at the time when the farmers are gathering the harvest. * * *

"In the Midwest the storage situation is even more acute than in the Southwest. * * *

"July wheat futures on the Chicago Board of Trade last week fell as low as $1.87 a bushel before rallying somewhat. This was the lowest price since February 8, 1950. * * *

"The lower market prices are a severe blow to farmers who are unable to find storage space." (The Milwaukee Journal, June 21.)

JUNE 25

"Wheat farmers urged not to sacrifice grain

"'There is no need for farmers to sell wheat as much as 30 to 60 cents below the price supports,' John H. Davis, president of the Commodity Credit Corporation, * * * said today." (Press release.)

JUNE 26

"The United States Department of Agriculture announced today the addition of Illinois, Indiana, Michigan, Missouri, and Ohio to the list of States in which 'distress' wheat loans will be made to producers who store wheat in temporary facilities. Loans will not be available in the States added today if the wheat is stored on the ground." (Press release.)

JUNE 28

"Heavy shipments weaken wheat—Prices register more than harvesttime dip

"CHICAGO, June 28.—Grain prices usually are lower at harvesttime, but are even more so this year because storage is filled to capacity and many farmers who usually store their wheat for the loan price are having to dump it on the market. * * *

"Wheat storage space in the Midwest is even more short than in the Southwest, where a lot of wheat had to be dumped on the ground." (Journal of Commerce, June 29.)

JULY 2

"Why do Iowa Republican editors keep silent about the corn-storage problem? Of course, I know quite a few of them and know they believe anything that a Republican politician does is 'good,' but when their own 'bread and butter' is threatened I always thought they would take 'the hide off' as it were of someone. But only 1 or 2 have even mentioned the seriousness of the situation. 'Too little and too late' seems to be popular in Iowa again." (The Parkersburg (Iowa) Eclipse.)

JULY 8

"The Department announced the awarding of contracts for the purchase of 89,405,475 bushels of grain-bin capacity. These portable bins are to be shipped 'during the next 2 months' to locations in 8 States." (Press release.)

NOTE.—This is about double the Department's original intention, announced 3 weeks earlier. This schedule would put the last bin in place about September 8.

Mr. HUMPHREY. From that record, the administration stands indicted by the farm-belt press—the Republican press—of doing too little, too late, to avoid undermining the effectiveness of price support for America's farmers.

There may yet be time to ease the situation on corn if there is the will to do it.

But, by all means, the price-depressing situation now confronting American farmers due to lack of storage facilities must not be allowed to continue. Now is the time to start looking ahead for next year instead of waiting until the last weeks before harvest. It is time more thought was given to the whole storage situation. Some of us must insist that the time to act is now.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article entitled "Southern Minnesota Farm Income Drops," written by Alfred D. Stedman, an eminent agricultural reporter, and published in the St. Paul Pioneer Press of July 8, 1953; also an article entitled "Upper Midwest Shifts to Diversified Farming," written by Will Hertz, and published in the Minneapolis Tribune of July 5, 1953. I make note that Mr. Stedman calls our attention to the fact that net farm income is from 20 to 30 percent below what it was last year.

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

[From the St. Paul Pioneer Press of July 8, 1953]

SOUTHERN MINNESOTA FARM INCOME DROPS—OFF 20 TO 30 PERCENT

(By Alfred D. Stedman)

On thrifty southern Minnesota farms grossing $15,000 to $25,000 a year, falling livestock prices and high operating costs

knocked net farm income down by 20 to 30 percent to less than $4,000 last year.

This was revealed Tuesday in accounting by economists of Minnesota University Farm and the United States Department of Agriculture.

The surprising declines were revealed on selected farms of farm management associations of southeastern and southwestern Minnesota keeping careful business records of all receipts and expenses.

To city people, the reports told that a high gross farm income running up to $25,000 on the farm doesn't mean much in the way of a net farm income which, after paying expenses taking up the bulk of it, may leave a net of only $4,000 or so to the operator in a rough year like 1952.

To the politicians, the extent of the farm income downturn in the presidential year stripped away the mystery of the huge political turnover in the farm vote in Minnesota as a sample of the farm landslide to Eisenhower.

To farmers, the reports demonstrated that even thrift and careful watching of expenses weren't enough to make a year like 1952 shine in respect to black ink on the farm ledger.

On 133 farms of 9 counties enrolled in the Southwest Minnesota Farm Management Association, average net earnings fell 20 percent in 1952 to only $3,936 per farm, the accounting showed. At that level, the average was a little more than one-third the average net of $11,391 in the record income year of 1947.

Farms in southeastern Minnesota suffered an even larger drop percentagewise last year. On 170 farms in 14 counties in the Southeast Minnesota Farm Management Association, average net earnings after expenses declined 30 percent in 1952 from a record 1951 level. The decline was to a per farm of average net of $3,964, the lowest level since 1949.

EXPENSES SOAR

The great extent to which operating expenses have been eating into farm receipts, thus reducing the net that's left for the most thrifty operators, was revealed by the accounting.

In the southeast, of $19,194 total average farm receipts from all sources, including sales and living from food produced on the farm, expenses used up an average of $15,230. Farms enrolled in this farm-management project were in Dakota, Dodge, Freeborn, Goodhue, Le Sueur, Mower, Nicollet, Olmsted, Rice, Scott, Steele, Wabasha, Waseca, and Winona Counties.

In the southwest, total farm receipts averaged $25,804—of itself a drop of nearly $4,000 per farm from the year before. But farm expenses totaled $21,868 for the year, a drop of about $2,600. That left the average net per farm of only $3,936. The farms represented were in Cottonwood, Faribault, Jackson, Martin, Murray, Nobles, Redwood, Rock, and Watonwan Counties.

Increases in costs of labor, taxes, insurance, feed, and upkeep of machinery figured in rising expenses. The drop in beef cattle changed a profit of $84 per animal to a loss of $43 in the southeast. And in the southwest, it cut the return above cost from $130 per animal in 1951 down almost to $30 per head in 1952.

[From the Minneapolis Tribune of July 5, 1953]

UPPER MIDWEST SHIFTS TO DIVERSIFIED FARMING

(By Will Hertz)

Farm diversification is becoming more and more the pattern of upper Midwest agriculture—founded and for many years dependent on wheat production.

The pattern is seen in tabulations of the Minnesota State-Federal crop and livestock reporting service on the top 10 States last year in 16 kinds of crops, livestock, and livestock products.

Of the 160 places (10 for each of 16 crops), Minnesota, Wisconsin, North Dakota, and South Dakota captured 41. The year before they took 37.

Last year Minnesota placed in 15 categories: First in butter; second in oats, flax, rye, hay, and eggs; third in corn, barley, durum wheat, turkeys, and milk; fourth in chickens and pigs; fifth in soybeans; and eighth in potatoes.

It came close in one more—12th in sheep and lambs. In wheat, its old mainstay, it ranked 18th.

Wisconsin placed in 10 categories: 1st in hay and milk, 3d in oats and butter, 6th in rye, 7th in flax, 8th in corn and pigs, 9th in potatoes, and 10th in chickens.

South Dakota placed in seven categories: 1st in rye, 2d in durum wheat, 3d in flax, 5th in oats, 8th in barley, 9th in corn, and 10th in pigs.

North Dakota placed in seven categories: First in flax and durum wheat, second in barley; third in wheat, fourth in rye, and seventh in potatoes and butter.

In addition, on January 1, 1953, Minnesota placed 8th in cattle and calves on farms, 2d in milk cows, 5th in hogs, 4th in chickens, and 12th in sheep and lambs.

Wisconsin was fifth in cattle and calves, first in milk cows, and eighth in hogs.

South Dakota was 10th in hogs and 11th in sheep and lambs.

In total cash receipts last year, Minnesota farmers ranked sixth with $1,300,656,000. Wisconsin farmers were eighth with $1,142,643,000.

Both North Dakota and South Dakota failed to make the top 10. North Dakota with $523,216,000 and South Dakota with $553,730,000.

In cash receipts for livestock and livestock products, Wisconsin ranked fourth with $1,007,714,000 and Minnesota sixth with $937,467,000.

Again the Dakotas failed to make the top 10. North Dakota with $174,616,000 and South Dakota with $375,332,000.

Despite their great crop diversification, all four upper Midwest States failed to make the top 10 in cash receipts for crops since most of their crops are fed to livestock on the farm.

Minnesota cash receipts for crops, for example, amounted to $363,180,000, or 28 percent of farmers' total cash income.

Crop cash receipts for the other States were Wisconsin, $134,929,000; North Dakota, $348,600,000, and South Dakota, $178,398,000.

ADM. WILLIAM M. FECHTELER, UNITED STATES NAVY

Mr. BYRD. Mr. President, it is not unusual to find among the officers of our Armed Forces men of great ability and integrity. It is fortunate for the United States that men of character and courage will still devote their lifetimes as well as their lives to the service of their country.

This country now supplies a wealth of military leadership to the whole free world. The latest contribution we make is the appointment of Adm. William M. Fechteler to be commander in chief of the Allied forces in southern Europe.

It has been my pleasure to know our distinguished Chief of Naval Operations. I have heard him often in committee. He is not only a competent naval officer, but a powerful and able expositor. I have relied on his testimony and counted on his clear and forceful statements on legislative matters affecting the Armed Forces.

Admiral Fechteler is something of a naval tradition in his own right. He is the son of a distinguished flag officer. He is a pioneer in the field of joint command.

In several of the Pacific Ocean campaigns of the last war he was instrumental in the solution of sea, air, and ground problems involving forces of all services engaged in combat over wide areas. His foresight and resourcefulness in planning and in the direction of joint forces have been honored by his own and sister services.

In every naval assignment he has held those close to him acclaim his energy and firm, honest direction in every undertaking.

In yet another field, that of coalition planning, he has shown a skill in diplomacy equal to his naval forthrightness and compelling candor with the Congress.

When he commanded the Atlantic Fleet, just before becoming Chief of Naval Operations, he represented the United States on the North Atlantic Ocean Regional Planning Group. This was the early struggle to organize the defense of the Atlantic Community on the sea.

His service as Chief of Naval Operations most of you well know. The doctrine of readiness for combat has been furthered under his direction.

It is gratifying that he should accept the new assignment to duty he will perform overseas. It is also welcome recognition of his leadership for the North Atlantic Treaty Nations to agree to his appointment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 4353) to increase farmer participation in ownership and control of the Federal Farm Credit System; to create a Federal Farm Credit Board; to abolish certain offices; to impose a franchise tax upon certain farm credit institutions; and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HOPE, Mr. AUGUST H. ANDRESEN, Mr. HILL, Mr. COOLEY, and Mr. POAGE were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendments of the Senate to the joint resolution (H. J. Res. 228) to permit the entry of 500 children under 6 years of age, adopted by United States citizens while serving abroad in the Armed Forces of the United States, or while employed abroad by the United States Government.

The message further announced that the House had passed a joint resolution (H. J. Res. 305) making additional appropriations for the Department of Agriculture for the fiscal year 1954, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 305) making additional appropriations for the Department of Agriculture for the fiscal year 1954, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

EXTENSION OF TIME FOR EXEMPTION FROM INCOME TAXES FOR CERTAIN MEMBERS OF THE ARMED FORCES

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 613, H. R. 4152.

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

The LEGISLATIVE CLERK. A bill (H. R. 4152) to extend the time for exemption from income taxes for certain members of the Armed Forces.

The PRESIDING OFFICER (Mr. BENNETT in the chair). The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4152) to extend the time for exemption from income taxes for certain members of the Armed Forces.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. As I understand, the unfinished business is H. R. 4152.

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Colorado. Mr. President, I call up an amendment to H. R. 4152.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Are there committee amendments to the bill?

The PRESIDING OFFICER. The committee amendments were agreed to yesterday. The first step in the procedure will be to reconsider the vote by which the committee amendment to H. R. 4152 was ordered to be engrossed and the bill to be read a third time.

Mr. KNOWLAND. Mr. President, is the amendment which the Senator from Colorado is proposing in conflict with the amendments which have already been adopted, or is the Senator from Colorado fearful that he might be precluded from offering his amendment unless the vote by which the committee amendments were agreed to is reconsidered?

Mr. JOHNSON of Colorado. No; that was not the purpose of the Senator from Colorado. He merely wishes to have the bill considered so that he may offer an additional amendment.

Mr. KNOWLAND. The bill is before the Senate.

Mr. JOHNSON of Colorado. And I have called up my amendment.

Mr. KNOWLAND. That is what I understood, but I also understood the Chair to say that the vote whereby the committee amendment was agreed to had to be reconsidered.

Mr. JOHNSON of Colorado. That was not my purpose.

The PRESIDING OFFICER. The parliamentary situation is that the amendment was ordered to be engrossed. The Senate is now reconsidering its action in ordering the amendment to be engrossed and the bill to be read the third time in order that the amendment offered by the Senator from Colorado may be considered. Without objection, the votes of the Senate in ordering the amendment to be engrossed and the bill to be read the third time are reconsidered.

The clerk will state the amendment offered by the Senator from Colorado.

The CHIEF CLERK. At an appropriate place in the bill it is proposed to insert a new section as follows:

SEC. 4. (a) The table contained in section 1650 of the Internal Revenue Code (relating to the war-tax rates of certain miscellaneous taxes) is amended by striking out the following:

"2401---| Furs---| 10 percent---| 20 percent"

(b) The amendment made by this section shall apply only to articles sold on or after the first day of the first month which begins more than 10 days after the date of enactment of this act.

Mr. JOHNSON of Colorado. Mr. President, the effect of the amendment is to reduce from 20 percent to 10 percent the retail excise tax on furs, terminating the war-tax rate. I am positive that my amendment will actually increase Govenment revenues, not from other or indirect sources, but from the actual collections under this tax itself. That may sound like doubletalk, but I am making the statement in absolute good faith and in all seriousness.

The Treasury Department's figures show that during the calendar year 1943, which was the last year the industry operated on the 10-percent rate, collections from the tax on retail sales of furs amounted to $52 million. During the calendar year 1952 collections dropped to $51 million. In other words, the Government is collecting less revenue today from the 20-percent excise tax on furs than it did 10 years ago, when the rate was 10 percent.

The record further reveals that during the fiscal year 1947 collections from the excise tax on furs reached a peak of $97.4 million. Since then collections have steadily declined, so that during the fiscal year 1952 only $51.4 million was collected, and estimates for 1953 are that $49.2 million will be collected, which represents a 50-percent decline in revenues from this tax since 1947, in spite of the fact that the tax rate has been increased.

The Government's own figures show that as far as the fur industry is concerned, they have reached a point of diminishing returns.

In my opinion, this is a case in which the Government is taxing itself out of taxes.

But that is only part of the story. It just does not make sense, nor is there a legitimate reason or justification, to continue such an unwarranted tax to such a point that it is making a Government liability out of an industry. A study of the facts clearly shows that unless some immediate relief is given, during the next fiscal year the Government will have to expend as much money to the fur industry in unemployment compensation and other forms of relief as will be collected in taxes from the industry.

What has happened is simply that the public is refusing to pay an exorbitant tax for the privilege of owning fur products.

Though the retail price of furs has remained relatively steady, the consumer's revolt against paying the tax has reduced the volume of sales of fur products to less than half what they normally were. The result is that over half the raw furs now being produced are being stored, 40 percent of the fur workers are receiving unemployment compensation or are working only part time, and the other branches of the industry are either idle or are operating far below normal capacity.

The industry is aware of the fact that its only possible chance of regaining its volume of business is to remove the obstacle that is causing the trouble by passing the tax reduction on to the consumer. With storehouses bulging with raw furs and 40 percent of the fur workers unemployed, fur prices will not rise.

What the industry feels it is entitled to is a tax rate under which it can operate at normal capacity, contribute a maximum of taxes to support its Government, and regain its position as an economic asset rather than be a liability to the Treasury and the Nation.

It is inconceivable that we would turn down the request of an industry that has the capacity and wants to contribute more revenue to the Government.

At a time when we are straining to balance the budget and need more taxes and are trying to reduce expenditures, most assuredly the problem of the fur industry merits consideration and action.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD some supporting data which go into more of the details of this situation.

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

SUPPORTING FACTS

Government statistics prove the fur industry to be in the most precarious and sick position of any industry whose products or services are subject to excise tax.

As there can be no better barometer than Government excise-tax receipts to reflect business activity, one need only take a quick glance at the attached table to see what is happening. Since 1947 the sales of furs has declined 48.2 percent.

Three general classifications are shown, including collections from (1) retail excise

taxes, (2) communications, (3) transportation, (4) admissions.

Further evidence of the critical situation the fur industry is in is borne out by the following figures released by the United States Treasury Department on May 20, 1953.

Corporation income tax returns for the year 1950 covering the fur-manufacturing industry shows the following: Total number of returns filed, 1,017; number of returns showing net income, 523; number of returns showing losses, 494.

Though there are no available figures for 1951 or 1952, it is estimated that of the fur-manufacturing firms remaining in business over 65 percent are operating at a loss.

The National Institute of the Fur Industry reports show that during the past 3 years over 400 firms in the fur manufacturing and retailing business have gone bankrupt, representing losses of over $25 million.

It is estimated that 40 percent of the fur workers in the processing and manufacturing branch of the fur industry are out of work and receiving unemployment compensation.

Impact on the raw-fur industry is evidenced by the fact that the State of Louisiana, one of the largest raw fur producers, shows income to that State from sale of furs dropped from $15 million in 1946 to $2 million in 1952.

Warehouses are loaded with millions of dollars of raw furs deteriorating and rotting.

This pathetic situation is entirely due to the fact that consumers refuse to pay a discriminate, exorbitant tax on fur articles.

Federal excise tax receipts, fiscal year 1947–52

[In millions of dollars]

Year	Retail excise taxes				Communications		Transportation		Admissions, general admissions
	Furs	Jewelry	Toilet preparations	Luggage	Local telephones	Long distance telephone, telegraph	Persons	Property	
1947	97.4	236.6	95.5	84.5	164.9	252.7	244.0	275.7	392.9
1948	79.5	217.8	91.8	80.6	193.5	275.3	246.3	317.2	385.1
1949	61.9	210.6	93.9	82.6	224.5	311.4	251.4	337.0	385.8
1950	45.7	190.8	94.9	77.5	247.3	312.3	228.7	321.2	371.2
1951	57.6	210.2	106.3	82.8	290.3	354.7	237.6	381.3	346.5
1952	51.4	220.4	112.8	90.7	310.3	369.7	275.1	388.5	328.8
1953 (estimate)	49.2								
Percent increase or decrease, 1947 to 1952	−48.2	−6.8	+18.1	+7.3	+88.2	+46.3	+12.8	+40.9	−16.3

NOTE.—Calendar year receipts from excise tax on furs: 1943, 52 million, 10 percent rate; 1952, 51 million, 20 percent rate

Mr. IVES. Mr. President, I desire to endorse everything the distinguished senior Senator from Colorado has just stated.

The fur industry in New York State, from the standpoint of the actual make-up of the furs themselves—in other words, the manufacture of coats, fur pieces, and so forth—is completely knocked out at the present time.

If this amendment is adopted, I hope it will go a long way toward reviving the fur industry in the United States. If it is not adopted the plight of the industry as a whole will indeed be very serious.

I myself have prepared an amendment identical in character to the one the Senator from Colorado has just submitted. Of course, I shall not submit mine, assuming that his is adopted, and I hope as strongly as I can that the amendment will be adopted and that the bill including the amendment will be passed.

Mr. KNOWLAND. Mr. President, I regret very much to have to rise to oppose the amendment submitted by the distinguished senior Senator from Colorado. This bill extends the time of exemption from income taxes in the case of certain members of the Armed Forces. Although it is quite true that under the rules of the Senate the amendment is in order, inasmuch as the pending bill deals with revenue matters, and was reported from the Finance Committee, I respectfully appeal to the Senate not to begin to add amendments to the bill, because, as a result of following such procedure in the closing days of the session, we might very well jeopardize the enactment of the bill. After all, if one amendment to deal with one tax problem is added to the bill, there are undoubtedly other Senators who are familiar with other problems which to them are no less acute.

I have no question in my mind that the fur industry has many problems, and also that there are a great many other businesses in the Nation that have serious difficulties. However, it seems to me that at this late stage in the session it would be a very poor parliamentary practice to begin to add amendments to the bill, if we wish to have the bill which has come to the Senate from the committee enacted into law.

In the first place, as I have pointed out, that would encourage the submission of a number of amendments on a multitude of subjects. In the second place, from the point of view of the time element, it would require a conference with the House, and the bill might very well become tied up in conference, because of honest difference of opinion on the part of the House and the Senate. Finally, if the bill were to be loaded down with amendments, so as to become an omnibus bill, it would be very likely that the President would not approve it.

So I appeal to the Senate to pass the bill as it has come to us from the Finance Committee, without additional amendments.

Mr. KILGORE. Mr. President, will the Senator from California yield for a question?

Mr. KNOWLAND. I yield.

Mr. KILGORE. I feel that there are certain discriminations against the fur industry and against various other industries. But does not the Senator from California feel that matters relating to excise taxes should be taken up one by one, and that each should be studied on its own merits, before we either repeal or continue the tax? Does not the Senator from California agree as to that?

Mr. KNOWLAND. I fully agree with the Senator from West Virginia on that point. It seems to me that cases can be made for the giving of relief, but that each case should be taken up on its own merits, and that we should not proceed to add amendments of that sort to the pending bill, with the result that the bill would become an omnibus tax bill.

Mr. KILGORE. Let me say to the Senator from California that the interpretations of the existing tax laws have been rather discriminatory in some ways, because of poor delineations. For instance, in the case of the luxury tax, we find that because a fur collar is added to a cloth coat, the coat is taxed as a fur coat. Does not the Senator from California think that a legitimate question arises as to what should be taxed in that respect?

Mr. KNOWLAND. Yes; I think there is merit in what the Senator from West Virginia has said.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Colorado. Does not the Senator from California realize there is great difficulty in regard to such matters? The Senate cannot originate revenue bills; the Senate has to wait for revenue bills to come from the House. About the only opportunity we have to take care of such tax problems is to add amendments to the revenue bills which the House passes and sends to the Senate.

I think it is not difficult to show that the fur industry is being taxed out of business. Existing statistics easily demonstrate that fact.

If, under the Senator's theory, all tax matters were considered in one bill, and if all tax-relief proposals were considered in another bill, that would be much more convenient, and might be a better way to legislate. But the Senate does not have such a choice. The Senate has to do the best it can with what it has to deal with.

The amendment I have submitted has received consideration by the Senate Finance Committee. I do not think there is one member of the committee who is not very sincerely and deeply impressed with the distress of the fur industry, largely because of the exorbitant tax of 20 percent, which causes great sales resistance—so much so, that furs simply are not being sold.

Of course, other excise taxes are a burden, too. In a short time we shall deal with another measure relating to another excise tax, namely, the theater admisison tax. That proposed amendment to the excise tax law comes to us as a single bill.

The members of the committee and other Members of the Senate have been urged not to load down that bill with amendments. Let me say that I have sufficient confidence in the committees of conference and in the individual conferees on the part of the House and in the individual conferees on the part

of the Senate to believe that they will deal on the merits with any problems which come before them. I do not think we have to use an exact mold in regard to conference committees. The conferees of both Houses are able men. They can handle whatever the House and Senate pass on to them.

So I do not think we are doing anything extraordinary or out of the way in giving to the Senate an opportunity to correct a very great wrong, which is the purpose of the amendment, and our hope in connection with it, and to correct it in the interest of the Treasury of the United States, as well as in the interest of a great industry.

Mr. KNOWLAND. I may say to the distinguished Senator that I know the deep sincerity with which he presents his amendment. As I said in the beginning, there is no question that he is entirely within the rules of the Senate in so doing. There is much merit in what he says, since, under the Constitution of the United States, the Senate cannot originate tax legislation. As all Senators know, revenue legislation may be originated only in the House of Representatives. I am very hopeful that, early in the next session, a bill dealing with some of the inequities which the Senator has mentioned will come from the House in the regular order, and will reach the Senate early enough in the session so that the Senate Finance Committee, of which the distinguished and able Senator is a member, and an active member, will have an opportunity not only to consider the bill, but to conduct hearings for the purpose of taking the testimony of those who feel that additions, amendments, or corrections should be offered to it. So I raise no question in that regard.

I speak merely as the acting majority leader, in what we hope is about the last week of the session. The problem raised by beginning to add amendments to the pending measure or to some other revenue bill is that if one amendment were added, it would open the door, in my judgment, so that additional amendments would then be offered, and in the final analysis we would jeopardize passage of the bill.

The bill now pending, as the distinguished Senator knows, and as I pointed out before, deals with the extension of time for exemption from the payment of income taxes for certain members of the Armed Forces. The present law will expire on January 1, 1954, if not extended. If the bill were not passed, the exemption applicable to men who fought in World War II, or the men who are in Korea today, would be removed before the Congress met again and had a chance to act on the question.

So, I plead with the distinguished Senator and with other Members of the Senate, that under the circumstances they not start loading up the bill with amendments. I say that in the utmost sincerity, because I do not for one moment question that the distinguished Senator from Colorado has a very real knowledge of the problem, or that the industry affected by the amendment he has offered is in a serious condition, and is in need of relief. To express a personal opinion, I hope that when the bill to which I have referred is before the Senator's committee early in the next session, the matter will then be given attention, and that the Senate will be able to act on it at an early date in the next session of the Congress. That is the basis of my position. It is not a matter of opposition to what the Senator is trying to achieve. I do not deny that the difficulties to which the Senator has referred are facing the fur industry.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Colorado. The point I desire to call to the attention of the Senator once more is that there are conference committees. The House has its representatives on conference committees. In this instance the conference committee will take into consideration the nature of the bill, and will take into consideration the nature of the amendment, as well as the urgency of the bill and the urgency of the amendment. We have to trust the conference committees, particularly with respect to revenue legislation, since the Senate is restricted in the handling of revenue matters, and can only amend revenue bills which come from the House. That is the only way the Senate can proceed in such matters.

No one questions that the chairman of the Committee on Finance is an able man, and it seems to me he would be able to handle this matter in conference. I should like to make a plea to the chairman of the Finance Committee to take the amendment to conference.

Mr. KNOWLAND. Mr. President, I do not speak for the distinguished chairman of the committee, who is the colleague of the senior Senator from Colorado, but I respectfully must say that because of the problems which I believe could be presented if one amendment were accepted, I think the chairman of the committee would be in a most difficult position when other amendments were offered with respect to other industries or groups that may also feel they should be afforded relief. To them their problems may be as great as the problem which, as the Senator from Colorado has pointed out, those engaged in the fur industry face. He would be in a very difficult position if he should accept the amendment of the Senator from Colorado and not accept other amendments when others felt their cases were equally strong. So, even if the chairman of the Finance Committee were inclined to accept the amendment, I must say in all fairness that I would feel obligated to urge the Senate to resist taking the amendment to conference.

Mr. SCHOEPPEL. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. If the Senator wishes to speak, I yield the floor.

Mr. SCHOEPPEL. I should merely like to say to the acting majority leader that I recognize the merits of the position taken by the distinguished Senator from Colorado; but I desire to proceed in the spirit of the remarks of the distinguished acting majority leader.

I may say very candidly that as a result of the last severe flood which occurred in my State, which went on down the Missouri Valley and down the Mississippi Valley, hundreds and hundreds of thousands of gallons of gasoline were destroyed. I have been importuned most earnestly by many independent dealers and retailers who had paid a tax on that gasoline to present, at the earliest possible opportunity, an amendment or some other legislative measure to obtain relief for them.

As I said, I wish to go along with the spirit in which the acting majority leader has suggested we approach this particular measure, but I must say in all candor that if amendments are offered to this measure, and their proponents are successful in having them considered and added to the pending bill, I shall be constrained to offer an amendment in furtherance of the relief of those who lost property in the flood to which I have referred.

Mr. KNOWLAND. I may say to the distinguished Senator from Kansas, I have been told by perhaps a dozen Senators on both sides of the aisle that they have amendments which they feel are also meritorious. They were inclined not to offer them, but they have indicated that if the door were once opened, they would feel it necessary to do so.

As one who comes from the far West, from the State of California, I may say to the Senator that our people feel that there is great discrimination in respect to the transportation tax, as one example, and with respect to the communications excise tax. They say that when a citizen of a nearby State, let us say a citizen of Pennsylvania, Delaware, or Maryland, desires to come to Washington for the purpose of presenting his case, it involves a relatively small expense, if he uses public transportation. The excise tax on such transportation means little. But if a citizen of the Pacific Coast States or the Mountain States who has just as great an interest about legislation pending in Washington, feels that he should come here, the transportation tax places a cumulative burden on him out of all proportion to the tax paid by a citizen from a nearby State. That is also true if a person living in the West wants to telephone his Senator, or desires to transact business between the East Coast and the West Coast, by reason of the difference in distances. The penalty of a tax of that type bears more heavily, the further one is away from Washington, whether it is in the communications field, involving the use of telephone or telegraph, or in the field of public transportation. A number of Senators have told me that if any amendments are adopted with respect to this bill, they will feel, in order to prevent gross inequity, that amendments should be offered by them. I, personally, would like to see relief from such taxes afforded as rapidly as possible, and under normal circumstances, I would feel that I should both support and vote for such an amendment. But, in view of the situation which prevails in the Senate, I must say that I would have to resist an amendment of that

kind if it were offered, providing no other amendments to the bill were offered. As the distinguished Senator from Kansas [Mr. SCHOEPPEL] has pointed out, however, if one amendment goes in, the door will be open, and, in my judgment, the passage of the bill would be jeopardized.

Mr. IVES. Mr. President, let me say that I do not like to disagree with the acting majority leader, but I shall have to do so in this instance. The reason is very simple. Calendar 612, House bill 157, provides that a tax on admissions shall not apply to moving-picture establishments.

I am not here to argue about the justification for the bill. There is no doubt that it is needed, for there can be no question that the small motion-picture theaters are almost on the verge of being wiped out. We single them out and say, "Here is an industry we are going to save. We are going to do the magnanimous thing and take care of it."

Mr. President, there is also the fur industry which I dare say is in just as bad shape as is the motion picture theater industry. That is why I am taking the position which I am taking today. The amendment which I prepared was to House bill 157. I talked it over with a number of persons and they said it was all right. If we want to make it a clean bill, or if we want to tack amendments to it, I shall not interfere or attempt to interfere. I shall go along. But, so long as this opportunity is provided to take care of motion-picture theaters, I invite attention to another industry, which, to be sure, is not nearly so large or so influential as is the motion-picture industry, but which employs thousands upon thousands of persons, and which is already crippled to a considerable extent because of the excise tax now applied. It is an industry which needs help just as much, I dare say, as does the moving-picture industry. The moving-picture industry is faced with the same condition, and I cannot say, in all honesty and integrity, "No, you do not deserve it. The motion-picture industry deserves it, and we have got to save it."

Mr. KNOWLAND. Mr. President, will the Senator from New York yield?

Mr. IVES. I yield.

Mr. KNOWLAND. I would say to the distinguished Senator from New York that if the second bill to which he referred was not on the calendar and an amendment were offered to this bill to relieve the moving-picture industry, I would resist it. But the difference between such an amendment as that to which the Senator refers and House bill 157, is that hearings were held on the bill by the House Ways and Means Committee, it was considered on its merits, was reported favorably to the House of Representatives, passed by the House, and came to the Senate. It went before the Senate Finance Committee and was favorably reported to the Senate. If the industry to which the Senator is now trying to give relief had a bill before us which had passed through the same process, with hearings in the House, a report of the House Ways and Means Committee, action by the House of Representatives, consideration by the Senate Finance Committee and reported to the Senate in the same way House bill 4152 and House bill 157 have been, I would say to the distinguished Senator from New York that insofar as it fell within my recommendation, I would recommend that the bill be given the same consideration which those two bills are being given. At the same time, if that had happened, I would resist as strongly as I am trying to resist today any additional amendments to that bill which, in my judgment, would jeopardize its enactment and result in no relief whatsoever being given.

Mr. IVES. Mr. President, I well appreciate the position in which the acting majority leader is placed, but that has nothing to do with the equity of the situation with which we are faced. We are singling out the motion-picture industry. I have not said for one instant that it does not need help, that it is not on the verge of collapse. I am not talking so much about the motion-picture industry in California as I am about the small moving-picture theaters. They are on the verge of collapse. Maybe Senators can point out still other industries which are in a bad situation as a result, to a considerable extent, of the excise tax, but I do not know of any industries other than the particular two, the fur industry and the moving-picture theater industry that are on the verge of collapse as a result of the excise tax primarily. Those are the two about which I know.

Some industries have written me that they are getting by and can make the grade for another year. But the fur industry is in a state of collapse right now. Why single out one industry and say it is to be saved, and refuse to afford relief to another industry, which, in the course of another year, and before we can possibly enact any legislation dealing with it, is likely to go out of existence to a considerable extent? That is why I rose. That is the sole purpose I have in mind.

Mr. LONG. Mr. President, will the Senator from New York yield?

Mr. IVES. I yield.

Mr. LONG. It may be interesting to know that in the State of Louisiana in 1947 our trappers caught $15 million worth of fur. Last year they trapped $2 million worth of fur. The Senator can see that at that rate of decline, if we do not give the fur industry relief this year there is no use worrying about relief so far as Louisiana is concerned, because the fur business there will be out of existence.

Mr. KNOWLAND. Mr. President, will the Senator from New York yield?

Mr. IVES. I yield.

Mr. KNOWLAND. Is not a great deal of the difficulty arising because of the dumping of furs by the Soviet Government?

Mr. LONG. Of course, there is that problem involved; but the main problem is the excise tax.

Mr. IVES. That is the main problem. Certainly, what the acting majority leader says is correct, but that is only a secondary influence.

Mr. HUMPHREY. Mr. President, will the Senator from New York yield?

Mr. IVES. I yield.

Mr. HUMPHREY. I should like to say to the Senator from New York and the Senator from Colorado that about 2 weeks ago I was called to a meeting of our fur farmers and employees in the fur industry, as well as manufacturers and processors. At that meeting what the Senator from Colorado has proposed and what the Senator from New York is now espousing and so excellently presenting is the situation which was brought to my attention. I recall that when consideration of movie-tax relief was brought to public notice, I again received a call from the head of the organization of the fur people, and I told them exactly what the Senator from New York is saying.

I am not an expert in this field. I do know that in my State there is a large number of fur farmers, and they have suffered from some dumping on the part of the Soviet. But they have suffered from the excise tax and, I may say, also from unfortunate publicity. There is no doubt the excise tax does put a hindrance upon retail sales.

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

Mr. HUMPHREY. I am delighted to yield.

Mr. KNOWLAND. I regret very much——

Mr. IVES. Mr. President, do I have the floor?

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. KNOWLAND. Will the Senator from New York permit me to make an observation?

Mr. IVES. Certainly.

Mr. KNOWLAND. I regret very much that mink farmers have had such unfortunate publicity.

Mr. HUMPHREY. I regret it, too. I thought that with the coming of the new administration, mink raising would become respectable, but that has not happened.

Now that we have that out of the way——

Mr. IVES. May I intervene at this point, since I have the floor, to point out that regardless of one phase of the fur industry, which may be having success, the fact remains that conditions in the rest of the fur industry have not improved.

Mr. HUMPHREY. There are many different kinds of furs, as the Senator knows. I must say that the industry is in critical condition. Make no mistake about it, it is. It is, in the State where I live, particularly in the Twin Cities, where there is a large fur manufacturing business. The time is at hand to afford some relief.

The acting majority leader has pointed out that the excise taxes are very strongly resisted by large numbers of consumers and processors. The continuation of excise taxes in some fields is what might be called economically catastrophic. They tend to destroy the industries.

Mr. IVES. Aside from the movie industry and the fur industry, does the

Senator know of any other industry that is being hurt?

Mr. HUMPHREY. The manufacture of costume jewelry.

Mr. IVES. That is possible.

Mr. HUMPHREY. I invite the attention of the Senate to the unmistakable evidence that fur producers are going out of business. The evidence is that fur workers are unemployed. The evidence is that fur producers are either going broke or have already gone down the grade. The further evidence is that we are not being able to maintain an industry which has been an integral part of the American economy. I believe some relief is very definitely needed. I wish to commend the Senator from Colorado and the Senator from New York.

Mr. IVES. Mr. President, I still have the floor, do I not?

The PRESIDING OFFICER. The Senator from New York has the floor.

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

Mr. IVES. I yield.

Mr. HUNT. I am very much interested in the bill which pertains to moving-picture theaters, and I am also interested in the amendment which pertains to the fur industry. In the first place, I may say that on a recent trip home, I think in every community I visited the owners of theaters contacted me and, in many instances, showed me records and books indicating what is happening to movie houses.

It so happens that in my State the summer nights are very wonderful. As a rule, people are out in their cars, and do not attend shows in movie houses during summer evenings. However, open air picture houses have sprung up all over the State, so instead of there being no competition in the small communities, the small-town theaters now have competition and must divide what little business they have during the summer months.

It also happens that in my State the winter evenings are often very severe, so severe that folks remain in the comfort of their own firesides. We are now advised that television is reaching our State, which will mean that during the winter months people will more and more stay at home and enjoy television, instead of going to the moving-picture theaters. So I am very much interested to see that the bill shall pass, and thus save several of the small moving-picture houses in my State.

With reference to the fur industry, as I have said, my State is a rather large producer of furs and of course I am interested in the welfare of fur producers. However, I might say to the distinguished Senator from New York that I do not suppose there has been as much business in the fur industry, retail, ever before in our history, as there has been in the past few years. At least, I have observed a great many fine new fur pieces around the city of Washington.

I may say to the distinguished Senator from New York that I would very much like to see repealed the tax on movie-theater admissions, because I know that about half the moving-picture theaters in my State will go out of business if that is not done. Much as I am interested in those in my State who are trappers and produce raw furs, I must say to the distinguished Senator from New York that I would dislike very much to see this very worthy bill lost because of an amendment designed to help another industry.

Mr. IVES. Mr. President, I wish to point out to my distinguished friend, the senior Senator from Wyoming, that the amendment now being offered is not an amendment to the bill removing the tax on admissions to moving-picture theaters. That is House bill 157. The amendment which has been offered has been offered to Calendar 613, H. R. 4152, to extend the time for exemption from income taxes for certain members of the Armed Forces.

Mr. HUNT. Then I may say to the distinguished Senator from New York that my remarks are not appropriately directed, although I did present a statement of the facts that I wished to have in the RECORD. I am sorry to have taken the time of the Senator from New York.

Mr. IVES. I agree with all the Senator from Wyoming has said about the moving-picture industry; but why single out that industry?

Mr. HUNT. I am not exactly singling out that industry, except that I think their cause is the most worthy of all. Let us get something done to help someone.

Mr. IVES. I shall not argue with that statement, because it is an extremely worthy cause, but there is another industry whose cause is just as worthy.

Mr. HUNT. I agree with the Senator, but if we cannot get a whole loaf, let us take half a loaf.

Mr. IVES. That does not help the fur industry in any way.

Mr. JOHNSON of Colorado. Mr. President, as the Senator from New York pointed out, we are now considering another bill. The acting majority leader has advised us that later today we shall take up Calendar 612, H. R. 157, a bill dealing with motion-picture admission taxes. The bill now being discussed has nothing to do with H. R. 157. It is an entirely separate bill on the calendar. It is Calendar 613, H. R. 4152.

As I pointed out to the Senate a few minutes ago, the fur industry is demoralized.

Mr. HUNT. I regret I was not on the floor when the Senator was speaking.

Mr. JOHNSON of Colorado. I wish to point out, further, the difference between these two proposals. By the motion-picture admissions tax proposal, we are expected to strike out all of the tax, 100 percent. In my fur-tax amendment, the proposal is to reduce the tax 50 percent. The tax would be reduced from a 20-percent excise tax to a 10-percent excise tax. It is contended, and I believe with logic, that the 10-percent tax on furs will earn more for the Treasury than will the 20-percent tax. So if we reduce the tax from 20 percent to 10 percent, we will be doing a kindness to the Treasury and a kindness to the industry.

Mr. HUNT. I may say to the Senator from Colorado that I am not in opposition to his amendment at all, provided it does not apply to the bill granting relief to the moving-picture theater people.

Mr. JOHNSON of Colorado. It has no relation to that bill; it relates to an entirely separate bill.

Mr. CARLSON. Mr. President, we have heard considerable discussion this afternoon about the problems of the fur industry, with which I am in sympathy. I am somewhat familiar with the industry, and I know it has its troubles. But I think the Senate ought to consider the bill before it, which is a bill for the relief of veterans who have served in combat and who have been wounded, and who are given a deduction on taxable income which will expire January 1, 1955, if the bill shall be passed, as it should be. Otherwise; since Congress will not return until January 3, veterans will lose their exemption on January 1, 1954.

I have great sympathy with the statements made by Senators who spoke about amending the excise tax laws; but we should remember that the bill under consideration is one affecting veterans. I sincerely hope the Senate will place in the bill no amendment which will jeopardize it in conference. Without this bill veterans will have no privileged taxable income deduction after January 1, 1954. I think Senators who have offered the amendment should give serious consideration to this danger. We should do this regardless of the merits of the other proposals.

I have some amendments which have been mentioned by the distinguished acting majority leader, especially one relating to the transportation tax. I have been implored to offer it, but I do not intend to do so. I expect to oppose amendments to this bill. I expect to oppose amendments to the motion picture tax bill. These bills have cleared one body of the Congress. They have passed through the Senate Committee on Finance. They were reported to the Senate without amendment, and with the recommendation that they pass. If we wish to jeopardize this type of legislation, let us continue attaching amendments.

I sincerely hope that the Senate will reject the pending amendment.

Mr. JOHNSON of Colorado. Mr. President, the Senator from Kansas is a member of the Finance Committee. He heard the discussions in the Finance Committee with respect to the fur proposal, and he heard the discussions in the Finance Committee with respect to the proposal for the repeal of the motion picture admissions tax.

Mr. CARLSON. That is correct.

Mr. JOHNSON of Colorado. The Senator knows that there was great support in the Finance Committee for making the motion-picture proposal exclusive in the Senate, just as it was handled exclusively in the House. A vote was taken in the Finance Committee on that question. That was all right. The majority of the members of the committee were in favor of making the proposal for the repeal of the motion-picture tax on admissions exclusive. The Senator from Kansas, who has had

long experience on the Ways and Means Committee, and is familiar with tax procedures, knows that the only way the Senate can initiate a proposal for tax relief is by attaching it to some bill which comes from the Ways and Means Committee.

The Senator says that this particular bill, House bill 4152, pertains to veterans who are discharged. As I understand, the bill applies to men in the armed services. It is a completely worthy bill, and should be enacted. I have confidence enough in the conferees representing the Senate to feel sure that they will not let House bill 4152 die or fail of enactment. I am sure the conferees will act with good judgment and with great patriotism, and that they will see to it that House bill 4152 is not unduly delayed.

I appeal to the Senator from Kansas, on the ground that this is the only opportunity the Senate has had to consider the demoralizing situation which is facing the fur industry. So I hope the Senator will not pull the rug out from under us in connection with the only opportunity we have.

Mr. CARLSON. The junior Senator from Kansas stated, or intended to state, that the bill which passed the House applies to veterans who are serving in Korea or in other war combat zones. It does not apply to all veterans. It applies also to veterans in combat areas who have been wounded and are hospitalized, either in this country or elsewhere.

I have great sympathy for the fur industry. It is suffering seriously. The Senator from Colorado earnestly and ably presented his case in committee. His proposal has much merit. If it had been possible, I believe our committee would have reported a bill to take care of the situation. However, under the Constitution we cannot originate tax legislation. Therefore we are faced with this situation: An amendment is offered to a bill which does not deal with excise taxes. If it did, I would have no argument. But I think I have a sound argument when it comes to repealing or reducing excise taxes on a bill dealing with veterans and their tax exemption.

Mr. JOHNSON of Colorado. I remind the Senator that we did have a tax bill before the Finance Committee dealing with excise taxes. It was decided in the Finance Committee not to amend that bill with this proposal. I brought the fur tax amendment up before the committee, as the Senator knows. I think every member of the Senate Finance Committee expressed himself as being very much in sympathy with the proposal, and as believing that it ought to be enacted. I think most of the members of the committee said so. But the Finance Committee itself voted not to amend, in committee, the motion picture admissions tax bill, which provided for a 100-percent reduction in the tax. My amendment involves a reduction of only 50 percent in fur taxes.

It was said in the Finance Committee—and the statement was not challenged by anyone—that the Government would receive more revenue from a 10-percent tax than it would receive from a 20-percent tax, because of the sales resistance involved in connection with the 20-percent tax.

Mr. CARLSON. The distinguished Senator from Colorado pleaded as earnestly and sincerely in the committee as he is pleading on the floor of the Senate. He is absolutely accurate in his statement regarding the bill which we are considering and the bill which I understand is to come up later this afternoon, dealing with the repeal of certain excise taxes. But again I say that the bill now before the Senate is not a proper bill to which to attach an amendment dealing with the repeal of excise taxes, and I sincerely hope that the Senate will not so vote.

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

Mr. CARLSON. I yield.

Mr. WILLIAMS. Would it not be more appropriate for the Senator from Colorado to offer his amendment to Calendar No. 612, House bill 157, which is the bill dealing with the repeal of the tax on motion picture theater admissions, than to offer it in connection with the pending bill? Would it not be much more appropriate to attempt to attach that amendment to a bill dealing with the same subject, rather than to a bill dealing strictly with veterans' problems?

Mr. CARLSON. There can be no question that it is germane to the pending bill, as all tax matters are, of course; but it belongs in an excise tax bill, and not in a bill dealing with income tax exemptions for veterans.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. JOHNSON of Colorado. I am sure the Senator was present and heard the suggestion made to the Senator from Colorado that he offer his amendment to House bill 4152. I do not recall that the Senator from Kansas stated that he did not believe that should be done.

Mr. CARLSON. I made the direct statement—and I repeat it now—that I am opposed to amendments to both bills, and I hope that none will be added so that I can vote for both bills. I sincerely hope that we will not confuse the issue.

Mr. IVES. Mr. President, I do not wish to take up any more time than necessary on this subject, but I shall insist upon 1 or 2 things.

First, I am as strongly in favor of the bill itself, House bill 4152, as is any other Senator. It is a very vital and a very necessary bill. However, I do not think that has anything to do with the pending amendment. Knowing the membership of the distinguished Committee on Finance of the United States Senate, I have no doubt that whoever the conferees representing the Senate may be, they will do a good job, and do the job which should be done. I have complete confidence in them.

Furthermore, I have no question whatever about their getting into a legislative jam or conference jam as the result of an amendment which may be added to the bill, or perhaps several amendments which may be added. I think the conferees will be perfectly able, in their discretion, to decide what they ought to do, and that they will reach a decision promptly. I do not believe that this amendment would delay or jeopardize the proposed legislation.

It has been suggested that this amendment would come with better taste if it were applied to House bill 157, which has to do with the elimination of the excise tax on motion-picture theater admissions. I do not question that. It might be in better taste. It is perfectly proper in this particular instance, in connection with the particular bill which we are now discussing. It probably would be more suitable in connection with the other bill. However, I have been given to understand—and Senators who have just spoken have so indicated—that Senators are going to resist every kind of amendment which may be offered to either of these bills. So what difference does it make?

Furthermore, I have been given to understand that it is more or less generally understood that the bill repealing the admissions tax on motion-picture theater admissions is supposed to go through without any amendment whatever in order to make it a clean bill, and avoid conference committee consideration. That is perfectly all right; but I cannot for the life of me see why that should prevent us from offering a perfectly suitable amendment in connection with another bill, as we are doing today in this particular instance.

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

Mr. IVES. I yield.

Mr. CARLSON. The distinguished Senator from New York has mentioned the point that we need to be very careful and not add any amendments to the motion picture tax bill, lest it be tied up in conference.

Mr. IVES. I did not say that I agreed with that statement. I said that I had been so informed.

Mr. CARLSON. Assuming that to be correct, would there not be danger of the pending bill being tied up in conference if amendments were added?

Mr. IVES. Mr. President, I do not believe there is that danger. I do not think either bill would get tied up in conference if amendments of this kind were placed on it. I have absolute faith in the Senate conferees. I have no doubt that the conferees, knowing the membership of the Committee on Finance, will be perfectly able to handle the question. I hope that the amendment offered by the distinguished Senator from Colorado [Mr. JOHNSON] will be adopted.

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

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

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Butler, Nebr.	Cooper
Anderson	Byrd	Cordon
Barrett	Capehart	Daniel
Beall	Carlson	Dirksen
Bennett	Case	Douglas
Bush	Chavez	Dworshak
Butler, Md.	Clements	Eastland

Ellender	Johnson, Colo.	Mundt
Ferguson	Johnson, Tex.	Murray
Flanders	Johnston, S. C.	Neely
Frear	Kefauver	Pastore
Fulbright	Kennedy	Payne
George	Kerr	Potter
Gillette	Kilgore	Purtell
Goldwater	Knowland	Robertson
Gore	Kuchel	Russell
Green	Langer	Saltonstall
Griswold	Lehman	Schoeppel
Hayden	Lennon	Smathers
Hendrickson	Long	Smith, Maine
Hennings	Magnuson	Smith, N. J.
Hickenlooper	Malone	Sparkman
Hill	Mansfield	Stennis
Hoey	Martin	Symington
Holland	McCarran	Thye
Humphrey	McCarthy	Watkins
Hunt	McClellan	Welker
Ives	Millikin	Wiley
Jackson	Monroney	Williams
Jenner	Morse	Young

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness. The Senator from Pennsylvania [Mr. DUFF] is absent on official business. The Senator from Ohio [Mr. BRICKER], the Senator from Ohio [Mr. TAFT], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate.

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON].

Mr. IVES. I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON]. [Putting the question.] The "noes" appear to have it.

Mr. IVES and Mr. JOHNSON of Colorado asked for a division.

On a division the amendment was rejected.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

If there be no further amendment to be offered, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

TERMINATION OF FEDERAL SUPERVISION OVER PROPERTY AND MEMBERS OF THE MENOMINEE INDIAN TRIBE OF WISCONSIN

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 583, H. R. 2828.

The PRESIDING OFFICER. The clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 2828) to amend the act of Congress of September 3, 1935 (49 Stat. 1085), as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 2828), to amend the act of Congress of September 3, 1935 (49 Stat. 1085), as amended, which had been reported from the Committee on Interior and Insular Affairs with an amendment, to strike out all after the enacting clause and insert:

That the purpose of this act is to provide for orderly termination of Federal supervision over the property and members of the Menominee Indian Tribe of Wisconsin.

SEC. 2. For the purposes of this act—

(a) "Tribe" means the Menominee Indian Tribe of Wisconsin;

(b) "Secretary" means the Secretary of the Interior.

SEC. 3. At midnight of the 90th day after the effective date of this act, or on such earlier date as may be certified to the Secretary by the tribe, the rolls of the tribe, which are maintained pursuant to the act of June 15, 1934 (48 Stat. 965), as amended by the act of July 14, 1939 (53 Stat. 1003), shall be closed: *Provided*, That the tribe shall have 90 days after the closing of the rolls in which to approve or disapprove any application for enrollment: *And provided further*, That any applicant whose application is not approved by the tribe within the said 90 days may file an appeal within 90 days thereafter with the Secretary from the failure of the tribe to approve his application or the disapproval of his application, as the case may be. The decision of the Secretary on such appeal shall be final and conclusive. When the Secretary has made a decision on all appeals, he shall issue and publish in the Federal Register a Proclamation of Final Closure of the rolls of the tribe and the final rolls of the members. Effective upon the date of such proclamation the rights or beneficial interests of each person whose name appears on the roll shall constitute personal property and shall be evidenced by a certificate of beneficial interest which shall be issued by the tribe. Such interests shall be inheritable and shall pass in accordance with the laws of the State of Wisconsin. Such interests shall be alienable only in accordance with such regulations as may be adopted by the tribe.

SEC. 4. Section 6 of the act of June 15, 1934 (48 Stat. 965, 966) is hereby repealed.

SEC. 5. All management of Indian trust or restricted property or the rendition of other services by the Federal Government for the tribe or its members which are conducted by the Menominee Agency from and after the date of the enactment of this act shall be financed from tribal funds.

SEC. 6. The Secretary is authorized and directed, as soon as practicable after the passage of this act, to pay from such funds as are deposited to the credit of said tribe in the Treasury of the United States $1,500 to each member of said tribe on the rolls of the tribe on the date provided in section 3. Any other person whose application for enrollment on the rolls of the tribe is subsequently approved, pursuant to the terms of section 3 hereof, shall, after enrollment, be paid a like sum of $1,500: *Provided*, That such payments shall be made first from any funds on deposit in the Treasury of the United States to the credit of the Menominee Indian Tribe drawing interest at the rate of 5 percent, and thereafter from the Menominee judgment fund, symbol 14X7142.

SEC. 7. The tribe is authorized to select and retain the services of qualified management specialists, including tax consultants, for the purpose of studying industrial programs on the Menominee Reservation and making such reports or recommendations, including appraisals of Menominee tribal property, as may be desired by the tribe, and to make other studies and reports as may be deemed necessary and desirable by the tribe in connection with the termination of Federal supervision as provided for hereinafter. Such reports shall be completed not later than December 30, 1954. Such specialists are to be retained under contracts entered into between them and authorized representatives of the tribe, subject to approval by the Secretary. Such amounts of Menominee tribal funds as may be required for this purpose shall be made available by the Secretary.

SEC. 8. The tribe shall formulate and submit to the Secretary a plan or plans for the future control of the tribal property and service functions now conducted by or under the supervision of the United States, including, but not limited to, services in the fields of health, education, welfare, credit, roads, and law and order. The Secretary is authorized to provide such reasonable assistance as may be requested by officials of the tribe in the formulation of the plan or plans heretofore referred to, including necessary consultations with representatives of Federal departments and agencies, officials of the State of Wisconsin and political subdivisions thereof, and members of the tribe: *Provided*, That the responsibility of the United States to furnish all such supervision and services to the said tribe and to the members thereof, because of their status as Indians, shall cease on December 31, 1956, or on such earlier date as may be agreed upon by the tribe and the Secretary.

SEC. 9. The Secretary is hereby authorized and directed to transfer to the tribe, on or before December 31, 1956, or on such earlier date as may be agreed upon by the tribe and the Secretary, the title to all property, real and personal, held in trust by the United States for said tribe: *Provided, however*, That if the tribe obtains a charter for a corporation or otherwise organizes under the laws of a State or of the District of Columbia for the purpose, among any others, of taking title to all tribal lands and assets and enterprises owned by the tribe or held in trust by the United States for the tribe, and requests such transfer to be made to such corporation or organization, the Secretary shall make such transfer to such corporation or organization. When title has been transferred, as provided in this section, the statutes of the United States, the rules or regulations of any agency of the United States or any State, Territory, or the District of Columbia, applicable to Indians because of their status as Indians, shall no longer be applicable to the members of the tribe.

SEC. 10. No distribution of the assets made under the provisions of this act shall be subject to any Federal or State income tax: *Provided*, That so much of any cash distribution made hereunder as consists of a share of any interest earned on funds deposited in the Treasury of the United States pursuant to the Supplemental Appropriation Act of 1952 (65 Stat. 737, 754), shall not by virtue of this act be exempt from individual income tax in the hands of the recipients for the year in which paid. Following any distribution of assets made under the provisions of this act, such assets and any income derived therefrom in the hands of any individual, or any corporation or organization as provided in section 9 of this act, shall be subject to the same taxes, State and Federal, as in the case of non-Indians, except that any valuation for purposes of Federal income tax on gains or losses shall take as the basis of the particular taxpayer the value of the property on the date title is transferred by the United States pursuant to section 9 of this act.

SEC. 11. When title to the property of the tribe has been transferred, as provided in section 9 of this act, the Secretary shall publish in the Federal Register an appropriate proclamation of that fact; and thereupon the Statutes of the United States and any rules and regulations of any agency of the United States and any State, Territory

or the District of Columbia applicable to Indians because of their status as Indians shall no longer be applicable to the members of the tribe.

SEC. 12. The Secretary is authorized and directed to promulgate such rules and regulations as are necessary to effectuate the purposes of this act.

SEC. 13. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

Mr. WATKINS. Mr. President, the purpose of the pending bill is to have an orderly termination of Federal supervision over the members and property of the Menominee Tribe of Indians in Wisconsin. On the last call of the calendar I explained the bill, and what it purported to do. I said this is the first bill that has been reported to Congress, so far as I know, which actually sets a date when an Indian tribe will be taken from the guardianship of the United States. I pointed out that the Menominee Indian Tribe of Wisconsin was one of the most advanced tribes in the country.

I met with them during this summer. Most of the tribal members were present. I found them to be a very intelligent group. A large tribal meeting was held in the gymnasium on the reservations. The meeting lasted for 3 hours, and I discussed with those who were there the present proposal. In my opinion they are fully able to take care of their own affairs.

Ten years ago a Senate committee made an investigation, and reported at that time that this tribe was then prepared to be given complete freedom to handle its own business and take care of its own affairs.

Six and one-half years ago, when the 80th Congress convened, we received from the Indian Bureau a report listing this tribe as one of those which had advanced to the point where they could take care of their own affairs, and stating that they should have their property restored to them, and that the present guardianship of the United States should be withdrawn.

This bill has been proposed for that purpose. It sets the date December 31, 1956, as the date on or before which the United States shall transfer to the tribe all the cash it has—it now has a not inconsiderable sum of money in the Treasury—and also its land, which consists of a virgin forest on a fine reservation area in northern Wisconsin.

The Indians themselves want the use of the money they have in the Treasury — approximately $9,500,000 — and property which is unencumbered. This property consists of a forest of nearly 235,000 acres of fine forest land which has been placed on a sustained-yield cutting basis.

At the least, each Indian of the 3,150 on the tribal rolls is worth approximately $10,000. The Indians would receive that property in cash and reserves.

Other estimates on the value of the forest, added to the money on deposit, would indicate that the average Indian's family would be worth $100,000.

So it is proposed that the Indians of this tribe shall have until December 31, 1956—or approximately 3 years and 5 months—in which to get ready to take over the property. They will also be authorized to spend some of their money—they now have in the Treasury in excess of $8,500,000—for the making of surveys and reports, to assist them. Thereafter, they will have 2 years in which to prepare for the transfer.

The Committee on Interior and Insular Affairs has unanimously approved the bill. Over the years, Congress has been talking about having the Indians prepare to take care of their own affairs, and about bringing about the withdrawal of the United States as a guardian. I say this is the first time a definite date has been set in that connection.

About the only difference which appears at this stage is that the Indians want a considerably longer time allowed. They always want to put off the date. When I first talked to them this spring, they wanted 10 years allowed. Later they decided that 5 years would be satisfactory. Later, when I went there and talked with them, they asked me whether I would help have the bill passed at this session if they were to agree to have a period of 3 years allowed.

Mr. President, let me point out that the payments to be made to the Indians will not be inconsiderable. For instance, I might refer to one family. The husband is a white man; his wife is an Indian. They have 19 children. The wife and each of the 19 children will be entitled to a payment of $1,500, or a total for that family of $30,000. Other Indians of the tribe will receive similar per capita payments.

CONSIDERATION OF DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. KNOWLAND. Mr. President, will the Senator from Utah yield, to permit me to make a unanimous-consent request, provided it is understood that in doing so, he shall not lose the floor?

Mr. WATKINS. With that understanding, I yield.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, earlier today, because the distinguished Senator from Illinois [Mr. DOUGLAS] was not present at the time, I announced that I would await his return before requesting unanimous consent for the consideration of the District of Columbia appropriation bill either this afternoon, after consideration of the conference report on the independent offices appropriation bill, or tomorrow. I pointed out to the Senate that normally 3 days must elapse, after the report on the bill is available, before the bill can be considered. However, in the case of this bill, copies of the report either are on the desks of Senators or are available from the secretary for the majority and the secretary for the minority.

In view of the time limit and the desire to accomplish as much as possible this week, I had planned to have the Senate consider the bill tomorrow. However, the distinguished Senator from South Carolina [Mr. JOHNSTON] had an amendment which he wished to submit.

Now that the Senator from Illinois has returned to the Chamber, I ask unanimous consent that the Senate may proceed today, despite the rule, to consider the District of Columbia appropriation bill.

The PRESIDING OFFICER. Is there objection?

Mr. DOUGLAS. Mr. President, reserving the right to object, although I do not intend to object, I wish to say that I shall certainly waive objection in this case because of the relatively noncontroversial nature of the District of Columbia appropriation bill—but with the understanding that such action will not constitute a precedent in connection with the consideration of other appropriation bills, for I think as a general rule 3 days should elapse between the time the bill is reported and the time it is considered. I believe that rule is a very healthy one, to which we should hold in the future, except in the case of an emergency.

Mr. KNOWLAND. I quite agree with the Senator from Illinois; I think it is a sound policy, and I believe that is the basis of the rule.

However, in view of the noncontroversial nature of the District of Columbia appropriation bill, I did not think the Senator from Illinois would object in this case. On the other hand, I did not wish to call up the bill without first consulting him.

Mr. DOUGLAS. I appreciate very much the courtesy of the Senator from California.

Mr. KNOWLAND. Mr. President, I now renew my request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from California? Without objection, it is so ordered.

TERMINATION OF FEDERAL SUPERVISION OVER PROPERTY AND MEMBERS OF THE MENOMINEE INDIAN TRIBE OF WISCONSIN

The Senate resumed the consideration of the bill (H. R. 2828) to amend the act of Congress of September 3, 1935 (49 Stat. 1085), as amended.

Mr. WATKINS. Mr. President, as I was pointing out, under the bill each of the Indians of this tribe will receive a per capita payment of $1,500. That will mean a great deal to them, of course.

A number of years ago the Indians sued the United States in the Court of Claims, and obtained a judgment against the United States for $8,500,000. One of the grounds for awarding the judgment was that the Indians claimed the United States had neglected its duty as a guardian and has mismanaged their affairs.

Under these circumstances it seems to me there should not be a moment's hesitation in ending the guardianship, which has damaged these Indians to the extent of $8,500,000. They want the guardianship to continue; but in my opinion it would be in their best interests for them to be on their own. They have sufficient

ability. Many of them are trained businessmen.

When we visit them in their homes, or visit the reservations in Wisconsin and elsewhere, where they have moved, we find they have very fine homes. One is unable to tell the difference between an Indian home and the home of the ordinary white family.

So there is no question of the competence of the Indians. The only problem is to get the Indians and the Indian Bureau and the country to the point where we can begin to liquidate the guardianship over the Indians. The Indians have been under the control of the United States for 99 years.

The criticism has frequently been made that the Indian Bureau would not cooperate in regard to liberation of the Indians and abolishing the guardianship of the United States. It so happens that at this time the Indian Bureau and the Department of the Interior are in full harmony with regard to this matter.

At this time I should like to read a letter I have received from Mr. Orme Lewis, Assistant Secretary of the Interior Department. The letter relates to this very question, and is under date of July 22, 1953. Mr. President, I realize that this is an historic occasion, for after all the years of talk about this matter, we are prepared to do something about it. The committee has set a definite date, has provided the means for action, and has authorized the Indians to prepare for the transfer. Ten years ago they were warned that this action would be taken. Six and one-half years ago they were similarly warned.

So I hope the Senate will pay enough attention to be able to understand what is involved in this case.

I now read Mr. Lewis' letter:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
Washington, D. C., July 22, 1953.

Hon. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR WATKINS: The provisions of the amendment to H. R. 2828 as reported by the Committee on Interior and Insular Affairs have been carefully reviewed. From such study it is believed that the enactment thereof will provide for a necessary and orderly termination of Federal supervision of the property and affairs of the Menominee Indian Tribe of Wisconsin.

For many years the Menominee Tribe has been considered to be prepared to assume full responsibility for its own affairs. The tribe's officials have in recent years repeatedly had their attention called to the need for facing the issue and taking positive steps to develop programs to bring about the full release of the affairs of the Menominee from Federal supervision. In January of 1952, a delegation from the Menominee Tribe submitted a proposal to the Bureau of Indian Affairs to earmark, by legislation, for various purposes, tribal funds amounting to approximately $9,500,000. As the proposal was not directed toward the termination of Federal trusteeship responsibilities, the tribal delegation was informed that the Bureau would have to respond adversely if requested by Congress for a report. Subsequently, in a memorandum for the Commissioner and officials of the Bureau of Indian Affairs regarding a proposed program for the Menominee Tribe submitted by the attorney for the Menominee Tribe by letter dated March 21, 1952, it was stated that the delegation was willing to recommend to the tribe that it consider taking over its own affairs, and that the delegation was then prepared to recommend to the general council that virtually all operations on the Menominee Reservation, except for the Menominee Indian mills, be taken over by the tribe within 2 years. In view of their opinion at that time that 2 years would suffice to permit the tribe's assumption of responsibilities, except that of the mill, it is believed the approximately 3½ years provided in this measure will give them ample time to definitely plan for and assume the responsibilities and obligations pertinent to all tribal business.

The resolution of the Menominee General Council, dated June 20, 1953, directed the tribal attorneys and a tribal planning officer to present to you, for introduction in Congress as an amendment to the per capita bill, a general withdrawal bill providing for a 3-year period for planning, at the termination of which there would be a transfer of the agency functions to the tribe and providing for transfer of the Menominee forest and mills to the tribe within 5 years after enactment of the bill. Thus, the major premise that legislation should be enacted to terminate Federal trusteeship responsibilities has been agreed to by the tribe. Only the question of the time is in controversy. The amendment reported by the Committee on Interior and Insular Affairs provides for a period of approximately 18 months for the purpose of studying the tribe's resources, industrial programs and tax situation, problems that will confront the tribe after termination of Federal supervision. The measure would permit the Menominee Tribe to have approximately 2 years thereafter to plan for the assumption of the responsibilities now carried by the Government. It is believed that the periods of time set forth in this measure are adequate.

In negotiations with the Menominee tribal delegation, initiated by you this past month, the Bureau of Indian Affairs has played an active part in an effort to arrive at a legislative draft that would be satisfactory to all interested parties. It is sincerely hoped that the Congress will take favorable action on H. R. 2828 as amended before the close of the present session.

Since I am informed that there is a particular urgency for the submission of the views of the Department, this letter has not been cleared through the Bureau of the Budget and, therefore, no commitment can be made concerning the relationship of the views expressed herein to the program of the President.

Sincerely yours,

ORME LEWIS,
Assistant Secretary of the Interior.

Mr. President, the letter I have just read from Mr. Orme Lewis, Assistant Secretary of the Interior in charge of Indian affairs, sets forth the position of the administration, which strongly favors the pending bill.

I may point out that part of the cost of caring for the Indians is now coming from the Treasury. In spite of the fact that they are very well fixed, the Government is now spending approximately $84,000 annually on roads through the forests and through their lands. It is a gratuity. We give them that service free. The State of Wisconsin now has constructed the main arterial highways through the forests, at no expense whatever to the Indians, but at the expense of the taxpayers of Wisconsin.

The Government has been paying out of appropriations—which, again, are a gratuity—some $25,861 to help take care of the Indian schoolchildren who go to State schools. In other words, it pays tuition to the State of Wisconsin for the Indians of a certain age who go to school, and that school contract will continue until 1954.

There is nothing in the pending measure to change that situation, though it does provide that the services now being furnished by the Indian agencies in Wisconsin, at the Menominee Reservation, shall hereafter become the financial responsibility of the Indians themselves.

The taxpayers of Wisconsin, of course, get no tax revenue from the Indian reservation, with one possible exception. I do not know whether there is a sales tax in effect there or not, but the State receives no property tax from the Indians, and very little income tax.

Mr. President, when the land is turned over to the Indians, on December 31, 1956, they will, of course, go on the tax rolls, and that will accrue to the benefit of all the people of Wisconsin, since the Indians will then be required to pay their fair share of the cost of government, particularly in their own locality. The matter has been checked, it has been studied for years, and it seems to me the period of 3 years and 5 months, which will bring it within the present administration's 4-year term, is reasonable, is fair, and there should be no change in that date.

I point out to the Senators that the time for transfer might possibly be extended by amendment, but to do so might extend it into another administration, which is not desirable.

No one knows what may happen in the future. There might happen what happened 10 years ago when the Senate committee submitted a report saying the United States should withdraw from the control of this tribe. This was immediately followed by the coming into office of a new Indian Commissioner, Dr. John Collier, with a policy of putting the Indians back on the reservations, under firmer U. S. control.

I have spent some time on this recital, because I thought it important that the Senate and the country be alerted to what has happened. There are other Indian tribes whom the administration should place on their own, within the immediate future, and I believe a majority of those in the Congress would support the administration in such action. The matter must be handled on a tribal basis. No one wide, sweeping law can take care of the situation.

For the reasons I have stated, Mr. President, I urge that the Senate give approval to the pending measure. The House has already passed the bill, to which the Senate committee has reported an amendment in the nature of a substitute. I am advised that the House Committee on Indian Affairs is in full accord with the program proposed by the amendment, and there should be no difficulty about it.

Mr. KNOWLAND. Mr. President, does the Senator yield the floor?

Mr. WATKINS. I yield the floor, but I had understood that the Senator from Wisconsin [Mr. MCCARTHY] desired to take the floor.

Mr. KNOWLAND. I am about to suggest the absence of a quorum. The Sen-

ator from Wisconsin stated that he would be in the Chamber presently, and would then have no objection to rescinding the order for a quorum call and dispensing with further proceedings under it.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

The question is upon agreeing to the committee amendment, which is in the nature of a substitute.

Mr. McCARTHY. Mr. President, I move the following amendments:

In section 7, page 4, line 23, strike out "1954" and insert "1956."

On page 5, in section 8, line 18, strike out "1956" and insert "1958."

In section 9, page 5, line 22, strike out "1956" and substitute "1958."

And that section 5 of the bill be stricken out.

Mr. President, this is in the interest of the Menominee Tribe of Indians in my State. I know their problem very well; in fact, I acted as attorney for a great number of them, off and on. I have a great deal of respect for the Menominee Council. They tell me that they are in agreement with the bill now being considered, but they think the period of 3 years is insufficient.

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

Mr. McCARTHY. I yield.

Mr. WATKINS. It is 3 years and 5 months, if the bill is enacted within the next 10 days.

Mr. McCARTHY. I realize that, and I think the Senator from Utah is very sincere in wanting this accomplished during the present administration. He has good reasons for that. However, I have confidence that in President Eisenhower's next term it can be done, and I can see nothing lost by extending it to 1958.

I may say that I am no expert on the problems which will face the Menominee Tribe. However, all members of the council assure me that they cannot take over in the time allotted in the bill. They ask for 2 additional years, and I think it is a reasonable request. With that statement of the situation, I shall take no more time of the Senate. I shall not ask for the yeas and nays on the amendments, but I should like to ask for a division vote.

The PRESIDING OFFICER. Does the Senator wish his amendments to be considered en bloc?

Mr. McCARTHY. Mr. President, I ask unanimous consent that my amendments may be considered en bloc.

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

Mr. WATKINS. Mr. President, I should like to point out that striking out section 5 would eliminate the requirement that these Indians, who are admittedly one of the most prosperous Indian tribes in the United States, and who probably have more property than has any other tribe in the United States——

Mr. McCARTHY. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield.

Mr. McCARTHY. If section 5 is left in the bill, and we merely change the date, would the Senator support my amendments? The Tribal Council say they cannot do this by 1956. Will the Senator consent to the change in date, if we leave section 5 as it is?

Mr. WATKINS. I think the date is one of the most important features in the entire bill. We have allotted, after careful consideration and long negotiation with the Indians, 3 years and 5 months. Ten years ago the Senate said the Indians should be placed on their own. Six and one-half years ago the Indian Bureau said we ought to withdraw guardianship from the Indians. We have worked with them from 1947 until now to get them even to be willing to have any kind of a bill passed which would withdraw the guardianship of the United States.

I pointed out that it is very important to have the date fixed in the present administration. There are changes in a program of this kind. The Indians want to sit on their hands and keep us forever taking care of them. The sum of $8½ million, which is now on deposit in the United States Treasury to the credit of these Indians, was recovered in a suit against the United States because it was alleged that the United States had failed in its duty in taking care of these Indians. Why should we go on as we have been when our wards are suing us for failing to do our duty? I cannot understand why they want us to continue any longer. I should think they would want to get out from under, immediately, while they have something left.

Mr. McCARTHY. Mr. President, I know the Senator from Utah has done a tremendous amount of work on the bill. I think he is one of the most competent men in the Senate with reference to Indian affiairs.

The Menominee Tribe told me they do want to go on their own. They say, however, the way things move, as slowly as they do in dealings with the Government, they cannot do a good job of getting on their own in a period of a little over 3 years.

I do not intend to argue it any further with the Senator. The issue is clear. The Senator from Utah has been clear in his position. I hope the tribe will be given an additional 2 years.

Mr. WATKINS. The bill provides for 3 years and 5 months time. That is the time they would be given under the terms of the bill.

Mr. McCARTHY. I may say to the Senator that I would have no objection to making it a straight 5 years. I think three and a half years' time is insufficient. I can see how the Senator would feel strongly about it if section 5 were eliminated.

In section 5 it is provided that the tribe shall pay all the expenses of operation during that time, so it costs the Government nothing whatsoever. It is merely a housekeeping job which they must do.

Mr. President, I yield the floor.

Mr. LANGER. Mr. President, I should like to ask the Senator from Utah what the Indians themselves want.

Mr. WATKINS. I do not think they wanted any kind of a bill releasing the United States from guardianship. They will find some way to fight it, some way to stop it, as we go on talking as we have been doing for many years. They have been under the guardianship of the United States for 99 years. I held a 3-hour meeting with the tribal council. They asked me in that meeting if I would work to get this bill through if they would be willing to go on with the plan in 3 years. They wanted it to go through at this session. I told them I would, and I went from there with the definite belief that they were going to agree on 3 years. They apparently thought if they could get 3 years, maybe they could get 5 years. It costs the Government more than $100,000 for gratuities to this tribe.

Mr. LANGER. Mr. President, will the Senator from Utah yield for a further question?

Mr. WATKINS. I yield.

Mr. LANGER. Have the Indians taken any vote on the question?

Mr. WATKINS. They did take a vote. Then they filed a resolution instructing their attorneys to get them a period of 5 years. Every time we tried to start something, they kept putting it off—tomorrow, tomorrow, 10 years from now. When I met with them the first time this year, they wanted 10 years, and then they got down to 5. They also talked about 2 years. When I got through talking to them, I was under the definite impression that 3 years would satisfy them, and I gave them an additional 5 months' time. That is the way the bill was reported unanimously by the committee.

Mr. McCARTHY. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield.

Mr. McCARTHY. Two votes were taken. The first vote was 169 to 5. The second vote was 197 to 0.

In other words, the tribal council has instructed its attorneys to extend the time to 5 years.

Mr. WATKINS. It is actually in the interest of the Indians themselves to cut down the time. They will have 18 months to get experts to make surveys and recommendations for a definite type of organization which can take over their tribal property in the nature of a corporation organized under the laws of Wisconsin. If they have a longer time, it can be seen what will happen. Under the bill as it now stands, they will have 2 years in which actually to put the organization in shape. But if a longer time is allowed, the experts and others will not do their work until the last 6 months, anyway, and at their own expense, it will cost them much more money in the end, and they will not get any better result. Everybody may have lost interest, and I think that is exactly what they are playing for.

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

Mr. WATKINS. I yield.

Mr. CHAVEZ. I favor the general purposes of the bill. I believe the sooner Congress gets the poor Indians throughout the entire country away from the Indian Bureau, the better it will be for all concerned.

May I ask the Senator from Utah if the Indians involved in the bill are from Wisconsin?

Mr. WATKINS. They are.

Mr. CHAVEZ. Their property consists of a trust fund which is now being held by the Treasury of the United States, does it not?

Mr. WATKINS. They have in excess of $8,500,000 in the Treasury.

Mr. CHAVEZ. Do they have some land holdings?

Mr. WATKINS. They have a beautiful virgin forest, which has been operated on a sustaining-yield basis.

Mr. CHAVEZ. I want those Indians to be allowed to handle their own affairs. What does the committee recommend, and what does the bill provide, with respect to the protection of their property after the Indians are put on their own, so to speak?

Mr. WATKINS. The bill provides that they can write into their own agreement, in whatever organization they set up, which will probably be a corporation, a restriction on alienation, so that the property cannot be disposed of, or someone cannot take it away from them.

Mr. CHAVEZ. That is the point I wanted to make, because once in a while when we pretend to give the Indians a little freedom, all we do is open up opportunity for a land grab somewhere. I should dislike to have that happen to any Indians.

Mr. WATKINS. It cannot happen to these Indians, because after all is said and done, the ultimate decision will be their own. We are giving them the freedom of American citizens, with plenty of time to work out their problem.

Mr. CHAVEZ. I agree with the distinguished Senator from Wisconsin [Mr. McCARTHY] about the extension of time, but I know exactly what will happen. When the later date arrives even the Indian Bureau will want to continue supervision for 5 years longer.

Mr. WATKINS. The Indian Bureau is in the mood to agree to this bill. For heaven's sake, let us get away from supervising the Indians as quickly as we can, because the longer we keep them under the Indian Bureau, the longer they will want to stay in that relationship.

Mr. CHAVEZ. I hope the committee will bring in other bills, in the not too far distant future, to free Indians, and let them have the dignity to which they are entitled. The Government drafts into the armed forces Indians from New Mexico, Wisconsin, and North Dakota, and tells them to do this and do that. They also get their orders from Washington as to how to run their own affairs.

Mr. WATKINS. That is correct. I hope the Senate will sustain the committee, which voted unanimously to report the bill.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments offered by the Senator from Wisconsin [Mr. McCARTHY] to the committee amendment.

Mr. McCARTHY. Mr. President, I ask for a division.

On a division, the amendments to the amendment were rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, in the nature of a substitute.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

INSTRUCTION OF TWO CITIZENS AND SUBJECTS OF THE KINGDOM OF THAILAND AT UNITED STATES MILITARY ACADEMY AT WEST POINT

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar 622, Senate Joint Resolution 34.

The PRESIDING OFFICER. The clerk will state the joint resolution by title.

The CHIEF CLERK. A joint resolution (S. J. Res. 34) authorizing the Secretary of the Army to receive for instruction at the United States Military Academy at West Point two citizens and subjects of the Kingdom of Thailand.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the joint resolution which had been reported from the Committee on Armed Services with an amendment, to strike out all after the resolving clause and to insert:

That the Secretary of the Army is authorized to permit within 1 year after the date of enactment of this joint resolution, two persons, citizens and subjects of the Kingdom of Thailand, to receive instruction at the United States Military Academy at West Point, N. Y., but the United States shall not be subject to any expense on account of such instruction.

SEC. 2. Except as may be otherwise determined by the Secretary of the Army, the said persons shall, as a condition to receiving instruction under the provisions of this joint resolution, agree to be subject to the same rules and regulations governing admission, attendance, discipline, resignation, discharge, dismissal, and graduation, as cadets at the United States Military Academy appointed from the United States, but they shall not be entitled to appointment to any office or position in the United States Army by reason of their graduation from the United States Military Academy.

SEC. 3. Nothing in this joint resolution shall be construed to subject the said persons to the provisions of section 1320 of the Revised Statutes or to section 3 of the act of June 30, 1950 (64 Stat. 304; 10 U. S. C. 1092c).

Mr. LANGER. Mr. President, may we have an explanation of the bill?

Mr. GREEN. In explanation of the bill, I may say that it by no means establishes a precedent. Although the general law is that only United States citizens may be students at West Point, yet some general exceptions have been made, and also a number of specific exceptions, similar to the one covered in the joint resolution. The general exceptions were in the case of students from South American Republics, in a bill which I myself introduced. Thirty-four joint resolutions similar to that now pending have been passed from time to time.

It would be particularly appropriate now to pass the joint resolution relating to Thailand, because of the difficulty the Thailand Government is having at present in fighting communism, just as we are fighting it in the United States. The only difference is that they are nearer the danger point than we are.

I am certain the passage of the joint resolution will result in more friendly relations between the United States and Thailand. I may say that one of the previous cases also involved Siam, which is now Thailand. I believe there will be great appreciation on the part of not only the Government of Thailand, but also of the people, for this generous gesture on the part of the United States Government.

There will be no expense to the United States; the expense will be paid by Thailand.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

DEVELOPMENT AND CONSTRUCTION OF WATER CONSERVATION FACILITIES

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 598, Senate bill 2094.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 2094) to facilitate the development and construction of water conservation facilities by States and other municipalities, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2094) to facilitate the development and construction of water conservation facilities by States and other municipalities, and for other purposes, which had been reported from the Committee on Public Works with amendments on page 2, line 4, after the word "procedures", to insert "and section 4 (b) requiring the preparation and filing of the statement

of actual legitimate original cost of a project"; and after line 9, to strike out:

SEC. 4. States and municipalities shall not be liable for annual charges imposed under section 10 (e) of the Federal Power Act when such charges are for the purpose of reimbursing the United States for the costs of administration of part I of that act or for expropriation to the Government of excessive profits, under 10 (d) or 10 (e).

And insert:

SEC. 4. Except as herein provided, the provisions of this act shall not be construed as repealing or affecting any of the provisions of the Federal Power Act.

So as to make the bill read:

Be it enacted, etc., That in order to facilitate the development and construction by States and municipalities of water conservation facilities, certain requirements in the Federal Power Act are made inapplicable to States and municipalities as provided in this act.

SEC. 2. The words used in this act shall have the same meaning ascribed to them in the Federal Power Act.

SEC. 3. Section 14 of the Federal Power Act pertaining to the taking over by the United States of any project upon or after the expiration of a license, and sections 301 and 302 of said act requiring certain records and accounting procedures and section 4 (b) requiring the preparation and filing of the statement of actual legitimate original cost of a project, shall not be applicable to any project owned by a State or municipality, and such rights and requirements shall not exist under any license heretofore or hereafter granted to any State or municipality.

SEC. 4. Except as herein provided, the provisions of this act shall not be construed as repealing or affecting any of the provisions of the Federal Power Act.

Mr. KNOWLAND. Mr. President, may we have a brief explanation of the bill?

Mr. BUTLER of Nebraska. The bill has the support of the Federal Power Commission, the Department of the Interior, and the Bureau of the Budget. It provides for powerplants which are licensed by the Federal Power Commission for municipal ownership, State ownership, or any other governmental ownership, but it does not apply to private ownership. It provides for public ownership of plants. After a period of 50 years, specified in the original license granted by the Federal Power Commission, that clause is eliminated, so that the plants can continue as State, Federal or municipally owned powerplants. That is the main purpose of the bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BUTLER of Nebraska. Mr. President, I have no further amendment to offer. I may say that I have just received word that the House committee has reported a bill slightly different from this. We shall probably have to go to conference on this bill.

Mr. MORSE. Mr. President, I should like to ask the Senator from Nebraska a question on the basis of his explanation.

Am I to understand that all this bill seeks to accomplish is that if city X at the present time has a municipally owned water or electric powerplant—or is it limited to a water plant?—after 50 years it can continue to operate that water plant as a municipal plant?

Mr. BUTLER of Nebraska. Yes.

Mr. MORSE. What is there in the Federal law which would prevent that?

Mr. BUTLER of Nebraska. The license which was granted for the construction of the powerplant contained a clause that ownership would revert to the Federal Government after a period of 50 years. There are Federal plants, State-owned plants, and municipally owned plants scattered all over the United States which must be refinanced for the purpose of building extensions and doing various other things. Considerable difficulty is being experienced in refinancing bond issues.

Mr. MORSE. As I understand, this does not involve any gift by the Federal Government to the municipality, of any Federal property or interest?

Mr. BUTLER of Nebraska. No; it does not.

Mr. MORSE. I have not had an opportunity to check into the bill. What was the requirement of the license in the first place, if there is no Federal interest? Is the only Federal interest an interest in the water used to generate the power?

Mr. BUTLER of Nebraska. Let me read to the Senator from a statement which I had prepared, and which has just been handed to me:

The bill would make inapplicable to States and State agencies a provision now contained in the Federal Power Act which gives the United States the right, at the end of the 50-year license, to take over, own, and operate the project upon payment of the unamortized remainder of the cost, which has no relation to the value of the project.

It relieves States and State agencies of the burden of using the specific system of accounts prescribed by the Commission.

The bill is in agreement with the Federal Power Commission Act.

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

Mr. BUTLER of Nebraska. I yield.

Mr. BUSH. Is it not true that licenses are granted by the Federal Government to the States because navigable streams are involved? A Federal license is required for that reason, is it not?

Mr. BUTLER of Nebraska. That is correct. It is exactly the same, as I understand, as a license given for the construction of a bridge over a navigable stream. That license must be obtained from the proper agency of the Federal Government; but there is no proviso that after 50 years the bridge shall belong to the Federal Government. We are trying to put these municipally owned plants on the same basis. They are not privately owned.

Mr. MORSE. Let us see if I am correct in my understanding. As I understand, all the bill really does is to say to the municipality, after 50 years, "The license which you were granted 50 years ago does not result now in any reversion of the powerplant to the Federal Government. You may continue to operate the municipal powerplant."

Mr. BUTLER of Nebraska. That is correct.

Mr. MORSE. In other words, what we are really doing is saying that the license requirement after 50 years is no longer in operation; but if there is any Federal financial interest involved, the Federal Government will obtain its full return.

Mr. BUTLER of Nebraska. That is correct.

Mr. JOHNSON of Texas. Mr. President, I do not intend to present any detailed technical arguments in support of S. 2094, which proposes to amend the Federal Power Act to eliminate certain undesirable features with respect to State and municipal conservation and power projects. I do, however, desire briefly to state the reasons for my support of this bill.

Under existing law, dams built upon navigable streams by State or municipal authorities can, after expiration of the licenses issued originally by the Federal Power Commission, be taken over by the Federal Government.

In addition, the Federal Power Act imposes charges for certain administrative costs and authorizes the expropriation of certain profits, none of which is appropriate in the context of municipal or State owned and operated projects.

As a result of these impediments, any number of conservation and power projects planned by State and municipal authorities have been held up. Financing for the projects is virtually impossible to obtain, because of the Federal take-over clause and the imposition of Federal charges.

I am sure that this situation prevails generally throughout the United States. I am familiar intimately, however, only with conditions in the State of Texas. For example, the Brazos River Authority right now is having great difficulty getting qualified an issue of bonds to cover proposed new construction. Existing licenses for certain reservoirs have already run quite a period of time and could expire prior to the maturity of the bonds, thus permitting Federal Government to take over ownership of the properties before the bonds are fully amortized.

The recent publicized drought disaster conditions in substantial portions of Texas have illustrated the great need for State and municipal water projects in Texas. The kind of relief, credit and otherwise, that has been authorized by Congress and extended by the executive branch of the Government, is helpful to our people. But it does not in any way go to the source of the real problem in Texas, which is a perennial shortage of water.

Passage of S. 2094, which will exempt State and municipal projects from the Federal take-over clause and certain charges imposed under section 10 of the Federal Power Act, will be a step in the right direction toward the ultimate solution of the water problems in Texas. It will encourage and stimulate more rapid and more extensive construction of conservation and power projects by State and municipal authorities. In this way, and in this way only, will we be able to begin to solve the drought problems

which affect Texas and other Southwestern States immediately and indirectly the economy of the entire Nation.

I offer for the RECORD with this statement a copy of Senate Concurrent Resolution 52, which passed both houses of the Texas Legislature in May this year, and which urges passage of this type of legislation.

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

Senate Concurrent Resolution 52

Whereas under the Federal Power Act, any State, State agency, or municipality proposing to construct a dam across a navigable stream at which hydroelectric power is to be generated must first file a declaration of such intention with the Federal Power Commission; and

Whereas the act provides that if the Commission finds that the construction of the dam will affect interstate commerce, the structure cannot be built without a license by the Commission; and

Whereas under existing interpretations by the United States Supreme Court and by the Commission, it is difficult to conceive of a stream so dry or so far removed from the sea as to escape the jurisdictional finding that it is navigable; and

Whereas the act provides that any licensed State or municipally owned project is subject to continued supervision and regulation by the Federal Power Commission, and upon the expiration of such license the Government has the right to take over and thereafter to own said project upon payment of a consideration to be fixed by the Commission without reference to the then value of the property; and

Whereas compliance with such law is subjecting States and municipalities to serious delays in their water conservation programs and the existence of the recapture provision is a serious impediment to the financing of such structures; and

Whereas the water conservation program of the State of Texas is being impeded thereby, since several of the water conservation dams in this State cannot be financed without the inclusion therein of hydroelectric facilities: Now, therefore, be it

Resolved by the Senate of the State of Texas (the House of Representatives concurring):

1. That the attention of the Congress be directed to such serious impediment to the water conservation program of the several States, including the State of Texas.

2. That the Senators and Representatives from the State of Texas be requested to support legislation designed to amend the Federal Power Act: so that (1) the Federal Power Commission will have jurisdiction of such State or municipally owned dams only when the streams on which the project is to be located are being used regularly for carrying goods or persons in interstate commerce, and the construction of the dam would materially lessen the volume, frequency or dependability of such interstate transportation; and (2) repealing the provision whereby the Government can take over and own the project at the expiration of such license.

3. That the Texas delegation in the Congress be requested to consider favorably and to support S. 1522 (83d Cong., 1st sess.) by Senator BUTLER of Nebraska, which is intended to accomplish such objectives.

4. That a copy of this resolution, properly authenticated, be transmitted to each of the following officials of the United States: The President of the United States, the President of the Senate, the Speaker of the House of Representatives, the majority leader of the Senate, the majority leader of the House, the two Senators from Texas, and the several Congressmen from Texas.

BEN RAMSEY,
President of the Senate.
REUBEN E. SENTERFITT,
Speaker of the House.

I hereby certify that Senate Concurrent Resolution 52 was adopted by the senate on May 12, 1953.

LOYCE M. BELL,
Secretary of the Senate.

I hereby certify that Senate Concurrent Resolution 52 was adopted by the house on May 20, 1953.

CLARENCE JONES,
Chief Clerk of the House.

Approved May 27, 1953.

ALLAN SHIVERS, *Governor.*

Filed in the office of the secretary of state this 28th day of May 1953.

HOWARD CARNEY,
Secretary of State.

Mr. JOHNSON of Texas. Mr. President, I urge the Senate to pass this necessary legislation.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REMOVAL OF TAX ON MOVING-PICTURE ADMISSIONS

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 612, House bill 157.

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

The CHIEF CLERK. A bill (H. R. 157) to provide that the tax on admissions shall not apply to moving-picture admissions.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. KNOWLAND. I suggest the absence of a quorum.

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

The Chief Clerk proceeded to call the roll.

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

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

Mr. MILLIKIN. Mr. President, the purpose of the proposed legislation is to remove the tax on admission to motion pictures, if the principal amusement offered with respect to such admission is the showing of motion pictures. The exemption from the tax will apply regardless of whether the motion picture is shown in a motion-picture theater or elsewhere. Thus admissions to motion pictures shown by charities and other nonprofit organizations will also be exempt from the tax.

In 1944 the present rate became effective. It is 1 cent for each 5 cents or a major fraction thereof, on the price paid for the admission. The bill is necessitated by the serious economic condition confronting the motion-picture industry. Since 1946 more than 5,000 picture theaters have closed their doors. Receipts from general admissions have declined steadily since 1947. By far the greater part of the decline is in the receipts from admissions to motion-picture theaters.

On April 20, 1953, the House Ways and Means Committee held a hearing on the bill, and the testimony before that committee runs to about 120 pages. The testimony shows the distressing plight of the motion-picture industry. While since 1946 almost every other industry has shown a definite increase in profits, in the motion-picture business there was a decline of almost 30 percent.

In 1946 the American people spent more than $1¼ billion on movies. Today they are spending only around $1 billion, and the attendance is still on the decline. The industry has been hard hit through the introduction of television. It should be remembered that motion-picture theaters by their very nature are not adaptable to other businesses, and usually when a theater closes, the equipment and the building and the other property have to be disposed of at a heavy loss.

Mr. NEELY. Mr. President, will the distinguished Senator yield?

Mr. MILLIKIN. I yield very gladly to the distinguished Senator from West Virginia.

Mr. NEELY. Mr. President, I have received a telegram from a distinguished West Virginia theater owner, in which he informs me that moving-picture houses are closing throughout the country at the rate of 10 a day as a result of television competition. The committee presumably considered this and much other evidence tending to prove that unless the moving picture industry is promptly granted relief from its heavy burden of taxation, it will perish.

Mr. MILLIKIN. I thank the distinguished Senator from West Virginia for his contribution. I do not have a statistic that would exactly support the figure of 10 a day, but I have no doubt it is a very substantial number.

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

Mr. MILLIKIN. I yield to the distinguished Senator from Louisiana.

Mr. LONG. Mr. President, I believe the facts indicate that the net income of the motion-picture industry is less than one-half, in terms of dollars, what it was several years ago, although a dollar today will not buy nearly so much as a dollar bought at that time.

Mr. MILLIKIN. I thank the Senator from Louisiana.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. MILLIKIN. I am glad to yield to the distinguished Senator from South Carolina.

Mr. JOHNSTON of South Carolina. In the Senator's investigation has he found whether it is the small picture houses or the large ones which are closing?

Mr. MILLIKIN. I believe that almost all the picture houses are affected. My own judgment is that the smaller picture houses are hurt worse than any others.

Mr. JOHNSTON of South Carolina. It is generally true in any kind of business that the small ones fold up first. That is a clear indication that the others will follow in the wake.

Mr. MILLIKIN. Not every motion-picture house is in distress. The greatest distress is in the picture houses which do a gross business of around $25,000 a year. The middle bracket and the lower bracket motion-picture houses, so far as income is concerned, are especially hard hit.

I now yield to the distinguished Senator from Wyoming.

Mr. HUNT. Mr. President, does not the Senator from Colorado also believe that the very keen competition from the thousands of outdoor theaters is having a very serious affect on the revenues of the motion-picture houses?

Mr. MILLIKIN. I believe that the outdoor motion-picture theaters certainly compete with the indoor motion-picture theaters.

Mr. STENNIS. Mr. President, will the distinguished Senator yield?

Mr. MILLIKIN. I am glad to yield to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, the Senator mentioned a moment ago the distress of the small theaters, but does it not particularly apply to the theaters in the smaller towns which are hardest hit under the present distress conditions?

Mr. MILLIKIN. I would say that is entirely true.

Mr. STENNIS. I have a memorandum which sets forth the fact that more than half the theater seats in the entire Nation are in towns of 25,000 or less. Does the Senator consider that to be accurate?

Mr. MILLIKIN. I cannot confirm that exact figure, but I think it is entirely true that the small theaters in the small towns are the hardest hit.

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

Mr. MILLIKIN. I am glad to yield to the distinguished Senator from Florida.

Mr. SMATHERS. I may say to the distinguished Senator from Colorado that the junior Senator from Florida had the privilege of serving on a subcommittee of the Small Business Committee which was assigned to look into the question of motion-picture houses going out of business. We held hearings in Los Angeles, in New York City, and in Washington, D. C. It was demonstrated from the evidence which was presented to the committee that it was the small moving-picture house which was suffering not only from increasing costs of getting the films and operating, but from the competition of television and outdoor drive-in movies. It was shown that the average independent-movie house, because of the tax and because of the other competitive conditions which have developed, and because of increased costs, could not stand the conditions any longer, and that unless they were relieved of the 20-percent tax we would see not 10 a day dropping out, which is the situation in the neighborhood of Los Angeles, but that in a few months' time there would be no suburban movies at all.

Mr. MILLIKIN. I thank the Senator very much.

Mr. HUNT. In line with the fact that moving-picture theaters in the small communities are closing, it is not also true that the community theaters in the larger cities are also being very hard hit, and that many of those theaters are closing, too?

Mr. MILLIKIN. I would say so.

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

Mr. MILLIKIN. I am glad to yield to the distinguished Senator from Connecticut.

Mr. BUSH. I am glad the distinguished Senator from Colorado has reported the bill from his committee. I happen to have had several conferences with theater operators in my State, and I confirm what the Senator from Wyoming has said, namely, that it is the large centers as well as the small centers which are being affected quite sharply. A tax which was imposed 11 years ago for war purposes has finally resulted in having a very serious effect on theaters in both the small and large centers. I am very happy the distinguished chairman of the committee has reported the bill, and I hope it will be passed.

Mr. MILLIKIN. I thank the Senator very much indeed.

Mr. LANGER. Mr. President, will the Senator from Colorado yield to me?

Mr. MILLIKIN. I yield.

Mr. LANGER. I wish to compliment the distinguished Senator from Colorado upon his action in regard to having the 20 percent admission tax on theaters removed. I have received, for months, numerous telegrams and letters, and I believe the Senator from Colorado will recall that a number of them have been forwarded to him and his committee.

Let me inquire whether public ball parks and other parks are covered by this bill.

Mr. MILLIKIN. It would not apply to baseball parks. If we can imagine a baseball park which had the showing of movies as its principal business, the bill would apply, but not otherwise.

Mr. LANGER. Would a little county fairground, in which a fair is held once or twice a year, have to pay the tax?

Mr. MILLIKIN. I assume that a county fair would be a source of entertainment of all kinds.

Mr. LANGER. Yes.

Mr. MILLIKIN. I would say that if the showing of movies in that connection had a separate identity within the whole, it would come within the bill. But the bill does not deal with the tax paid at the gate for admission to a county fair.

Mr. LANGER. I see.

Mr. MILLIKIN. My memory has been refreshed, and I now recall that last year we exempted the general admission tax on county fairs.

Mr. LANGER. Was the admission tax to public parks also exempted?

Mr. MILLIKIN. I am not prepared to answer that question accurately, but I believe it was exempted in some cases.

Mr. LANGER. Suppose I went to Chicago and spoke at the Swedish celebration, when money was being raised for the Swedish old people's home. If at that time certain articles were being sold inside the grounds, would an admission tax have to be paid?

Mr. MILLIKIN. A tax would have to be paid on the concessions. I would assume that within the fair grounds there would be shows of various kinds, for which there would be a charge. If so, there would be a tax on those shows.

Mr. LANGER. But would there be a tax on admission to the grounds?

Mr. MILLIKIN. No, not on admission to the grounds.

Mr. LANGER. I thank the Senator from Colorado.

Mr. HUMPHREY. Mr. President, will the Senator from Colorado yield to me?

Mr. MILLIKIN. I yield.

Mr. HUMPHREY. I wish to express appreciation to the committee and to its chairman for having reported the bill. The theater operators in Minnesota have made representations to me, as one of their Senators, and to the entire Minnesota congressional delegation, regarding this matter.

Personally, I have examined the situation in the Twin Cities area and in some of the neighboring communities. I find there is no doubt that there is a serious economic plight in connection with this situation. I desire to emphasize that a number of theaters are not usable for other purposes; their architectural design is such that they cannot be converted to other use.

Furthermore, in many communities the theater is an integral part of the community; and a businessman whose place of business is located on the next street, although he has no relationship to the theater except as a neighbor, finds that if the theater goes out of business there is an adverse impact upon his trade area.

So I wish to support the bill very strongly, and I thank the chairman of the committee very much for bringing it to the floor.

Mr. MILLIKIN. I thank the Senator from Minnesota.

Mr. LANGER. Mr. President, will the Senator from Colorado yield further to me?

Mr. MILLIKIN. I yield.

Mr. LANGER. Did the committee consider the matter of the tax on women's purses? After all, women's dresses do not have numerous pockets; and for that reason women are required to carry purses.

Mr. MILLIKIN. The House Ways and Means Committee has that matter as a subject for serious study in connection with the general tax revision bill which we hope to have before us next year.

Mr. LANGER. I thank the Senator from Colorado.

Mr. MILLIKIN. Mr. President, I wish to emphasize the cost feature of the bill. It is estimated that there will be a net revenue loss of $100 million after giving effect to the gain in revenue which will result from removal of this tax. I mention that because it is important in and of itself; but it is especially important that we do not make amendments

or additions to the bill, so as to increase the revenue loss. I do not believe we could get through conference a bill which would involve an additional revenue loss. I doubt very much that a bill increasing the revenue loss would escape a veto. The revenue loss already provided for by this bill is a large one.

So I earnestly hope that amendments will be rejected.

Mr. LEHMAN. Mr. President, will the Senator from Colorado yield to me?

Mr. MILLIKIN. I yield.

Mr. LEHMAN. I wish to commend the chairman of the committee and the entire Finance Committee for the work they have done. Of course, I have not had an opportunity to study the problem as fully as has the committee, but I have met with a number of groups of motion-picture-theater owners in my city and in my State, who have presented their problems in such considerable detail as to convince me that they have been suffering serious losses, and that unless immediate relief is afforded, many of them will not survive for many months.

Mr. MILLIKIN. I thank the Senator from New York. Let me point out that if we were to load down the bill with amendments, which would have to go to conference, they might bog down the whole bill and there might not be relief for anyone. That is a very important point for us to keep in mind.

Mr. HUNT. Mr. President, will the Senator from Colorado yield to me?

Mr. MILLIKIN. I yield.

Mr. HUNT. Is it not true that the bill, when finally enacted, will be effective September 1, 1953?

Mr. MILLIKIN. That is correct.

Mr. HUNT. I thank the Senator from Colorado.

Mr. NEELY. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. NEELY. In view of the Senator's timely warning that additions to the bill might defeat it, I shall withhold the following important amendment which I previously prepared:

On page 1, in line 8, before the period, insert the following: "or to the amount paid for admission to an amusement device or facility in an amusement park."

Amend the title to read as follows: "An act to provide that the tax on admissions shall not apply to moving-picture admissions or to admissions to an amusement device or facility in an amusement park."

This amendment, if adopted, would provide relief in the matter about which the distinguished Senator from North Dakota inquired a moment ago.

However, in view of what the Senator from Colorado has said, I shall refrain from offering this meritorious proposal and shall vote against all others that may be made because of my fear that any addition now made to the bill would defeat it.

Mr. MILLIKIN. I thank the Senator from West Virginia.

Mr. LONG. Mr. President, will the Senator from Colorado yield to me?

Mr. MILLIKIN. I yield.

Mr. LONG. The Senator from Colorado knows that I raised that issue in the committee. I urge the committee to consider it very seriously again, whenever, next year we can consider the entire problem.

Mr. MILLIKIN. Of course we shall do so.

Mr. MARTIN. Mr. President, will the Senator from Colorado yield to me?

Mr. MILLIKIN. I yield.

Mr. MARTIN. I understand very well the circumstances of the Senator from West Virginia, and I think he shows a fine spirit of cooperation in not submitting his amendment at this time. I know the merits of the situation he has in mind.

Ordinarily I should like to favor such an amendment; and I know he also would push for its adoption, and to that end would devote his unusual intelligence and great vigor. Certainly he is to be commended for withholding the amendment at this time.

Mr. MILLIKIN. I thank the Senator from Pennsylvania.

Mr. NEELY. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. NEELY. Let me add to what the able Senator from Pennsylvania has said, that I have just talked to a prominent Pittsburgh lawyer who is well acquainted with the Senator [Mr. MARTIN], and is one of his devoted friends. I told him of a conversation the Senator and I had had earlier today to the effect that the adoption of my amendment in which the lawyer was very much interested, might make the enactment of the measure impossible at this session of the Congress.

Thereupon the distinguished attorney replied that in the circumstances he did not want the amendment offered.

Mr. BUTLER of Nebraska. Mr. President, will the Senator from Colorado yield to me?

Mr. MILLIKIN. I yield.

Mr. BUTLER of Nebraska. I have listened very attentively to the remarks made by a number of Senators who have amendments which they intended to submit to the bill, but who now have changed their minds because they fear that if the bill were to be loaded down with amendments, the result might be that the bill would fail to be enacted into law.

I wish to say that no one has been more anxious than I to have the bill passed. I submitted it as an amendment to other tax bills, several times, at other sessions of Congress. I was also the author of the proviso, which now is in the law, regarding the tax on theaters. That tax was imposed during wartime, when times were flush, and I think at that time the theater owners would have been perfectly willing to pay a somewhat larger tax if they had been asked to do so.

However, times have changed. As several Senators have stated, the present situation is a particularly serious one, especially as it affects the small theaters throughout the United States. I know that very well.

However, there is another industry that is seriously injured and is in a serious situation. I have prepared an amendment dealing with that industry. I shall ask that the amendment be read by the clerk, and then I wish to make a brief statement about it, following which I shall make a personal request of the chairman of the committee.

The PRESIDING OFFICER. Does the Senator from Colorado yield for that purpose?

Mr. MILLIKIN. I yield.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. After section 2, it is proposed to insert a new section, as follows:

SEC. 3. Section 1650 of the Internal Revenue Code is hereby amended by inserting a comma after the word "watches" in item 7 of the schedule in said section and striking the words "selling at retail for not more than $65."

It is further proposed to change the present section 3 to section 4, and, on line 19, after the word "for", to insert the words "retail sales or."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska.

Mr. BUTLER of Nebraska. Mr. President, since this is a technical amendment, it will require an explanation, in order that Senators may understand the proposal. I shall therefore make a brief statement for that purpose.

The amendment is designed to give relief to a vital defense industry—the manufacture of watches—which is just as much of a hardship case as the motion-picture industry.

The amendment does not repeal the Federal excise tax on watches. It merely reduces the tax to a uniform 10 percent rate on all watches by abolishing the present arbitrary distinction between watches selling for more than $65 at retail and those selling for loss. Under present law, watches selling for more than $65 are taxed at 20 percent, while the rate on those selling for less than $65 is 10 percent. This amendment would make the rate uniform at 10 percent.

Because of the substantial tariff reductions which have been granted to Switzerland on the lower-priced watches, watches selling for more than $65 are now the only class where the domestic industry enjoys a substantial degree of protection from Swiss importation. The tax relief provided by this amendment would therefore go predominantly to the American industry. This class of watches selling for more than $65 corresponds roughly to those having more than 17 jewels.

Numerous official studies have demonstrated conclusively that the domestic jeweled watch industry is in a state of decline. For example, in June 1952, the United States Tariff Commission reported that the domestic industry was threatened with serious injury and was able to supply only a smaller and smaller portion of the entire domestic market.

Their report indicated that the market for watches containing more than 17 jewels appears to be predominately in the hands of domestic manufacturers, while the market for watches containing 17 jewels or less has passed predominately into the hands of the importers of Swiss watches. The more expensive watches—the class of watch

where American manufacturers hold the strongest position—must pay the higher tax. My amendment would correct that situation.

The Interdepartmental Committee established by the President to study the problem of maintaining essential manpower skills in the watch-making industry for reasons of national security has reported to the President that precision jeweled movements are essential to the security of the Nation in wartime and are produced uniquely by the jeweled watch segment of the watch and clock industry; that the nature of the skills and long training time required make it necessary to keep workers continuously producing these products; that this makes the usual "standby facilities" approach to the problem of maintaining a mobilization base unsuited to the requirements of this situation. The Interdepartmental Committee specified in the classified section of the report a minimum production range sufficient to maintain the required base of skilled workers for mobilization requirements and found that the annual level reported in 1952 had not yet fallen below this minimum.

Since that time, production has steadily declined. Although the minimum production range is confidential, it is believed that current production levels may be at or below safety levels for the maintenance of an adequate security base in this essential defense industry.

It is estimated that the revenue loss from this amendment would probably not amount to more than 5 to 8 million dollars a year. I obtained that estimate from the industry itself. I have checked the conditions as carefully as possible, and I have been unable to make the estimate any larger than that stated. I may say that in a committee conference the other day, the distinguished senior Senator from Georgia indicated that his estimate of the loss was only from three to four million dollars, which would result from the adoption of the amendment to the movie bill. It should be emphasized that a $65 watch is not necessarily a luxury; railroad watches, for example, today generally cost about $100 or more.

I believe that the jewelled-watch industry is badly in need of relief, and I hope the amendment may be adopted.

I wish to repeat the statement that no one is more interested in getting a movie tax bill passed than I, but I am going to ask the chairman whether he will take this amendment to conference. He is thoroughly informed on the matter, and if he encounters opposition in the conference, we shall have to get along without the amendment.

Mr. MILLIKIN. Mr. President, I should like to say to the distinguished Senator that I do not care to hold out any hope. I think that if the amendment were to go to conference, it would be lopped off. But, on the understanding that it will not be allowed to jeopardize the main bill in any way, and considering the relatively small amount involved, I should be willing to take the amendment to conference.

Mr. KNOWLAND. Mr. President, with all due respect to the distinguished chairman of the Finance Committee, I must ask the Senate to reject the amendment, and ask that it not be taken to conference. I think that if we start the practice of accepting amendments, we might get into difficulty. The distinguished Senator from New York had an amendment, in support of which he made a very strong plea. He was at least supporting the amendment of the Senator from Colorado. I resisted the amendment of the Senator from Colorado, not on any merely personal basis because he was on the other side of the aisle, and I sat on this side. I would not feel that my position would be consistent if, having resisted the amendment of the Senator from Colorado on a previous bill, I should fail to take a similar position at this time. I must be consistent in my position regarding the pending bill, which I do not think would be the case if I were to remain silent while an amendment was offered and an agreement made to take it to conference. Whether the amendment were retained by the conference committee or not, I must respectfully say to the Senate that if we once open the door to this practice, I know of at least a dozen or more amendments which will be offered.

The distinguished Senator from West Virginia [Mr. NEELY] has mentioned an amendment in support of which he feels a very strong argument can be made. The Senator from Kansas has an amendment, and I could perhaps mention a dozen or two dozen Senators on both sides of the aisle who, if the door is once opened, will have amendments which they will decide to have taken to conference. So I must ask the Senate not to accept the amendment now offered, and I would want to have a quorum call before having the issue determined by the Senate.

Mr. BUTLER of Nebraska. Mr. President, I have been in the Senate long enough to know that, in view of the statement of the majority leader, the amendment does not have a chance in the world of being taken to conference. Therefore, I shall not press it.

The PRESIDING OFFICER. The Senator from Nebraska withdraws his amendment. The bill is open to further amendment.

Mr. SCHOEPPEL. Mr. President, I had intended to address the Senate on the pending bill, but because of the shortness of the time, and because I am compelled to attend a committee hearing, I ask unanimous consent that there be inserted in the RECORD at this point in my remarks a statement in writing which I have prepared in favor of the pending bill.

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

STATEMENT BY SENATOR SCHOEPPEL

It is not my purpose to delay Senate action on the bill to repeal the tax on admissions to motion picture theaters. I feel, however, that I would be failing my duty if I did not point out to Members the importance and urgency of the enactment of this measure.

I speak on this measure today because I have been able to observe some dire consequences happening to the motion picture industry. As chairman of the Subcommittee on Monopoly of the Senate Small Business Committee, which has conducted extensive hearings both here and in California, I have observed some of the major problems of this industry. Our committee has heard more than a score of witnesses, most of them small, independent theater owners and operators from most of the States in this country.

Within a matter of days, our committee hopes to submit to the Senate its final report of this investigation and its recommendations. I shall not presume on the report, but it is a matter of record that the motion picture theater owners of this country are unanimous in their belief that the 20-percent tax on admissions has imposed an intolerable burden on their operations.

The Senate Committee on Finance, in its report on this bill, has correctlv stated that the motion-picture industry is confronted by a serious economic situation. This economic difficulty stems from a number of factors, most of them beyond the control of the various segments of the industry. In the past decade, significant changes have taken place in the living habits and the leisure time vocations of great masses of the American people. Decentralization of industry and the move to the suburbs of large cities has taken people away from the larger in-town movie houses. The large increase in the young-family population with small children, their social and economic problems in securing babysitters if they go out, the difficulty and cost of parking facilities if they drive into town to see a picture, and the advent of television in the homes have all cut heavily into regular motion-picture-house attendance. Concurrently, there has been a tremendous increase in the number of drive-in or outdoor theaters which afford cheaper and better family facilities. The result has been the shutting down of many thousands of picture houses in the larger and medium-sized cities, and sharply falling attendance in the houses in the smaller towns.

In my own State of Kansas, where we have relatively few large cities, the economic impact of reduced theater admissions has been felt in serious proportions in even the smallest country towns. And this is true even in areas which have not as yet felt the impact of home television.

In southern California, where our committee held hearings, we heard the same story, and here in Washington, theater owners and operators from Iowa, Minnesota, Louisiana, Nebraska, New Jersey, Connecticut, Virginia, North and South Carolina, Georgia, Tennessee, Oklahoma, Texas, and many other States appeared before our committee to explain their problems.

They have, of course, other complaints, which are part and parcel of their daily business operations. But the one big refrain is the size of the bite taken out of their revenues by the Federal Government in the shape of the 20-percent admissions tax.

I think it should be emphasized that the people who are suffering are not large corporations. Since the Paramount decree, theaters have been divorced from the large producing and distributing companies. With one exception where legal factors have delayed technical divorcement, motion-picture theaters in the United States are owned by independent operators. And while there are a number of rather large chain theater operations, the overwhelming majority of the 18,000 theaters in the United States are owned by individuals, most of whom own 1, sometimes 2 or 3, theaters in contiguous towns. For the most part, these are family operations. The father runs the machine, the daughter takes tickets, the sons are porters and ushers, and the mother keeps the books and does other chores. These people are in serious financial shape. Many of them have been forced to the wall in

recent years. Men who have spent a lifetime in this business have been forced to close up shop.

There is another factor of special economic significance to be considered. Oftentimes, the theater is the focal point of social activity in a small country town. Businesses next door, the candy store, the shoeshine parlor, the bowling alley, the cigar store, all are affected by the closing of the theater. Our records show that the neighboring merchants of the theater owner are as concerned over these movie-house closings as is the theater owner himself. The repercussions of movie-house closings on many other lines of business, particularly in small towns, is a matter of serious consequence.

I can assure the Members that this is no cry of "Wolf, wolf." I am not a member of the Committee on Finance, but I commend the members of that committee and its distinguished chairman, the junior Senator from Colorado, for having seen the urgent problems in the motion-picture industry. Our committee has had the benefit of many months of hearings and study into the problems of the industry, and I reiterate that the big problem, the major problem, the compelling and urgent problem of these independent theater owners and operators is the excessive tax cut taken from their admissions.

I say quite frankly that in my personal opinion, as chairman of the subcommittee which handled the motion-picture study, that the remission of the admissions tax will be the most important action that can be taken in aiding this sick industry today. In my judgment, our report which will be submitted shortly, must and will emphasize that principal problem of this industry with which Congress and the Federal Government has a legitimate duty to concern itself with, which is the abolition of the 20 percent admission tax. I hope that the Senate will approve this bill promptly and bring this urgently needed relief to thousands of struggling, decent, small-business men throughout the country.

Mr. McCARRAN. Mr. President, I am not at all certain that the misfortune which seems to have befallen the moving-picture industry is due to the tax which is about to be removed by the pending bill. When the League of Decency takes action against pictures which are being commonly shown, that is one reason why the moving-picture industry is taking the licking it is receiving in public opinion. When the moving-picture industry exhibits pictures such as When the Moon Is Blue, and a few others of that type, it can expect a fall in income.

Mr. President, I have at the desk an amendment which I desire to offer at this time.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Nevada.

The LEGISLATIVE CLERK. It is proposed, on page 2, immediately following line 2, to insert a new section, as follows:

SEC. 3. Section 1650 of the Internal Revenue Code is amended by striking out, in the table contained in such section, the matter relating to cabarets, roof gardens, and so forth.

On page 2, line 3, strike out "3" and insert "4."

Mr. McCARRAN. Mr. President, when I gave notice of my intention to offer an amendment to eliminate the so-called cabaret tax, I stated my opinion that both the Government and the operators of restaurants and cabarets would benefit by elimination of the tax. I wish to expand on that thought just a little so that my colleagues may know that the opinion which I expressed has a sound basis.

Internal-revenue collections under the heading "Admissions to cabarets, roof gardens, etc."—and these are the collections from the 20-percent cabaret tax—have dropped from more than $72 million for the fiscal year 1946 to $45,489,000 for the fiscal year 1952. I have a table showing the amount collected under this heading for each of those 7 fiscal years, and I ask unanimous consent, Mr. President, that this table may be inserted in the RECORD at this point as a part of my remarks.

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

Internal-revenue collections from admissions to cabarets, roof gardens, etc. (the 20-percent cabaret tax)

Fiscal year:	
1946	$72,007,000
1947	63,350,000
1948	53,527,000
1949	48,857,000
1950	41,453,000
1951	42,646,000
1952	45,489,000

Mr. McCARRAN. Mr. President, it seems to me that this might be termed a "demonstration of the effects of the law of diminishing returns."

If the tax is removed, two results inevitably will follow. For one thing, the restaurants will do more business, take in more money, make more profit, and pay a larger tax on that profit. I cannot give the Senate an estimate on how much this will be; it involves too many factors to permit a reliable estimate. But I am entirely convinced that what I have predicted in this regard will come about.

The other result which I consider inevitable, if the cabaret tax is removed, is the employment of thousands more of entertainers and musicians. The salaries of these entertainers and musicians would, of course, go to broaden the base for personal income-tax collections.

This increase in employment of entertainers and musicians has been estimated on the basis of a recent survey conducted by the National Licensed Beverage Association, which is composed of proprietors of restaurants, hotels, taverns, and cabarets. Five hundred and two proprietors in nine States were queried, as a part of the survey. Of this number, 346 were found to be not now using entertainment.

Of these 346, 220 stated that if the cabaret tax should be eliminated, they would hire musicians and entertainers.

Since only 156 of the 502 establishments contacted are now using entertainment, and since an additional 220 answered that they would hire musicians and entertainers if the cabaret tax should be eliminated, this survey indicates that present expenditures for entertainment would be more than doubled if the tax should be dropped.

In other words, at the cost of only $45 million in revenue, it will be possible by the amendment which I have proposed to more than double the employment of entertainers and musicians in the restaurant, hotel, tavern, and cabaret field.

There is no question in my mind but that this result will be worth far more than the amount of Federal revenue involved.

Mr. President, I offer my amendment with no particular hope of its being agreed to. [Laughter.]

Mr. NEELY. Mr. President, will the Senator from Nevada yield?

Mr. McCARRAN. I yield.

Mr. NEELY. May I inquire of the Senator from Nevada the meaning of the last three words in section 3 of his amendment to section 3, which are "and so forth."

Mr. McCARRAN. That is the language of the statute.

Mr. NEELY. That still does not give me any information. Does the Senator know what is included?

Mr. McCARRAN. It covers a multitude of sins. [Laughter.]

Mr. NEELY. I assumed that, but I thought that possibly we could have them specified.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. McCARRAN].

Mr. MILLIKIN. Mr. President, I simply wish to reemphasize what the Senator from Nevada has already said. The adoption of the amendment would cost our revenues $45 million. I feel quite sure that if that loss were added to the other losses mentioned, it would stymie the bill in conference and probably at the White House.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada.

The amendment was rejected.

The PRESIDING OFFICER. If there be no further amendment to be offered, the question is on the third reading of the bill.

The bill (H. R. 157) was ordered to a third reading, read the third time, and passed.

APPLICATION FOR OIL AND GAS LEASE—CONFERENCE REPORT

Mr. BUTLER of Nebraska. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1802) to amend the act of Congress approved March 4, 1915 (38 Stat. 1214), as amended. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1802) to amend the Act of Congress approved March 4, 1915 (38 Stat. 1214), as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

HUGH BUTLER,
HENRY C. DWORSHAK,
FRANK A. BARRETT,
JAMES E. MURRAY,
EARLE C. CLEMENTS,
Managers on the Part of the Senate.

A. L. MILLER,
WESLEY A. D'EWART,
JOHN P. SAYLOR,
CLAIR ENGLE,
KEN REGAN,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There beihg no objection, the Senate proceeded to consider the report.

Mr. HUMPHREY. Mr. President, what is the substance of the bill involved in the conference report?

Mr. BUTLER of Nebraska. The Senate and the House conferees were in agreement, with the exception of granting leases on three sections of land in Alaska.

Mr. HUMPHREY. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

COMMISSION ON JUDICIAL AND CONGRESSIONAL SALARIES

Mr. McCARRAN. Mr. President, I should like very much to have the attention of the Senator from Illinois [Mr. DIRKSEN].

Yesterday, July 23, the Senate passed, with certain committee amendments, Senate bill 2417, providing for the creation of a Commission on Judicial and Congressional Salaries, and for other purposes. This was a bill which had been reported to the Senate on the preceding day, July 22. My reason for bringing it up at this time is to show what we can do in this body when we act in haste.

One of the provisions of this bill, as it passed the Senate, is to my mind clearly not in consonance with the Constitution of the United States. The provision in question was a committee amendment. Thus, this particular provision was available to Members of the Senate generally only for 1 day, before it came to a vote. Under the circumstances, it is easy to understand how Members of the Senate, who had not seen this provision before, failed to recognize it as an unconstitutional provision. Unquestionably, many Members of the Senate did not have an opportunity to examine the bill before it was passed. I am in that position myself, I am sorry to say. I knew about the bill, and I had examined a copy of the bill as introduced; but I did not know about this committee amendment, nor was it called to my attention, until after the bill had been acted upon.

This is, I think, an example of the evils which can result from too rapid action on any legislation. It simply is not right that a bill should be brought to the floor from a committee on one day, and brought up in the Senate for final action on the succeeding day.

The provision to which I refer is section 3 (a) of the Senate bill 2417. To understand the question involved, Senators should realize that the bill authorizes the establishment of a Commission to be known as the Commission on Judicial and Congressional Salaries. This Commission would be composed of 18 members, and its duty would be to determine the rates of salaries which should be paid to justices and judges of the courts of the United States, and the rates of the salaries and mileage which should be paid to the Vice President, the Speaker of the House of Representatives, and Members of Congress; and to report such rates, as determined by it, to the President, the Chief Justice of the United States, the President of the Senate, and the Speaker of the House of Representatives, on or before January 15, 1954.

Let us look at section 3 (a) of the bill as passed by the Senate. This section reads as follows:

SEC. 3. (a) From and after the date of the report of the Commission the salaries of justices and judges of the courts of the United States and the salaries and mileage of Members of Congress, including the Vice President and the Speaker of the House, shall be at such rates as shall be appropriated for by the Congress from time to time. Such rates shall not be less than those prevailing on the date of enactment hereof (including the amount of the expense allowances herein described) and shall not exceed those determined by the Commission.

Clearly, Mr. President, this is a provision for a flexible salary. There is a minimum—to wit, the salary now being paid, plus, in the case of Members of Congress, the amount of expense allowances presently authorized. There is a maximum, to wit, the amount determined by the proposed commission as the rate which should be paid in each case. Between this maximum and this minimum section 3 (a) provides, the rate shall be whatever Congress by appropriation provides. Clearly, this section contemplates that the Congress, within the prescribed minimum and maximum limits, can, through appropriations bills, raise or lower not only its own salaries and the salaries of the Speaker and the Vice President, but also the salaries of judges and justices of the United States.

Leaving aside all questions of policy, Mr. President, this proposal might be all right with respect to Members of Congress, and the Speaker and Vice President; but it is an unconstitutional provision so far as it concerns judges and justices of the United States.

Section 1 of article III of the Constitution of the United States provides that judges and justices of the United States shall "receive for their services a compensation which shall not be diminished during their continuance in office."

This has been construed to mean not merely that the salary of a judge or justice may never be cut below the salary provided at the time he was appointed; but also that, when the salary of a judge or justice has once been increased, during his term, it cannot thereafter be reduced.

Constitutionally, therefore, the salary of a judge or justice could not be allowed to be moved back and forth, even within a prescribed range, at the will of the Congress, expressed through appropriations bills.

It would be possible, of course, for Congress to grant itself the power, through appropriations bills, to raise the salaries of judges and justices at any time, either with or without a maximum limitation on the power to make such raises. But once such a raise had been provided, the salary could not thereafter be reduced; though, of course, it might be raised again at any later time.

There are thus two possibilities with regard to the language of section 3 (a) of Senate bill 2417. One of the possibilities is that the courts, if called upon to construe the section, would go to the lengths necessary to hold it constitutional, and would rule that its effect was the same as though it had provided that the rate of compensation for judges and justices, which might be fixed by the Congress through appropriations bills, should never be less than the highest rate previously fixed. In other words, the court might, in order to hold this provision valid, declare that it must be presumed to imply the constitutional provision with respect to the salaries of justices and judges, and so construe it merely as authority for Congress to raise the compensation of judges and justices at any time, within a fixed limit, by means of an appropriation bill.

The other possibility, of course, is that the courts might hold the provision unconstitutional and therefore invalid. If that should happen, the whole objective of the bill would be defeated, at least so far as judges and justices are concerned, and no raises would be provided thereby, or could be accomplished thereunder.

It seems to me, Mr. President, that since it will be necessary to construe this provision in consonance with the Constitution in order to hold it valid, it would be only prudent for Congress to bring the provision, by amendment, into consonance with the Constitution, before enacting the bill.

As I indicated, this bill passed the Senate yesterday. There is still time within which to file a motion to reconsider the action of the Senate. I do not desire to file such a motion unless it is necessary. There is always the possibility that the other body may amend the bill, with respect to section 3 (a), so as to bring it into harmony with the constitutional provision respecting the salaries of judges and justices of the United States. If that is to be done, I would not wish to delay the bill even for the length of time required to bring it back to the Senate and to make the correction here.

Accordingly, Mr. President, I propound this question to the leadership, on both sides of the aisle. I hope the majority and minority leaders will confer with regard to the situation which I have outlined, and, if necessary, with the leadership of the other body, and will conclude whether it is necessary to recall the bill in order to have the Senate make the indicated corrections in section 3 (a); or whether it would be better to rely upon the other body to make such corrections. I shall be willing to go along with whatever decision is reached by the

leadership on this question. I did feel, however, that it was my duty, having noted the deficiency in this language, to bring it to the attention of the Senate for possible action.

On the assumption that the matter will be considered, and an effort made to correct the deficiencies of section 3 (a), either in the Senate or in the other body, I wish to say a few words about what I consider to be certain other deficiencies of the section; that is, deficiencies aside from its apparent failure to jibe with the Constitution.

For one thing, it is clear that if this section is enacted in the form in which it passed the Senate, there will have to be judicial construction of the language. Beyond question, the points which I have raised here today with respect to the constitutionality of the section will be raised if it becomes law, and the courts will have to pass on the question. In doing so, the courts would in effect be passing on the question of the compensation of the judges and justices; that is, in a sense, judges would be passing on the question of their own salaries. I do not mean to cast any doubt upon the ability of any judge of the United States to consider such a question quite objectively; but I do not think it would be fair to deliberately put the judges in the position of having to pass upon this question. When we know in advance that the question is sure to arise, I believe Congress should settle the issue and avoid litigation which might be embarrassing, to say the least, to the judges who would have to decide it.

Let me mention another point. This bill is in effect a legislative amendment to the rules of the Senate. At the present time, it is ordinarily necessary to suspend the rules of the Senate in order to approve legislative provisions on an appropriation bill. But by the provisions of section 3 (a) of S. 2417, Congress would be giving itself and its appropriations committees the right to legislate with respect to the salaries of Members of Congress, the Vice President, the Speaker, and the judges and justices of the United States.

Whether this would have to be done by specific legislative language, or whether it would be done simply by the legislative effect of the appropriation itself, under the terms of this bill, is a matter of no concern. The fact remains that Congress is attempting in the bill, by legislation, to change the rules of the Senate and of the House, so as to permit accomplishment, in an appropriation bill, of results not now authorized to be accomplished in that way.

The new power so conveyed would be, of course, as broad as the terms in which it is conveyed; and would be subject only to such limitations as are explicitly written into the bill or necessarily implied by reason of some overriding constitutional consideration.

No such restriction would prevent Congress, under section 3 (a), if enacted, from providing differing rates of pay for different Federal judges. I do not simply mean pay differentials between different classes of judges, but actual pay differentials between judges of the same class. Thus, assuming the commission reported that the salary of Federal district judges should be $25,000 per year, it would be possible for Congress to appropriate funds for payment at the rate of $25,000 per year for district judges with 10 years or more of service, at the rate of $20,000 per year for district judges with service between 5 and 10 years, at the rate of $17,500 per year for district judges with less than 5 years of service, and at the rate of $15,000 per year for district judges newly appointed and confirmed within the fiscal year.

I do not mean to say, Mr. President, that I think the Congress would do anything like this; but the authority granted under section 3 (a) as it passed the Senate yesterday would permit Congress to take such action. I do not believe Congress desires to give itself any such power, or that any such power should be granted.

There are other possibilities in the situation, assuming section 3 (a) of this bill is enacted into law. If the constitutionality of the salary fixed for a Federal judge, or judges or justices of a certain class, under the terms of this provision, should ever be tested, it is probable that the test would come through a challenge to the constitutionality of the appropriations act fixing the particular salary or salary scale. In the case of such a test, if the appropriations act in question accomplished the reduction in compensation of any judge then sitting, I have no doubt that the courts would declare the act unconstitutional, at least so far as the compensation of that judge was concerned. However, the appropriations act might be held constitutional so far as it concerned the salary of any judge not sitting at the time the act was passed. Thus, there might be developed a two-salary scale, without any intent by Congress to accomplish such a result. All in all, Mr. President, and without going any further into the possible ramifications of the subject, I believe I have demonstrated the necessity for further and more careful consideration of the provisions of section 3 (a) of S. 2417. The question remains whether such further consideration and correction of the section should be undertaken in the Senate or should be left to the other body. On this question, as I have already stated, I am willing to abide by the judgment of the majority and minority leadership. I feel I have done my duty in calling the matter to the attention of the Senate.

Mr. KNOWLAND. I am glad the distinguished Senator from Nevada has brought his remarks to the attention of the Senate. The matter was discussed in advance, both with the minority leader and with the policy committee, and had been discussed with representatives of the American Bar Association, and others, in an effort to discover a constructive way to meet the problem, which I believe is generally recognized as being one which needs equitable solution.

I am sure that the Senator's remarks and the points he has made will be brought to the attention of the committee in the other body which will handle this subject, prior to the time it is acted upon.

Mr. McCARRAN. One of my principal objects is bringing this matter to the attention of the Senate today, the bill having passed yesterday, was to show what haste can do in this body. The bill was reported from the committee day before yesterday and was passed yesterday, with a committee amendment. The bill was all right when it was first introduced. There was then no objection to it. But the amendment was placed in the bill in committee. We had no opportunity to see it. I bring it to the attention of the leadership to illustrate what may happen when we legislate in haste.

Mr. KNOWLAND. All I wish to say to the distinguished Senator from Nevada and other Members of the Senate is that we are approaching the last week of the session of Congress. The acting majority leader has followed the policy of not calling up any bill until the committee report was ready. I realize that Senators have other responsibilities. They must attend meetings, and perform other functions. However, any Senator always has the right to ask for a quorum call. He always has the right to offer an amendment. He always has the right to move to recommit a bill to a committee. The Senator from California has tried to be very careful in handling these matters so as to be sure that information is available to Senators, and that both the majority policy committee and the minority leadership are informed before any piece of legislation is taken up on the floor.

Mr. DIRKSEN. Mr. President, I should like to allude to certain observations by the very distinguished Senator from Nevada [Mr. McCARRAN], whom I have always esteemed as a fine lawyer and a great devotee of the Constitution.

I thought I exercised great diligence in drafting the bill to which he made reference. He does me the honor to say that the bill as introduced in the first instance was all right. The amendment to which he refers, which may be of dubious constitutional validity, was a committee amendment. In the haste of action in the Senate, I probably had inadequate opportunity to observe and dwell upon it last night, but I say now that if the point is valid, I shall certainly lose no time in contacting the appropriate committee in the House and directing attention to the amendment, so that the fault may be cured.

I think the bill as originally drafted was in good form, and probably would stand the test. My friend from Nevada refers to an amendment which was inserted in the bill by the committee. I shall certainly bring his remarks to the attention of the appropriate committee in the House of Representatives, so that whatever doubt there may be about the bill may be cleared up.

NOMINATION OF GLENN L. EMMONS TO BE COMMISSIONER OF INDIAN AFFAIRS

Mr. ANDERSON. Mr. President, I desire to place in the RECORD several letters and telegrams with reference to the Indian situation in New Mexico and the nomination of Glenn L. Emmons to be

Commissioner of Indian Affairs. If I may have the attention of the distinguished senior Senator from North Dakota [Mr. LANGER], let me say that some of these messages speak of accusations made by the Senator from North Dakota. I wish to make it clear that I recognize that the accusations were made by persons other than the Senator from North Dakota. They were merely passed on to him, and he brought them to the attention of the Senate. I feel sorry that occasionally in these messages there are words which refer to accusations by the Senator from North Dakota. I hope the distinguished Senator will not take offense when I place these communications in the RECORD. I wish to make my explanation in advance.

Mr. LANGER. Let me say to my distinguished friend that he may place anything he wishes in the RECORD. It will not hurt my feelings at all.

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

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

COLORADO SPRINGS, COLO., *July 22, 1953.*
Hon. CLINTON P. ANDERSON,
Senate Office Building,
Washington, D. C.

DEAR SIR: I have just read where the nomination of Mr. Glenn L. Emmons for Commissioner of Indian Affairs has been challenged by Senator LANGER because of the failure of the First National Bank in Gallup.

I was connected with this receivership from February 1934 to its termination in July 1935. We paid dividends of 100 percent to depositors and I have been assured by Mr. John J. Emmons, of Albuquerque, that all those who waited for further liquidation were paid in full.

Many seeming irregularities were reported to the Comptroller of the Currency, but with the appointment of Mr. C. E. Mann, of Artesia, as receiver, these accusations proved to be groundless. The records will show that Mr. Mann and myself were called to Santa Fe to appear before a Federal grand jury. At a preliminary meeting with the Federal district attorney all further investigation was dropped by virtue of the fact that we were in the process of paying our second 50-percent dividend. Since no one had been hurt there was no case.

I am writing you in behalf of both Glenn and John, who have been good friends of mine for over 20 years. I am sure Mr. C. E. Mann, of Artesia, will substantiate my statements.

Hoping this letter will be of some value, I am,

Respectfully yours,

A. J. SMULLIN.

ALBUQUERQUE, N. MEX., *July 23, 1953.*
Hon. CLINTON P. ANDERSON,
Senate Building, Washington, D. C.:

Undersigned was national bank examiner and was designated by Comptroller of Currency to make complete examination of First National Bank in Gallup during its receivership and reorganization some 20 years ago. Have known Glenn L. Emmons well all these years and enthusiastically endorse him for United States Indian Commissioner as being highly qualified and a gentleman of highest integrity and honorable and honest in every respect. Deeply deplore insinuations, rumors, and gossip to the contrary.

J. D. COGGINS.

KANSAS CITY LIFE INSURANCE CO.,
Gallup, N. Mex., July 23, 1953.
Hon. CLINTON P. ANDERSON,
Washington, D. C.

DEAR SENATOR: In behalf of Glenn L. Emmons who has been appointed to the post as Indian Commissioner, I wish to say that I have known Glenn intimately for the past 45 years, and I consider him highly qualified for the position. He is a man of sterling character, a successful businessman and knows the Indian problems at firsthand.

The unwarranted attack made against his character in order to block his confirmation has no foundation whatsoever. I was appointed conservator of the First National Bank of Gallup following the bank holiday and served in that capacity from April until in December when the bank was thrown into receivership and I found no shortages or irregularities of any kind.

I also wish to add that the bank should never have been thrown into receivership. While I was conservator I went to Washington and had a definite understanding that I should have my report there by January 1, 1934 for reopening of the bank. In December 1933, I found because of some slow collections that I needed $27,000 extra cash to pay all unsecured depositors in full in case they should all want their money when the bank reopened. I took the matter up with the Reconstruction Finance Co. at Denver and was assured that it would let me have $50,000 in cash and have the money in Gallup within 3 days after I received a permit from Washington to reopen the bank. I had met all requirements and had assured the depositors that I had every reason to believe that the bank would be allowed to reopen for business right after the first of the year. Then a few days before Christmas for no apparent reason the bank was suddenly thrown into receivership without waiting for my report, and after all the bonds were sold at a loss by the receiver and all fees and expenses in connection with the receivership were paid, the depositors were still paid 100 cents on the dollar.

I am at a loss to understand how such misinformation originated against Glenn, it certainly has no foundation whatsoever.

Yours very truly,

L. R. GOEHRING.

GALLUP, N. MEX., *July 23, 1953.*
Senator CLINTON P. ANDERSON,
Senate of United States:

The Zuni Pueblo is a member of the United Pueblos of New Mexico and we can state that by far all Pueblos are not opposed to Glenn Emmons. The charge that they are is not true. We have endorsed Emmons along with others.

CONRAD LESARLLEY,
Governor of Zuni Pueblo.

GALLUP, N. MEX., *July 23, 1953.*
Senator CLINTON P. ANDERSON,
United States Senate,
Washington, D. C.:

As Mr. Glenn Emmons' pastor I cannot refrain from expressing astonishment at the attack made by Senator LANGER on Mr. Emmons. This attack has aroused deep indignation here in men who have known Mr. Emmons intimately for as long as a quarter of a century or more.

Rev. LAWRENCE CANTREL,
Rector of the Episcopal Church.

SANTA FE, N. MEX., *July 23, 1953.*
Hon. CLINTON P. ANDERSON,
United States Senate Office Building:

From long business and personal association consider Mr. Glenn Emmons eminently qualified both from experience and reputation for Commissioner of Indian Affairs.

DANIEL T. KELLY,
President, Gross Kelly & Co.

GALLUP, N. MEX., *July 23, 1953.*
Senator CLINTON P. ANDERSON,
United States Senator,
Senate Office Building,
Washington, D. C.:

Business and Professional Women's Club of Gallup wishes to express resentment and indignation at Senator LANGER's accusations against Glenn Emmons as without foundation.

RUTH LAWRENCE,
President.

WINSLOW, ARIZ., *July 23, 1953.*
Senator CLINTON P. ANDERSON,
United States Senate:

Request your continued cooperation to confirm nomination of Glenn Emmons as Commissioner of Indian Affairs. Personally feel there is no one better qualified for the position.

S. ROGERS,
Superintendent, Santa Fe Railway.

GALLUP, N. MEX., *July 23, 1953.*
Senator CLINTON P. ANDERSON:

Glenn Emmons has earned a position of respect and integrity in his home community. His appointment is an excellent one. I have confidence in his ability and good judgment.

AILEEN E. ROAT,
County School Superintendent.

GALLUP, N. MEX., *July 23, 1953.*
Senator CLINTON P. ANDERSON,
United States Senate:

Please do all in your power to undo the damage done by Senator LANGER in his unjustified attack on our fellow citizen, Glenn Emmons.

G. R. BUTLER.

GALLUP, N. MEX., *July 23, 1953.*
Senator CLINTON P. ANDERSON,
Washington, D. C.:

I object to the unfounded attack by Senator LANGER. Glenn Emmons is worthy of this appointment as President has shown.

Dr. W. H. WOODMAN.

GALLUP, N. MEX., *July 23, 1953.*
Senator CLINTON P. ANDERSON,
United States Senate,
Washington, D. C.:

Protest Senator LANGER's attack against Glenn L. Emmons' honesty and integrity.

SOROPTIMIST CLUB OF GALLUP.

GALLUP, N. MEX., *July 23, 1953.*
Senator CLINTON P. ANDERSON,
Senate Office Building,
Washington, D. C.:

We neighbors of Glenn Emmons astounded at Senator LANGER's charges and implications. Desire to inform you same are quite fantastic and urge you to continue your efforts in Glenn's defense.

Thanks.

V. T. SCOOPMIRE.

GALLUP, N. MEX., *July 23, 1953.*
Senator CLINTON P. ANDERSON,
United States Senate,
Washington, D. C.:

Have known and done business with Glenn Emmons for 30 years, and his character and honesty are above reproach.

KIRK BROS. MERCANTILE CO.,
JOHN KIRK, *President.*

GALLUP, N. MEX., *July 23, 1953.*
Senator CLINTON P. ANDERSON,
United States Senate,
Washington, D. C.:

Attack on Glenn Emmons vicious and unjustified. Charges made utterly false. Emmons' reputation excellent.

CREDIT BUREAU OF GALLUP,
D. E. CHALK.

GALLUP, N. MEX., *July 23, 1953.*
Senator CLINTON P. ANDERSON,
United States Senate,
Washington, D. C.:
Charges being hurled against Glenn Emmons false and absurd. Mr. Emmons bears an excellent reputation. This attack unjustified and vicious.
AMERICAN LEGION POST NO. 8.

GALLUP, N. MEX., *July 23, 1953.*
CLINTON P. ANDERSON,
The Senate, Washington, D. C.:
As a longtime friend and close business associate of Glenn L. Emmons I seriously object to the unfounded attack against his honesty and integrity.
FRANK HARSHMAN.

GALLUP, N. MEX., *July 23, 1953.*
Hon. CLINTON P. ANDERSON,
United States Senator,
Washington, D. C.:
We protest Senator LANGER'S accusations against Glenn Emmons. They are vicious and unfounded. Emmons' honesty and integrity above reproach.
MORRIS INSURANCE AGENCY, INC.

GALLUP, N. MEX., *July 23, 1953.*
CLINTON ANDERSON,
Senate Office Building,
Washington, D. C.:
Strongly endorse Glenn Emmons for United States Indian Commissioner. Character, honesty, integrity beyond reproach.
EDWARD JUNKER, Jr.,
County Commissioner, McKinley County, N. Mex.

GALLUP, N. MEX., *July 23, 1953.*
Hon. CLINTON P. ANDERSON,
United States Senate,
Washington, D. C.:
Unwarranted accusations of Senator LANGER against Glenn L. Emmons are untrue and without facts. Emmons is man of good character and reputation. We feel he is the man for Commissioner of Indian Affairs.
GALLUP LUMBER CO.,
JOHN NOVAK.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1954

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar 631, House bill 5471.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5471) making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. DIRKSEN. Mr. President, the order of business before the Senate at the moment is the District of Columbia appropriation bill. I shall certainly not detain the Senate for long, or trespass upon its patience. However, there are a few general observations which I believe I should make.

I served on the Committee on the District of Columbia in the House of Representatives for a period of 16 years. During 2 years of that time I served as its chairman. That represents a long time. In that time one develops at least a fair working knowledge of the District of Columbia government. He comes in contact with and becomes acquainted with the people of the District. So while it is a labor which does not necessarily express itself in terms of political favor or votes back in one's State, yet is a responsibility which devolves upon the Congress, under the Constitution, and hence a responsibility which ought to be properly and adequately discharged. No one ever begs for that chore. It involves a great deal of detail. There are many long hearings, and there is the responsibility of marking up the bill as fairly as possible.

After many hearings, which extended over many days, at long last we have finished, under senatorial procedure, the work upon the District of Columbia appropriation bill, and we offer it with some pride.

As the bill passed the House of Representatives it carried a little more than $146,000,000. When we finished with it we had added to that amount, roughly, $2,300,000 plus. The total amount in the bill for the District is $148,713,350.

There are some features of the bill to which I should refer. The first relates to the matter of the Federal contribution. It is a matter to which the distinguished Senator from South Carolina [Mr. JOHNSTON] has devoted a great deal of attention. I have lived with the subject over the years. I recall that the late distinguished Senator Overton, of Louisiana, gave freely of his time in order to develop some kind of practical working formula to express the relationship between the District of Columbia and the Federal Government in terms of contribution.

A good many years ago Senator O'Mahoney, of Wyoming, also addressed himself to this particular problem. It has been a kind of unending controversy. I can understand how the people of the District of Columbia feel, and I can also understand how Members of the Senate and of the House of Representatives feel. They have a responsibility individually and collectively, in connection with the public purse.

At one time the contribution of the Federal Government to the funds of the District of Columbia was as much as 40 percent of the general budget. That was true in 1922. Those were the days when the budget was of rather modest proportions. But year by year the expenditures of the District went up in amount, even as the expenditures of the Federal Government increased. So as the expenditures go up and the Federal contribution remains at a level amount, percentagewise it therefore goes down.

In 1952 the Federal contribution of $12 million, which is the limit presently authorized by law, amounted to only 8.58 percent of the general expenditures of the District. This year it will be slightly higher, or 8.84 percent.

The reason this subject must be brought to the attention of the Congress from time to time is that we continue to preempt the tax-bearing property and take it off the tax rolls of the District. I do not have in mind an overall estimate of the amount of revenue-bearing property which has been displaced in the District, but if my memory serves me correctly, it must be all of $700 million, or perhaps more. In proportion as the Federal Government continues to acquire property, erect fancy buildings, and remove that property from the tax rolls, and yet expects for the people who occupy those buildings all the necessary safeguards which go along with modern life, such as stop-and-go signs, additional policemen, additional firemen, additional patrolling services, and so forth, I believe that it represents a responsibility.

So in the report we have recommended to the Legislative Committee on the District of Columbia that it reexamine this subject. It would probably be unseemly and improper for one committee to bear down upon another committee in the exercise of its proper functions. So we were content merely to recommend to the legislative committee that it explore the question of the fiscal relationship between the District of Columbia and the Federal Government.

One other item alluded to in the report is mentioned at my particular instance, because so many letters have found their way to my office with respect to it. I believe it was last year, 1952, that the authorities in the District of Columbia provided for the adding of fluorine to the drinking water, and the program became popularly known as the fluoridation program. There are those who contend that it will retard tooth decay. Others contend that it should not be done. It has been done in some municipalities of a comparable size with that of the District of Columbia. It even involves religious scruples.

I do not pass upon the matter one way or another. I simply allude to it and direct attention to that part of the report, because it is a matter of controversy. There was, in fact, some expert testimony taken on the subject. At the present time an organization is operating in the District of Columbia under what appears to be rather capable direction, which is more and more bringing the program to the attention of the people of the District of Columbia. Probably it has not been resolved by the lack of action taken by the subcommittee on appropriations, but at least it is a matter of public interest, not only to the people who are domiciled in the District, but to those who come here, and to the Members of the House and Senate.

One other matter which probably deserves some mention relates to the fact that there has been initiated for the District of Columbia a so-called reorganization plan. It had its difficulties, and there seem to have been a good many roadblocks put in its way at one time or another.

At long last such a plan had been initiated by the former Board of Commissioners, and it finally came to the attention of the White House. There has been some suggestion made that we throw the plan overboard. But, Mr.

President, I simply could not go along with that type of proposal, for the very good reason that only a few days after the hearings closed, or perhaps a few days before the hearings closed, all the administrative orders which were necessary to effectuate a reorganization and a streamlining program for the District were either in process of being issued or had already been issued.

Much work had been done and funds had been expended in the studies and in the work to express and articulate a reorganization plan for the District government. Under those circumstances, certainly it was not a proper function for the subcommittee on appropriations to make a determination as to whether the plan should be rejected or given an opportunity to effectuate itself and to have a fair trial.

If at the end of a year or at the end of 2 years it is discovered that the plan does not work, there are at least two committees of Congress which can give it attention. First, there is the Appropriations Committee, and, second, the legislative Committee on the District of Columbia, which is under the very capable and competent direction of the distinguished Senator from South Dakota [Mr. CASE].

I must say for him that he has given generously and unselfishly of his time to District affairs. The same is true of his very capable staff. So if the plan does not work, it will receive appropriate and, I believe, adequate attention when the first substantive report under the plan has been brought to the attention of both the Senate and the House of Representatives.

I conclude that point by saying that the plan will be in effect with very slight modification. What the committee did was done in part to make sure that we would encounter no difficulties in the ultimate consummation of the appropriation bill and, secondly, because I entertain a conviction that the plan may be in the best interest of the people, even though it is a departure from the blueprint which has been laid before the committee. It relates to the transfer of the functions of the offices of budget and management to a single office of budget and management under the active direction of the Commissioners.

There is one small item in which I take some little pride. It involves only $65,000. It is additional money for the Office of the District Assessor. The Assessor is never the most popular creature in the world. Yet it is upon the basis of his work that the ultimate revenues are finally drawn into the District coffers. I believe the Assessor's Office made a pretty good case. It was represented to us that if we gave him a few additional employees and provided them with transportation for every such person who might be put on the rolls at least $1,500 in revenue might be returned to the District treasury every week. If they could be successful and justify such a formula I, speaking for myself, would not mind giving him even additional help, because in proportion as such employees find revenues which might otherwise be lost, the fiscal problems of the District of Columbia are certainly diminished.

There is one other little item, Mr. President, which may deserve some attention. We restored funds which were deleted by the House of Representatives in the amount of $146,000 for the public schools. In connection therewith, we have suggested to those who are giving direction to the school system in the District of Columbia that some of the funds might be employed to hire additional music teachers.

That request may fall on deaf ears and upon unsympathetic spirits if there is no music in the soul to soothe the savage breast. In my humble judgment, the music program in the District schools is certainly not up to standard and it falls far below what might be a reasonable expectation for the Nation's Capital.

Mr. MORSE. Mr. President, will the Senator yield for a little testimony on that point?

Mr. DIRKSEN. I yield to the Senator from Oregon.

Mr. MORSE. I wish to commend the Senator from Illinois for making the recommendation. I testify as his witness not only as a parent who has put 2 girls through the District schools and has another girl a senior in school and has been active in the music program, but I testify also as a past president, for 2 years, of the Alice Deal Home and School Association, having taken a very active interest during the 2 years of my presidency in the music program of the District schools.

I wish to say it is not only a sound recommendation but that we ought to pay some attention to the relationship of such a music program within our schools. That is not the only important extracurricular program, but it is one of the most important because of the tremendous benefit it confers, not only upon the participants in the glee clubs and orchestras and bands but on the other students in the school who derive benefit from the programs which their fellow students present.

It is so easy in these days for us to forget the importance of paying attention to cultural values in our society. Where do the cultural values develop? They develop when the citizens are young and in attendance in the schools. The Senator from Illinois is quite right when he points out that we have been remiss in respect to the support we have given to the music program in the District. I am very glad to hear the Senator make the recommendation he has made and I am very happy to be his witness.

Mr. DIRKSEN. Mr. President, I appreciate the concurrence of the distinguished Senator from Oregon in what the committee has done. I would amplify my statement only to the extent of saying that nearly all Members of the House and Senate in their respective constituencies have had an opportunity to watch the unfoldment of instrumental and band music at schools located in villages and small towns and metropolitan centers, and nearly every one of them can testify to the fact that even his own children, at one time or another, when they are barely out of three-cornered pants and able to toddle, undertake to tootle on a saxophone, flute, or piccolo. When I was young I had a great urge to play a piccolo, but the schools did not have band music when I was young, so I never had a chance to satisfy my urge. I want to be sure that the children of this generation everywhere, particularly in the District of Columbia, who are under the tutelage and sponsorship of Congress, will have such an opportunity, and hence this note of emphasis in the report.

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

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. May I ask a question of the Senator on another subject, if he has concluded with the present subject?

Mr. DIRKSEN. Indeed, sir.

Mr. SALTONSTALL. I have been spoken to by several District citizens concerning the Theodore Roosevelt Memorial Island.

I note on page 31 of the bill a proviso that—

> No part of this appropriation shall be available for the preparation of plans for a crossing of the Potomac River which will be inconsistent with the general plan for the development of Theodore Roosevelt Island adopted and approved under the provisions of the act of Congress approved May 21, 1932.

In the opinion of the distinguished chairman of the subcommittee, is that proviso a complete protection for the use of that memorial island?

Mr. DIRKSEN. I believe the language now carried in the bill is ample and complete protection of Theodore Roosevelt Memorial Island. The matter has been of some controversy. The act creating the island as a Theodore Roosevelt Memorial was enacted in 1932. The language of the law is crystal clear; and in my considered judgment, not only could supporting piers for a bridge not be set on the island, but I believe it would be a violation of the spirit of the memorial if a bridge structure were to be built over the island. Certainly it would not be seemly for Congress to provide for the construction of a bridge over the island.

So funds for the planning—namely, $200,000—plus the interdicting amendment are carried in the bill; and we believe that will be sufficient to protect the memorial.

Mr. SALTONSTALL. I thank the Senator from Illinois. Probably he has seen in the newspapers, as I have, during the last few days, a drawing showing a bridge passing over Theodore Roosevelt Memorial Island, with piers for the bridge resting on the island.

Mr. CASE rose.

Mr. DIRKSEN. I yield to the Senator from South Dakota.

Mr. CASE. With reference to the question raised by the senior Senator from Massachusetts, let me say that the District of Columbia Committee asked the Corporation Counsel for an opinion regarding Theodore Roosevelt Island and whether a bridge resting on it could be built. It was his opinion that no bridge or highway could be tied to the island without prior enactment by Congress of permissive legislation. He did not specifically rule upon the question

of whether such action would be in violation of the existing law; but I share the opinion of the Senator from Illinois that such action would violate it.

However, without going into that question, the corporation counsel took the position that it would be impossible for the Commissioners or for the District of Columbia Engineer to act in having such a bridge placed there or in having the bridge rest upon the island, without permissive legislation by the Congress.

So, in supplementing what has already been said about the matter, let me say that without the taking of affirmative action by Congress, such construction could not occur. Furthermore, if a provision for the taking of such affirmative action were included in an appropriation bill, the provision would be subject to a point of order.

Mr. LANGER. Mr. President, will the Senator from Illinois yield to me for a question?

Mr. DIRKSEN. I yield for a question.

Mr. LANGER. In reading the bill, I notice section 21. Of course, not being a member of the committee, I confess that I am not so familiar with the provisions of the bill as I should like to be. Under the circumstances, I should like to have the Senator give us an explanation of that amendment.

Mr. MORSE. Will the Senator from North Dakota state the page on which the section appears, please?

Mr. LANGER. It appears on page 53; it is the last section of the bill.

Mr. DIRKSEN. Mr. President, that amendment relates to certain property which belongs to the District of Columbia. It was acquired a long time ago, and a correctional institution was built upon it. Now, however, the property is scarcely necessary. We were of the opinion that perhaps it should be disposed of, and should be disposed of for a useful purpose.

It came to our attention that a hospital was interested in the property. That information did not come particularly from the Commissioners, but, rather, from other sources, namely, persons who had been identified with hospital-construction programs for the Federal Government. I have known some of those persons for a great many years.

We thought we were going to be quite generous in the matter by making this area available, so there would be the possibility of construction at an early date of a hospital of approximately 350 beds—so desperately needed by the people of the District of Columbia.

This particular hospital matter has been the subject of litigation; the hospital was interested in another site, and I understand that matter has been rather adequately ventilated before the Zoning Commission, and finally was the subject of a court case.

Having had long experience with appropriation bills, I am not insensitive to the fact that this amendment is a legislative item; and I would be less than candid if I did not say so publicly.

Mr. LANGER. I noticed that the amendment constituted legislation, and thus is subject to a point of order. I do not think such a legislative amendment should be included in an appropriation bill.

Mr. DIRKSEN. Mr. President, I would not resist a point of order in connection with this amendment. I would concede that a point of order would be valid.

Mr. LANGER. Mr. President, at this time I make the point of order that the amendment which constitutes section 21 of the bill, beginning on page 53, is legislation on an appropriation bill.

The PRESIDING OFFICER (Mr. PURTELL in the chair). The point of order is not in order at this time.

Mr. LANGER. Then I shall wait until we come to that point.

Mr. DIRKSEN. Mr. President, I shall not detain the Senate further. I shall ask that the committee amendments be approved en bloc, with that one exception; and then amendments may be offered from the floor.

Mr. MORSE. Mr. President, I wish to raise a point of order in connection with this item. First, I wish to ask the Senator from Illinois about the advisability of writing into section 21 language with reference to Sibley Memorial Hospital.

I believe that if the property is to be disposed of, it should be placed on the market and should be disposed of on the basis of its fair market value—as those words are set forth in section 21—to any prospective purchaser who might wish to negotiate a transaction which would comply with whatever other requirements might exist—such as zoning requirements.

My question is this: Is it good legislative procedure to limit the sale to a specified purchaser, even before any negotiations have been carried on by the prospective purchaser? Would not that put the Government at a bargaining disadvantage, to begin with; and would it not discriminate against other prospective purchasers?

Furthermore, would not such a provision involve us in what the Senator from Illinois himself has referred to as a controversy between the proponents and the opponents of the so-called American University campus site for this particular hospital?

As a result, would we not, in connection with our action on this appropriation bill, be getting ourselves involved in a number of things about which we have not had time to obtain adequate information, and which really should be substantively of no concern to us, insofar as our action on the disposal question is concerned?

If we decide that this property has now become surplus property, insofar as the Federal Government is concerned, let us render that judgment and place the property on the market, and then let groups outside the Congress settle for themselves, without having us take sides on the question, where Sibley Hospital should be constructed.

Mr. DIRKSEN. Mr. President, I think the Senator from Oregon makes a very fair argument. Probably a moment of generosity, and, may I say, softness of heart, which inclines one's heart in the direction of favoring a hospital, may have overwhelmed and dominated the better judgment of the committee.

Mr. MORSE. I have the same kind of heart, but I am satisfied that those who sell the property will have a heart like ours, too. If a fair offer is made for the property, I think those making the offer will have a fair chance of obtaining it.

On the other hand, we know this issue is a controversial one. Therefore, I hesitate to have this provision, as a substantive matter, included in the appropriation bill without having had hearings on the subject.

Mr. DIRKSEN. Mr. President, I have followed with a great deal of interest the hospital controversy, and I know something of the difficulties involved. I also know that hospitals are not overburdened with too much money, particularly when they are organizing and getting underway. We were bending over backward in the interest of the welfare of the District of Columbia in the hope that additional hospital facilities may be made available in this way.

However, I would not for a moment controvert the observation which has been made by the Senator from Oregon, because I believe it has some validity.

Mr. CASE. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. CASE. Obviously the matter is of considerable controversy. Inasmuch as this amendment is legislation on an appropriation bill, let me say that when the amendment is submitted, if the Senator from Oregon does not make a point of order against it, I shall do so. I do not think it would be proper to include this amendment in the bill, particularly without having a hearing held on the subject. I feel it is a provision which ought not to be placed in an appropriation bill, without a hearing, in any event.

Mr. DIRKSEN. Mr. President, in the government of the District of Columbia we occasionally find men who, like the desert rose, are born to blush unseen and seemingly to waste their fragrance on the desert air. It occurs to me, if one may now say a kind word for persons like that, they are the hewers of wood and the drawers of water in the world. They live most obscurely, yet they make a great contribution.

One such person is the librarian at the central library in Washington. His name is Mr. Peters. Perhaps I should not single him out for encomiums, but the fact of the matter is that he comes modestly and with an attitude of self-effacement to ask for a few thousand dollars, and then proceeds to tell the committee what he is going to do with it. He is going to renovate one upstairs room and downstairs room in the library. As I looked at the difference between the two, it so fascinated me that I thought what a wonderful job it is, for which a man labors so earnestly, but receives so little credit. I think an orchid ought to be pinned upon the librarian for the great job he has done and for the job he will do with the very modest $43,000 we are restoring to this bill for remodeling the reading room and completing the renovations. It will make available ad-

ditional library facilities which are really necessary today. We have also added one bookmobile, because there are whole areas within the District of Columbia where library and reference facilities are entirely inadequate.

Mr. President, I would say one thing about the Metropolitan Police force. It asked for 146 extra policemen. Those were denied by the House. In our wisdom we provided for 75 policemen, who for the first time will go on the new salary base of $3,900 a year, as the starting salary. In addition thereto, there was at the same time a request for 200 crossing guards to protect the school children on the corner intersections and crossings of the District. We provided for 50 of those. So I think, between the additional policemen and the 50 crossing guards, who will be paid at an annual rate of about $900 a year, we shall make out pretty well in protecting the lives and limbs of the school children. Inadvertently, the language of the bill is such that that was stricken; and after a while I shall offer the necessary amendment to restore the language.

There may not be other things I should delineate for the attention of the Senate, and I think, at this moment, I shall make a motion.

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

Mr. DIRKSEN. I yield to the Senator from Alabama.

Mr. HILL. I first wish to commend the distinguished Senator from Illinois upon the work he has done on the pending bill, and for the very candid and fine explanation he has given of it.

I particularly commend him for what he had to say at the beginning of his remarks, about the Appropriations Committee respectfully suggesting to the legislative committee of the District of Columbia that a study be made of the matter of the Federal contribution, and of the fiscal relationship between the Federal Government and the District government.

Having served on the Appropriations Subcommittee on the District of Columbia, and having had some insight into the matter, I have long felt that the Federal Government was not carrying its proper share of the fiscal burden of the District of Columbia. I think the report on the pending bill, which was filed by the distinguished chairman, sets forth the fact that in 1922 the Federal contribution was 40 percent, whereas, for the fiscal year 1954, the Federal contribution will be only 8.84 percent. It sets forth the further fact that, in 1935, 34.9 percent of the area within the District of Columbia was tax exempt, that is, was used by the Federal Government, whereas today the percentage is 42.7 percent. More and more property has been taken out of taxation and made tax-exempt as a result of the Federal Government acquiring and using it. Yet the Federal Government has obviously been very substantially reducing its contribution toward carrying the fiscal burden of the District of Columbia.

Knowing, as I do, the able and conscientious chairman of the Committee on the District of Columbia, the distinguished Senator from South Dakota, I am sure he will have not only a thorough but a very helpful study made of this question, so that when we consider a similar bill next year, the Senator from Alabama will be able to join the Senator from Illinois and the Senator from South Dakota in endeavoring to take steps to assure that the Federal Government will meet what I believe to be a fairer share of the financial burden of the District of Columbia, and that the contribution by the Federal Government will be properly increased.

Mr. JOHNSTON of South Carolina and Mr. CASE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield; and, if so, to whom?

Mr. DIRKSEN. I shall yield in a moment to the Senator from South Carolina, but before doing so I wish to say that probably one of the most scholarly studies which has ever been made in the field of fiscal relationship between the Federal Government and the District of Columbia was made by the Senator from South Carolina. I commend to every Member of the Senate the statement made by him some months ago on the Senate floor. It was a scholarly statement, and one which deserves reading and study by all Senators. I now yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I thank the Senator from Illinois. I desire to say that at the proper time I intend to offer an amendment to the pending bill, in order to bring to the attention of the Senate the subject touched on by the Senator from Alabama. If there is anything that can be done, we should do it in the near future, in order to ward off the deficit which will occur in the treasury of the District of Columbia if the Federal Government does not assume its proper share of the cost of running the District government.

Mr. DIRKSEN. I now yield to the Senator from South Dakota.

Mr. CASE. Mr. President, there are a number of things which I think ought to be said for the record at this time. I appreciate the suggestion made that the legislative committee make a study of this problem.

The first thing that ought to be said at the moment is that the Constitution provides that all the revenue measures shall originate in the House of Representatives. Earlier in the present session of the Congress the Senate Committee on the District of Columbia ventured to report, and had passed, a very minor bill dealing with appropriations. It merely endeavored to take care of the situation which existed in the Office of Rent Control in the District, where money for salaries was unavailable for a period of a little less than 2 months.

The Senate passed the bill. It immediately raised a storm in the House of Representatives. Both the chairman of the House Committee on Appropriations and the ranking minority member took the floor and the House had more or less of a field day, taking the Senate to task for venturing to initiate a bill dealing with a small item of appropriations. Their argument was based on the theory that the Senate could not initiate either appropriations or revenue measures, although everyone knows that the constitutional provision mentions only revenues. But after the rather vigorous chastising which the Senate received in that instance and the complete ignoring of the bill passed by the Senate, the chairman of the Senate Committee on the District of Columbia would feel that the Ways and Means Committee of the House of Representatives would probably shriek even more loudly if we venture to initiate a revenue measure in the Senate.

However, the Constitution does provide that revenue measures which come to the Senate can be amended and concurred in as in the case of other bills. On that basis, the Committee on the District of Columbia has kept on tap, so to speak, a revenue bill which proposes to repeal the personal-property tax in the District of Columbia, but has not reported it, because we thought it might be possible for a situation to arise calling for additional revenue for the District of Columbia in the coming fiscal year, or the year in which we are now living. But the Budget estimates do not indicate any need for additional revenue in the coming year. That issue has not arisen. There has been no necessity for a further study of the bill. But I think that constitutionally, at least, we might be conducting such a study as has been suggested.

Furthermore, with respect to the obligation of the Federal Government to the District of Columbia, I recognize that there has been an increase in tax-exempt property in the District of Columbia. The percentage has been stated. But it has to be recognized that the same thing is happening in a great many other communities throughout the country. The Senator from Alabama [Mr. HILL] knows that many communities in his own State have had a high increase in tax-exempt property because the Federal Government has taken over private property for the purpose of constructing military installations.

Recently, in the Committee on Armed Services, particularly in the Subcommittee on Real Estate and Military Construction, it has come to our attention that in one community in California, in the county surrounding the city of San Diego, 52 percent of its land area has been made tax exempt because it is publicly owned, most of it, by the Federal Government. In other words, a greater percentage of land in that county surrounding San Diego, Calif., is today tax exempt than is the land within the District of Columbia.

When we start to measure the contribution which the Federal Government is making to the District of Columbia on the basis of land, we run into a situation which exists in Alabama, Mississippi, California, and nearly every other State where large areas of land are being required for Federal purposes.

So, Mr. President, the question is not answered by determining what percentage of land is in public ownership. If we apply that standard to the District

of Columbia, we shall have the same principle requested in New Jersey, in Georgia, in Mississippi, in California, in the State of Washington, and other States where the percentage of land under Federal ownership is comparable with that in the District of Columbia. That is not to say, however, that the Federal Government is assuming a fair share of its responsibility. I do not think it is. We must find some yardstick to measure that responsibility.

Mr. HENDRICKSON. Mr. President, will the Senator from South Dakota yield?

Mr. CASE. I yield.

Mr. HENDRICKSON. The Senator from South Dakota has put his finger on a very serious problem. We in New Jersey are very much concerned about the Federal ownership of land in our State.

Mr. CASE. Mr. President, carrying the matter a bit further, I do not think the Federal Government is meeting its proper share of the financial cost of operating the District of Columbia government in return for the services which are rendered to the Federal Government. I think it involves a broader study than merely determining the amount of land owned by the Federal Government. It goes to the question of the services which are performed by the District of Columbia government. It goes to the question of the amounts of money needed to carry on the District Government.

Personally, I thought we ought to have a public works program on a 50–50 basis to take care of the urgent needs of the Capital City in the fields of transportation, public buildings, and some of the other facilities which are necessary in the operations of a city of this sort. I hope that when that matter can be straightened out between the Bureau of the Budget and the Commissioners, we can have come before us a public works program based on the 50–50 principle for some of the Capital improvements needed. As chairman of the Senate Committee on the District of Columbia, I have had in mind that we would address ourselves to a study which would be consistent with the thought I have expressed.

Mr. BEALL. Mr. President, will the Senator from South Dakota yield?

Mr. CASE. I yield.

Mr. BEALL. Mr. President, only recently the Senate Appropriations Committee made an appropriation for flood control at the Peace Cross, in Bladensburg. We in Maryland feel that that is a joint responsibility between Maryland, the District of Columbia, and the Federal Government, because the water originates within the District of Columbia and comes into Maryland. We hope that such conditions as that at Bladensburg will be brought into the study. It is something we should work on jointly with Maryland and the District of Columbia. I hope that matter will be included.

Mr. CASE. I think we did include $500,000 in the civil functions bill.

Mr. BEALL. It was in the bill and the Senate passed it. But the conferees cut it out day before yesterday.

Mr. CASE. I regret that very much, because, as I recall, the State of Maryland is ready to proceed, and the funds we had made available were contingent upon some funds being provided for the District of Columbia. I took pains to see that $500,000 was put into the bill. I regret that I was not among the conferees and could not help to protect that appropriation.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. I wish to say to the Senator from Illinois that not only has he made his explanation of the District of Columbia appropriation bill factual, but he has made it exciting, exceedingly interesting, and informative.

I, for one, as I am sure is true of all Americans, feel a great sense of pride in the United States Capital. I do not think it is fair to look upon the city of Washington, the District of Columbia, simply as a local jurisdiction of government, It is much more than that. It is the seat of the Federal Government. It is the greatest capital in the world. Therefore, one is led to many reflections as to how it should be cared for.

I listened with keen interest to the statements of the Senator from South Dakota [Mr. CASE] and the Senator from South Carolina [Mr. JOHNSTON] about Federal contributions. I may call the attention of my colleagues to the fact that for 3 years the Committee on Government Operations has had before it a bill prepared by the Bureau of the Budget to revise the whole system of Federal contributions wherever Federal properties are located in local or State governmental jurisdictions.

I understand the new Director of the Budget, Mr. Dodge, is reevaluating the proposed legislation, and that another proposal will be introduced. I was discussing the matter with the chief clerk of the Committee on Government Operations, Mr. Reynolds. I may say I believe the study proposed to be made will afford an opportunity for Congress to review the question on a nationwide pattern, and to get something sensible and equitable worked out.

In the meantime, as has been pointed out, the District of Columbia has a particular problem which deserves special attention, because by the very nature of the structure and location of the District, and by constitutional provision, the Congress of the United States has unusual responsibilities.

I wish to make one suggestion, and I do so as an interested Member of the Senate. I am not a member of the Committee on the District of Columbia, and surely I can lay no claim to any intimate knowledge of its procedure. Nor am I a member of the Committee on Appropriations. But as one who loves American history, and as one who has respect and appreciation for the beauties of nature, I deplore what is happening to the Potomac River. So long as I am a Member of the Senate, I shall raise my voice until we at least make the Potomac River the beautiful stream God Almighty intended it to be. The Government permits pollution of the river. It is filled with filth. It is not taken care of. It is a disgrace to Congress, the District of Columbia, and the Nation. I shall continue to talk about it until something is done.

In other sections of the United States, little creeks are protected, creeks which do not have scenic beauty. In the State from which I come there is a statewide antipollution program. We are interested in rivers, streams, and lakes. But this is the Nation's Capital, and what a miserable example is set. One of the Nation's most magnificent and historic rivers is literally creeping with debris and filth. I think something ought to be done about it. I commend the matter to the attention of the committee.

The Senator from Oregon [Mr. MORSE] introduced the subject in one of his committee reports to the Senate. I speak about it, not because it is world shaking; it is simply a matter of being tidy and clean. If our Government is not concerned about the cleanliness of the Capital of the United States and its scenic beauty, it will not be much concerned about anything else.

One final point. How about the Police Department in this city? There are several police departments. Sooner or later, I think Congress will have to go to work on that situation. I am not talking about the quality of law enforcement, which is a subject that has been checked into and investigated, and I am not prepared with facts on that. But, I am referring to something on which I am prepared with facts.

Why have we a separate Capitol Police force, the members on the patronage roll? Why is there the Metropolitan Police force, under the civil service? Why have we a National Park Police? We have police, police, and police, but none of the groups integrated. Any mayor in the United States who permitted such a situation to last even for 1 year of his term would be either impeached or recalled, or he would not try to run for reelection, because it would not be possible for him to be reelected.

We talk about economy. I know it is wonderful to talk about billions of dollars of economy. I am of the opinion that Congress will have to get used to economy by starting with small things. Let us have a little economy somewhere, so we will get used to it. One of the ways to get used to it is to try to give some governmental reality to the District of Columbia. One place to start is in the law-enforcement agencies.

When I talk about the District of Columbia, I am not merely talking about the government of the District. I am talking about the geography. I know there is cooperation among the police departments, but when I travel on the highways and streets of Washington, I see Capitol Police, Park Police, and Metropolitan Police. There are all kinds of police, but who is chief? In this matter we are not long on chiefs.

There are different kinds of little empires. Most likely, some day we will get to the point where we can bring about a little reform. It is easier to talk about reforming the executive branch of the Government, but I am of the opinion that we will not reform any government in all America until we start with local government. I have said this repeatedly; I shall continue to say it. Most

corruption takes place at local levels, and most reforms are made at local levels.

Once we become trained at local levels, where we do not feel like talking about billions, but about millions, as we did in the good old days, we shall be able to do something about billions, something that we are now hardly ever able to understand.

I offer this comment, not as advice, but as a friendly observation. I know the distinguished Senator from Illinois [Mr. DIRKSEN] has given considerable thought to the subject. He may not agree with my views, but this is the place to have an exchange of views. I am certain the distinguished Senator from South Dakota [Mr. CASE], who has had a career of distinguished public service, agrees with these views, or, if not, I am certain he will agree that I at least have a right to express my views.

I want to see Washington, D. C., to be the Capital it ought to be, rid of its slums, and cleaned up in terms of its governmental operations, setting an example for the rest of the Nation.

Without being critical of the Government, I may say that Washington would be the last place to which one should come if he wishes to get an example of governmental reorganization or reform. Yet it ought to be the first place. If Congress cannot run the District of Columbia, I do not know how it can run the Nation. At least, it ought to set a pattern here.

Mr. BUTLER of Maryland. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. Not until I have first made an observation.

If I were to employ the language of Justice Holmes in the celebrated case of Missouri against Holland, in which he described a flight of ducks that brought into play the Federal game warden, out of which there came finally the so-called Bricker proposal to amend the Constitution, I would describe the Potomac River as being, in the language of Holmes, only "transitorily" within the District of Columbia. The Potomac meanders into West Virginia, Virginia, Maryland, the District of Columbia, and back into Virginia. So pollution is not merely a problem which is confined alone to the District of Columbia. The matter of cleansing the Potomac River is one that must go to the committee that deals with such problems, the Committee on Interstate and Foreign Commerce.

The Senator from Minnesota [Mr. HUMPHREY] touched a vulnerable spot in me, because I saw a very beautiful river, one of the finest in the world, the Illinois River, defiled by pollution, starting in 1899. It is not generally known, but once upon a time the Illinois River was the second largest fish-producing stream in the United States, second only to the Columbia. Today it produces very little, if any, fish, and mainly of the type that can live in water from which oxygen has been taken as a result of putting sewage into the river. So the Senator touches a very sensitive spot, because the Potomac is, after all, a resource that belongs to the people of the whole Nation. What a tragedy it is that children, following a natural inclination, will often rush down to bathe in water that has been contaminated by sewage. I have seen them come up with impaired eyesight and other distressing conditions.

So I say, with my friend, the distinguished Senator from Minnesota, I hope there may be an early and vigorous remedy of the condition that prevails in the United States Capital.

I must make one further comment about the development alluded to by the Senator from Minnesota with respect to the police departments. Some years ago, when I was chairman of the Committee on the District of Columbia in the House of Representatives, I thought it would be splendid, in the interest of economy of the time of busy Members of Congress, to confer upon the Commissioners of the District of Columbia authority, without their having to come back year after year, to initiate daylight saving. I did get a bill to the floor. Then we had a lovely field day, on which the welkin fairly rang with stentorian pronunciamentos about the jurisdiction of Congress under the Constitution over the affairs of the District of Columbia; we were going to establish a proprietary right of control and direction over the District; and we have been doing it ever since.

I fancy the reason why we have a Capitol Police force, in addition to the Metropolitan Police force, is that it is our police force. Somehow it touches a very proprietary chord in the Senate. I should be glad to harmonize this matter. I should be glad to rationalize it, in the interest of efficiency and one-man direction; but I am confident that neither I, with my feeble persuasive talents, nor anyone else, could begin to sell the idea either in this body or in another, which I must not mention because to do so would be a transgression of the rules.

Mr. BUTLER of Maryland. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. BUTLER of Maryland. Let me say to my friend from Minnesota that I share with him in large measure the complaints he has made about the city of Washington. However, at this time I wish once more to bring to the attention of the Senate and of the country the fact that when it rains one cannot even get into the Capital from Maryland over Route 1. The maps issued by the American Automobile Association and other automobile service associations warn the traveler that if it is raining when he arrives outside of Washington he must detour around Route 1 and come in by a back way, because at the Peace Cross on the Bladensburg Road the main highway into the Nation's Capital, the highway will be so flooded that one cannot use it unless he has pontoons on his automobile.

I say that situation should be remedied. It can only be remedied by this body, because tidal waters are involved. The Army engineers are the only ones who can deal with tidal waters. Therefore, until we can get some money appropriated—$50,000, $100,000, or some other sum—to be used in conjunction with the money which has been made available by the State of Maryland, so the Army engineers may go to work, it will not be possible to get into the Nation's Capital on 50 or 60 days out of each year. I say that such a situation is uncalled for and should be remedied.

Mr. DIRKSEN. I must comment on the observations of my esteemed friend from the neighboring Free State of Maryland, a great and glorious commonwealth.

I think the Senate did its duty by including in the civil functions bill a reasonably substantial amount; but many hopes die aborning in what is known as the third House of Congress. A Senator may introduce a bill in the Senate or a Member of the House may introduce a bill in the House. A bill introduced in one House may be passed by that House and concurred in by the other House in whole or in part. Then, at long last, it goes to the third branch of the legislature, known as the conference committee. I have been serving on conference committees for 20 years. I have seen some of my own hopes wither and die in those committees. So probably it is to that branch of the legislature that my friend from Maryland must address his observations.

Mr. BUTLER of Maryland. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. BUTLER of Maryland. The last thing I want to do is to criticize this great body, which provides half a million dollars as my friend from Illinois said to start the project. It certainly is greatly needed in the national interest. When it rains and that intersection becomes flooded, one cannot get from Washington, D. C., the Capital City of the Nation, to Annapolis, the capital city of Maryland, without going around to Baltimore and then down to Annapolis. So I hope we can be more persuasive in conference the next time, when an appropriation for this purpose is placed in the next bill. I hope that will occur in connection with the first deficiency appropriation bill which comes before the Congress; and I hope the item can be retained in the bill by our conferees.

Mr. DIRKSEN. I assure the Senator that we do not want to assume the additional responsibility of operating ferryboats across the Peace Cross intersection.

Mr. BUTLER of Maryland. I have already been commissioned a commodore in the Peace Cross navy, so I am well qualified to operate such vessels when they are constructed.

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

Mr. DIRKSEN. I yield.

Mr. CASE. The distinguished Senator from Illinois, in responding to the Senator from Minnesota, called attention to the many gory fights over the subject of daylight-saving time, culminating in authority for the Commissioners to establish it on an annual basis. I am reminded that this year, for the first time, we succeeded in giving to the Commissioners complete authority to handle the time problem. Such authority has now been permanently established to provide daylight-saving time

for the District of Columbia if the Commissioners so desire.

In view of the fact that that represents the culmination of the long and bitter battles to which the Senator from Illinois has alluded, I trust the Senator from Minnesota will give the current Committee on the District of Columbia a little time to work on the pollution problem and on the police problem.

Twenty years ago there were those around the Capitol who were talking about remaking America, and about what ought to be done to make this a beautiful world. They were talking also about improving the Nation's Capital. The present membership of the District of Columbia Committee ought to be given a little time in which to accomplish some of these tasks. We have already obtained authority for the Commissioners to decide the question of daylight-saving time. We have accomplished a few other things in the past 6 months. We shall be glad to tackle the other jobs.

Mr. DIRKSEN. The Senator from South Dakota is to be highly congratulated on his achievements.

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

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. I wish my friend from Maryland to bear with me for a moment. I know how much he and his colleague [Mr. BEALL] are concerned over funds for the Peace Cross flood-control program. Let me say that the unfortunate circumstances which developed were not within the control of the Congress. We had a long drought before the conference report was concluded. I say today to the Senator from Illinois that had that conference report come from the conference committee the day after the flood of 7 inches of rain on Highway No. 1 between here and Baltimore, and on Highway 40, I am sure that, with the help of the Lord and the wisdom of the conferees, we would have had the funds.

I should like to say a final word to my friend from South Dakota [Mr. CASE]. I have great faith and confidence in his leadership as chairman of the Committee on the District of Columbia. From this side of the aisle let me say to him that time may be running out. The Senator from South Dakota referred to the past 20 years, and the remaking of America. Look at the tremendous advances which were made in other parts of the world. Perhaps we slipped a little with respect to Washington. The party of local government must take the leadership; and I think it will. But I wish to be sure that the tempo is stepped up. That is why I have tried to help a little.

Mr. MORSE. Mr. President, does the Senator from Illinois intend to conclude his remarks shortly? I am perfectly willing to discuss what I have to say on yielded time, but I prefer to obtain the floor in my own right.

Mr. DIRKSEN. I hope I can conclude in about 5 or 6 minutes.

Mr. MAGNUSON. Mr. President, will the Senator from Illinois yield to me for a moment?

Mr. DIRKSEN. I yield to the Senator from Washington.

Mr. MAGNUSON. Like the Senator from Illinois, I have listened to this story for 15 years. Every year we have the same problem with regard to inattention to the District. I think the complaint is justifiable. I have always thought that home rule would help cure some of these ills. I wish to point out for the RECORD an illustration of why we have so many unattended-to problems in the District of Columbia.

The Senate Appropriations Committee has 10 or 11 subcommittees, on all phases of operating not only the United States, but a large part of the world. The Senator from Illinois is chairman of the District of Columbia Subcommittee of the Committee on Appropriations, which is a very important position. The Senator from Illinois, practically alone, conducted all the hearings on this bill. That circumstance was not the fault of other members of the subcommittee. They were in attendance upon other committees or they were in conference. I think the Senator from Illinois has done a momentous job in handling the entire District of Columbia appropriation bill practically alone. I do not think that situation will ever be cured so long as the District is not given home rule.

It is common knowledge that when a Member of Congress first comes to Congress as a freshman, either in the Senate or in the House, if he cannot make the committee on which he wishes to serve, he is laughingly placed on the District of Columbia Committee.

Mr. MORSE. When one is kicked off another committee, he also is placed on the District of Columbia Committee. [Laughter.]

Mr. MAGNUSON. It is also common knowledge that a Member who is placed on the District of Columbia Committee wants to get off as soon as possible. That is a continuing process. It is not the fault of Members of Congress. However, in that process the District of Columbia and its government are hurt. I do not think we can find the answer until we give the District home rule and let it operate its own affairs.

I commend the Senator from Illinois, because I know what the task is when all the other subcommittees of the Committee on Appropriations are operating at the same time.

Mr. DIRKSEN. This gives me an excellent opportunity to observe publicly that I always have a good excuse for getting home late. [Laughter.] I serve on 6 subcommittees of the Committee on Appropriations, on 7 subcommittees of the Committee on the Judiciary, and on 2 subcommittees of the Committee on Government Operations. Of course, one spreads himself reasonably thin. If there were more days in the week and more weeks in the month, I suppose one could pile up a good attendance record on all subcommittees.

I do not wish to take much more time. There are two other items to which I would allude. The first refers to civil defense. The budget estimate was $315,000, and the House cut it extremely sharply. They cut it back to $23,000, which is approximately 8 percent of the budgeted amount.

I have not been so deeply sold on the idea of civil defense, or at least with respect to some aspects of it, but I do believe that the Nation's Capital, in line with cities of comparable size, such as Houston, Tex., San Francisco, and Boston, does not do as well as other cities. Those cities do infinitely better. So out of it all we came up with the figure of $182,000, which is a substantial increase over the House figure. The figure was contrived after some conferences with John Fondahl, Director of the Office of Civil Defense. I remember John Fondahl when he was a policeman long ago. He has been very devoted to his position, and I have great confidence in his capacity as Director of Civil Defense.

We have added some language which would make it possible for him to coordinate the activities with those of adjoining jurisdictions, namely, Maryland, West Virginia, and Virginia. So I believe we have done very fairly with that item.

Mr. President, it is so easy to accept credit for work that has been done, but when all is said and done, how effective would a Senator or Representative really be, and how much would he really accomplish, if he did not have sitting at his elbow constantly men of great fidelity to duty, and devotion to him and to the cause. I would be remiss to every instinct of appreciation that is in me if I did not pay public testimony to Harold Merrick and to Ernest Underwood, who have sat by me early and late and relieved me of the many routine chores that go with an appropriation bill.

The matter of taking testimony is not so difficult. Obviously one can cudgel out of his mind some rather engaging questions and make the record appear as interesting reading, but the real work consists of getting the figures down, and verifying and modifying and inserting, and that goes on endlessly. The clerks of the Committee on Appropriations are busy burning the midnight oil long after Members of the Senate have departed for their respective residences. So now I publicly acknowledge my debt of gratitude to Harold Merrick, who is on the floor with me, and to Ernest Underwood, for the good job they have done.

Mr. President, I now ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill be considered as an original bill, but that no points of order be waived.

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

Mr. JOHNSTON of South Carolina. What does the Senator mean by no points of order?

Mr. DIRKSEN. Points of order may be made.

Mr. CASE. In that event I would make a point of order against the committee amendment on page 53, line 11, section 21.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Illinois?

Mr. MORSE. Mr. President, I rise to speak on that point. Reserving the right to object, I shall object unless we have an understanding that the acceptance of the committee amendments en-

bloc will not deny the right of any Member of the Senate to offer an amendment that will modify an amendment already adopted under the request to adopt the committee amendments en bloc.

Mr. DIRKSEN. Of course, amendments would be in order.

The PRESIDING OFFICER. It is the Chair's understanding that amendments may be offered in the event the unanimous-consent request is agreed to.

Is there objection to the unanimous-consent request of the Senator from Illinois? The Chair hears none, and the committee amendments are agreed to en bloc.

The committee amendments, agreed to en bloc, are as follows:

On page 3, line 16, after the word "office", to insert "including the Office of Budget and Management"; in line 21, after the word "Commissioners", to insert "whose salaries shall be at the rate of grade GS-18 in the General Schedule established by the Classification Act of 1949, and plus so much as may be necessary to compensate the three Assistants to the Engineer Commissioners at such a rate as may be determined by the Commissioners, but not to exceed grade GS-17"; and on page 4, line 16, after the word "investigations", to strike out "$414,366" and insert "$561,761";

On page 4, line 21, after the word "Administration", to insert "including the rental of postage meters and affiliation with the National Safety Council, Inc."; and in line 23, after the amendment just above stated, to strike out "$2,661,732" and insert "$2,765,800";

On page 5, line 16, after the word "expenses", to strike out "$7,500" and insert "$10,000";

On page 5, line 20, after the word "each", to strike out the comma and "approved by the Commissioners"; and on page 6, at the beginning of line 3, to strike out "$340,278" and insert "$372,073";

On page 6, line 20, after the word "firemen", to strike out "$8,562,000" and insert "$8,823,000";

On page 7, at the beginning of line 16, to insert "and for Office of Administrator of Rent Control"; in line 22, after the word "catchers", to strike out "$1,191,866" and insert "$1,253,108"; and in the same line, after the amendment just above stated, to insert "of which not less than $23,340 shall be available for payment of terminal leave only for Office of Administrator of Rent Control";

On page 8, line 23, after the word "Agriculture", to strike out "$19,655,000" and insert "$19,801,000";

On page 9, line 13, after the word "amended", to strike out "$250,000" and insert "$268,400";

On page 9, line 17, after the word "equipment", to insert "including not to exceed $25,000 for the purchase and repair of musical instruments and related equipment"; and in line 22, after the word "vehicles", to strike out "$5,000,000" and insert "$5,025,000";

On page 10, line 9, after the word "of", to strike out "fourth" and insert "third";

On page 10, line 23, after the word "hazards", to strike out "$100,000" and insert "$140,000";

On page 11, line 14, after the numerals "1945", to strike out "$1,535,000" and insert "$1,562,050";

On page 11, after line 14, to insert:

"Capital outlay: For remodeling reading room and for completing renovations in basement, Central Library, $43,000, to remain available without fiscal year limitation";

On page 11, line 21, after the word "Columbia", to strike out "$1,555,000" and insert "$1,589,650";

On page 12, line 4, after "(58 Stat. 791)", to strike out "$100," and insert "$300,000";

On page 12, line 7, after the word "allowances", to insert "the inspector in charge of the traffic division with the rank and pay of deputy chief; one captain who shall be assigned to the traffic division with the rank and pay of inspector;"; on page 13, line 1, after the word "captain", to strike out "technicians with basic salary increase of not to exceed $361 per annum each;"; in line 3, after the word "captain", to strike out "probational detectives with basic salary increase of $181 per annum each; civilian crossing guards, including uniforms and equipment, at rates of pay and hours of employment to be fixed by the Commissioners;"; in line 12, after the word "photographs", to strike out "rental and maintenance of teletype system;" and insert "rental, purchase, and maintenance of radio and teletype systems;"; on page 14, line 5, after the word "otherwise", to strike out "$10,685,837" and insert "$10,843,337"; in line 6, after the word "amount", to strike out "$1,350,000" and insert "$1,450,000"; and in line 7, after the word "and", to strike out "$25,000" and insert "$35,000";

On page 14, line 21, after the word "duty", to insert "purchase and maintenance of radio equipment;"; and in line 23, after the word "grounds", to strike out "$5,239,841" and insert "$5,307,841";

On page 15, line 15, after the word "recruitment", to strike out "$23,339" and insert "$182,351"; and in the same line, after the amendment just above stated, to insert a colon and the following provisos: *"Provided,* That not to exceed $50,000 of any funds from appropriations available to the District of Columbia may be used to match financial contributions from the Federal Civil Defense Administration to the District of Columbia Office of Civil Defense for the purchase of civil defense equipment and supplies approved by the Federal Civil Defense Administration, when authorized by the Commissioners: *Provided further,* That notwithstanding any other provision of existing law, the Administrator of Civil Defense is authorized to coordinate the activities of such office with those civil defense activities located outside the District of Columbia";

On page 16, line 10, after the word "prisoners", to strike out "$1,175,000" and insert "$1,214,300";

On page 18, line 2, after the word "automobile", to strike out "$2,843,101" and insert "$2,993,101";

On page 18, line 17, after the word "grounds", to strike out "$2,544,761" and insert "$2,579,411";

On page 19, line 2, after the word "grounds", to strike out "$5,825,749" and insert "$5,860,749";

On page 19, line 18, after the word "Home", to strike out "$750,000" and insert "$787,000";

On page 20, at the beginning of line 25, to strike out "$4,139,353" and insert "$4,169,353";

On page 21, line 14, after the word "services", to strike out "$99,724" and insert "$106,724";

On page 22, at the beginning of line 21, to strike out "$4,590,796" and insert "$4,622,796";

On page 24, at the beginning of line 11, to strike out "$3,390,238" and insert "$3,490,238";

On page 27, line 11, after the word "board", where it occurs the first time, to strike out "two" and insert "four"; and in line 12, after the word "board", to strike out "$846,081" and insert "$882,900";

On page 28, line 2, after the word "thereto", to strike out "$1,746,193" and insert "$1,786,193";

On page 28, at the beginning of line 9, to strike out "$220,000" and insert "$320,000";

On page 28, line 13, after the word "busses", to strike out "$129,605" and insert "$135,262";

On page 29, line 6, after the word "vehicles", to strike out "$2,715,673" and insert "$2,802,131";

On page 30, at the beginning of line 20, to strike out "$7,906,000" and insert "$7,706,000"; and on page 31, line 19, after the word "expenses," to insert the following provisos: *"Provided further,* That no part of this appropriation shall be available for the preparation of plans for a crossing of the Potomac River which will be inconsistent with the general plan for the development of Theodore Roosevelt Island adopted and approved under the provisions of the act of Congress approved May 21, 1932 (47 Stat. 163): *Provided further,* That no part of this appropriation or any appropriation heretofore made shall be used to defray the cost of any construction or relocation or removal of railroad track or tracks or the construction of any structure which will prevent continuous rail transportation by standard railroad equipment by and between the railroad tracks of the Baltimore & Ohio Railroad and the premises of the Benning plant of the Potomac Electric Power Co. via the tracks of the East Washington Railway Co. and the Capital Transit Co., except that nothing herein shall be construed to preclude the construction of an overpass at Deane Avenue in compliance with this proviso or to preclude temporary interruption of the railroad transportation service herein described when necessary to any construction on Kenilworth Avenue for which funds are appropriated herein or a relocation of such tracks which will permit such continuous railway transportation";

On page 36, line 15, after the word "fund", to strike out "$345,770" and insert "$362,575";

On page 36, line 17, after the word "fund", to strike out "$121,296" and insert "$130,406";

On page 38, line 6, after the word "expended", to strike out "$5,500,000" and insert "$5,750,000";

On page 38, line 23, after the word "taxes", to strike out "$2,478,823" and insert "$2,495,323";

On page 42, at the beginning of line 6, to strike out "$115,000" and insert "$120,700";

On page 44, line 21, after the word "the", to strike out "chief accountant" and insert "accounting officer";

On page 47, line 24, after the word "exceed", to strike out "$15,000" and insert "$20,000";

On page 48, line 15, after the words "and the", to strike out "chief accountant" and insert "accounting officer";

On page 49, line 2, after the word "the", to strike out "chief accountant" and insert "accounting officer";

On page 49, line 21, after the word "Corrections", to strike out "$750" and insert "$1,000";

On page 52, line 1, after the numerals "1954", to insert a colon and the following proviso: *"Provided,* That under authority of Public Law 91 the Commissioners shall charge to the appropriations authorized by this act for the Office of Budget and Management the funds expended by the Department of General Administration on behalf of the offices of Budget and Management for personal services from July 1, 1953, to the date of enactment of this act";

On page 52, line 13, after the word "general-fund", to insert "and water-fund";

On page 52, after line 16, to insert:

"SEC. 19. Operating expenses of the Department of Sanitary Engineering properly chargeable to two or more appropriations available to that Department may be charged initially to an appropriate fiscal year account which is hereby authorized to be established. Advances shall be made to this account in such amounts as determined necessary by the Commissioners of the District of Columbia from appropriations available to the Department of Sanitary Engineering. All charges to this account shall be distributed at least monthly to the applicable appropriations";

On page 53, after line 2, to insert:

"SEC. 20. In any case where this act specified a rate of salary or compensation for any office or officer in excess of the rate established in the Classification Act of 1949, as amended, for grade GS–15, the position of such office or officer shall be without regard to the numerical limitations contained in section 505 of said act and shall be in lieu of any such position in or under the District of Columbia government previously allocated under said act";

On page 53, after line 10, to insert:

"SEC. 21. The Commissioners of the District of Columbia and the Administrator of General Services, or the Commissioner of Public Buildings, are hereby authorized to dispose of the interest of the District of Columbia and the Federal Government in that tract of land dedicated for the past 60 years to a reform or training school for girls and other children in the District of Columbia, and situated at Loughboro and Conduit Roads (now MacArthur Boulevard) and to sell the said tract at its fair market value to Sibley Memorial Hospital, and in order to effectuate the act of August 7, 1946, as amended by the act of October 25, 1951, to provide more adequate hospital facilities in the District of Columbia; and any proceeds of such disposition shall be covered into the Treasury to the credit of the District of Columbia and the United States according to their respective interests"; and

On page 54, line 3, to change the section number from "19" to "22."

Mr. CASE. Mr. President, I make a point of order against the committee amendment on page 53, line 11, section 21, on the ground that it is legislation on an appropriation bill.

Mr. DIRKSEN. The committee concedes the point of order.

The PRESIDING OFFICER. The point of order is sustained.

Mr. DIRKSEN. Mr. President, I offer an amendment on page 13, line 4, to add the words "civilian crossing guards, including uniforms and equipment, at rates of pay and hours of employment to be fixed by the Commissioners." The amendment would restore the words presently eliminated in lines 4 and 7.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed that the language stricken by the committee on page 13, lines 4 to 7, be restored, as follows: "civilian crossing guards, including uniforms and equipment, at rates of pay and hours of employment to be fixed by the Commissioners."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

Mr. MORSE. Mr. President, before I discuss a section of the bill and the report, I wish to say to the Senator from Illinois that in my 8 years in the Senate I do not believe I have heard a clearer and more able explanation of a complex appropriation bill than the explanation which the Senator from Illinois has presented this afternoon.

He has been paying deserved compliments to staff members, and they are certainly deserving of the compliments. However, I think that we as Senators are sometimes lacking in appreciation—at least we do not often manifest appreciation—of the work which members of our Committee on Appropriations do for us. I know of no committee in the Senate which involves more drudgery, work more confining, and work which imposes longer hours upon the official duties of a Member of the Senate than work on the Appropriations Committee.

I wish publicly to express my appreciation for the work of our Appropriations Committee. Having expressed that appreciation, which comes from the bottom of my heart, I say to my friend from Illinois, it is that much more difficult for me to express any difference of opinion with the report which is before the Senate.

As a member of the Committee on the District of Columbia, and being the low man on that totem pole, so to speak, and the freshman on the committee, not yet having had time to fully familiarize myself with the very important work of that committee—and I speak very seriously when I say it is important work—I nevertheless am very much disturbed by an article appearing in this morning's Times-Herald, written by not only one of the most able reporters in the Press Gallery, but one who has left me with the conviction, as a result of my short service already on the District of Columbia Committee, that he is exceptionally well informed on District of Columbia problems. I refer to Hector McLean. The article reads:

REORGANIZING SHIFT SHOCKS CITY'S HEADS—SENATE UNIT VOTES POWER TO FOWLER

(By Hector McLean)

A congressional move to transfer the District's reorganization program into the hands of Walter Fowler, budget officer, threw the Commissioners into speechless confusion Friday.

Guarding their reactions behind repeated "no comments," they called an emergency meeting to weigh the problems presented by action of the Senate Appropriations Committee.

The committee, in approving the District's budget for the fiscal year which began July 1, directed that the city's staff of reorganizers be transferred from the control of Schuyler Lowe, Director of General Administration, to that of Fowler.

The action is subject to approval by the Senate and by House-Senate conferees.

DONOHUE'S CRITICISM

Fowler, who also had been under the authority of Lowe since reorganization began, would be put directly under the Commissioners.

Although the present Commissioners would make no comment on the committee action, the District's most recent ex-Commissioner and "father" of the reorganization plan, F. Joseph Donohue, was bitterly critical.

"It creates a hybrid form of government," he charged. "We'll have a city manager and a board of commissioners, although the city manager plan was rejected when the reorganization plan went into effect last year."

He recalled that "President Eisenhower has suggested expansion of the board of commissioners from 3 to 5 persons. This virtually would create a 4-man board."

LOSES SECRETARY

Noting that the committee's bill would even deprive Lowe of his secretary, Donohue said:

"The idea of taking away the secretary of the second highest officer of the District—and making him type his own voluminous reports to the Commissioners—indicates an injection of personalities that ought to be looked into."

Fowler is a veteran in District service, has often been mentioned as a possible Commissioner, and has a long record of co-operative relations with House and Senate appropriations committees.

He was the author of a city manager-board of commissioners reorganization plan which was turned down more than a year ago by Donohue and the then engineer commissioner, Maj. Gen. Bernard L. Robinson.

REORGANIZATION AUTHORS

Robinson, with Donohue's help, drafted the reorganization plan under which the city has been operating since July 1, 1952, and brought Lowe in from Atlanta, Ga., to run the streamlining job.

Fowler was made subordinate to Lowe and there have been reports of friction in the District ever since.

Responsibility for the move was assumed by Sentor CASE (Republican) of South Dakota, chairman of the Senate District Committee and an ex-officio member of the Senate Appropriations Subcommittee on the District.

CASE, who supported Fowler as a candidate for District Commissioner prior to the recent appointment of Samuel Spencer, was asked, "What part did you play in restoring Walter Fowler to his former position of authority?"

CASE TELLS REASONS

"I favored it," he replied. "I had discussed it with Senator DIRKSEN (Illinois Republican who is chairman of the District of Columbia Appropriations Subcommittee) and with the staff some time ago.

"I felt that an independent budget office would make his (Fowler's) capabilities and experience more available to the District Government."

Asked about Fowler's capabilities as a reorganization expert, CASE said:

"I always thought that Fowler knew more about the workings of the District Government than anyone else." When he wants information about the District CASE added, he always goes to Fowler.

"With all due respect to Lowe," CASE said, "who may be a technician—and an expert on streamlining government—it (the reorganization) sort of 'pocketed' Fowler, I felt.

"Fowler is an encyclopedia on the District of Columbia Government."

Mr. President, let me say to my good friend, the Senator from Illinois, that from information I have received this afternoon, I understand that the Commissioners themselves are reported in the press as having said they hope the conferees for the House and the conferees for the Senate will reject the recommendation of the Senate Committee on the Office of Budget and Management. It is reliably reported to me that the Commissioners believe such action by the Senate would be most desirable.

I point out to the Senator from Illinois that I do not purport to know all the details of the controversy, but I suspect that in this case we are dealing with some personality problems as well as some personnel problems, and that in dealing with an appropriation bill we are thus purporting to settle what amounts to a personnel problem in an office of the District of Columbia government, and we are taking the position that we shall do so in the way now suggested, and that if it does not work well, then in 6 months or so we shall modify the action we now take.

I recognize the dual position of the Appropriations Committee in connection with District of Columbia appropriations. Let me assure the Senator

from Illinois that I am not making these comments because of any endeavor to protect the jurisdiction of the Committee on the District of Columbia over the District of Columbia. I am perfectly willing to have the Appropriations Committee do whatever it thinks right and proper within its jurisdiction.

What disturbs me about this matter in the first place is that I do not believe we should be handing it in connection with an appropriation bill. I do not believe that in dealing with an appropriation bill we should be trying to settle a personnel or a personality conflict within in an administrative office of the District of Columbia government. I do not think we can reconcile such action with our frequently expressed view that we should impose more responsibility upon the Commissioners of the District of Columbia, rather than less, and should move in the direction of more home rule, rather than less, and should treat the Commissioners as competent and able to handle personnel problems. If they are not, then let us get some new Commissioners.

If someone who presently is superior to Mr. Fowler is not competent to hold such a superior position, the Commissioners should take some action about it. But in dealing with an appropriation bill, Congress should not include in the bill a provision by which it would seek to settle what I believe we must admit is a personnel or personality conflict which apparently has developed between Mr. Lowe and Mr. Fowler. I am not sure that is the case, although I have been so informed. I am not sure because we have not had the matter before the Committee on the District of Columbia—at least, not since I have been on the committee—for the appropriate hearing which I think should be held on such a matter.

I say most respectfully that when we deal with personnel problems, we are dealing with problems which at least should be considered, if not settled, by the appropriate legislative committee of the Senate, rather than by the Senate Appropriations Committee. I recognize that, after all, this field involves mixed jurisdiction. The Appropriations Committee asks, "How and where shall this money be spent? Shall it be spent under this office organization or under that office organization?"

I recognize that situation; but it seems to me that questions of administrative power and administrative right and duty are involved. The Committee on the District of Columbia certainly should pass judgment on this item, but I believe that the handling of this problem should be left to the District of Columbia Commissioners.

If the reorganization plan which has been put into effect needs to be amended, let us amend it. But let us not amend it by way of action on an appropriation bill. On the contrary, let us amend it by way of amendments proposed legislatively, and referred to the appropriate legislative committee for hearing.

I close by saying that I do not claim to know the facts, but I am speaking in regard to the general Senate policy against meddling in personnel problems in the administrative offices of the District of Columbia. I believe those problems should be handled by the Commissioners of the District of Columbia. If we cannot leave to them the matter of determining responsibility in their staff organization, who shall exercise that authority? Certainly we ourselves should not attempt to do it.

I do not know Mr. Fowler and I do not know Mr. Lowe. I never met either of them. I wish to assure the Senator from Illinois that I am simply directing my attention to, and am asking questions about, the principle of whether in dealing with an appropriation bill, the Congress should use the allocation of funds as a vehicle for making a decision regarding an administrative responsibility in the District of Columbia governmental set-up. My answer is that we should not do so, because I believe such a move would be away from home rule and away from giving to the Commissioners of the District of Columbia the responsibility which I believe should be delegated to them.

In view of the recent decision of the Supreme Court, I believe I am standing on rather sound ground when I say that we are now in a beter position than we used to be to increase the responsibility of the Commissioners. There is now a reorganization plan. However, as I read the report, by taking the action now proposed we would be amending that plan, and would be doing so in connection with our action on an appropriation bill. I think that would be a mistake.

I should like to hear from the Senator from Illinois in regard to this matter.

Mr. DIRKSEN. Mr. President, I shall be very brief.

First of all, let me say to the Senate, and in particular to my esteemed friend, the Senator from Oregon, that for more than 30 years the Office of Budget and Management was under the Commissioners. So to return it there will not be a department or an innovation.

Furthermore, on the Federal level budgetary matters relate directly to the office of the President, in the White House. As a result, I think such a matter on the District of Columbia level should be rather close to the Commissioners, rather than under an establishment known as the General Administrative Office.

I have no recollection that any affirmative case was made to the effect that economy or efficiency would result from putting the Office of the Budget Management in the General Administrative Office. Since the Office of Budget and Management had previously been directly under the Commissioners, and since there was no showing that economy or efficiency would result from the proposed change, and since one would naturally assume that that office should be very close to the responsible heads of the District of Columbia government, I think a reasonably good argument in favor of the proposed action exists.

I recognize full well the substance of the argument made by my good friend, the Senator from Oregon; and I would not for a moment quarrel with him regarding it.

I can also agree that such clashes of personality in the District of Columbia government are bound to occur.

However, we discussed this matter before the bill was marked up. The Senator from South Dakota [Mr. CASE], and the Senator from Maryland [Mr. BEALL]—who serve ex officio as members of the Appropriations Committee when the District of Columbia appropriations bill is involved—and I had a round discussion of this matter yesterday. We came to the conclusion that probably this was an action that might be sustained and might work out well.

I never have a secret, and I think I ought to say that Commissioner Spencer called me about 2 hours ago. I set forth the case as best I could, and I indicated to him that if what the committee proposes did not work out, then by sometime early in the new year, 1954, the whole situation would not have cast itself into so rigid a mold that it could not be undone with very little or no expense. So some element of opinion is involved. But I recognize full well the case made by the Senator from Oregon.

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

Mr. DIRKSEN. I yield to the Senator from South Dakota.

Mr. CASE. I may merely add that I think the point of the advisability of consideration by the legislative committee has some validity to it. However, I believe that the legislative committee will find itself having the responsibility by the first of the year of giving some consideration to the full effect of the reorganization, as it has been worked out by that time.

The reorganization, which was undertaken, I think, following an exchange of correspondence between myself and the Commissioners something more than a year and a half ago, was to be with the idea of achieving a measure of economy and efficiency. As of the present, the tangible results in the way of economy have not been too marked, and there has been some question about certain of the steps which have been taken in the name of efficiency and reorganization. I think the whole subject might well be studied by the committee at the opening of the year. But I support the action of the committee as it has been taken to date, in this particular instance, in placing the office of budget and management a little closer to the Board of Commissioners.

Mr. MORSE. Mr. President, I desire to make a very brief comment on what the Senator from Illinois has said. I appreciate his explanation, but I have a difficulty with his answer. Based upon his conversation with Mr. Spencer, when he leaves it as he does, on the assumption that if the plan does not work out by January 1, then some other consideration may be given to it, who is going to determine whether it has worked out? We know the way these things go. Once action has been taken, the Congress having spoken this afternoon in favor of this transfer, who is going to raise a controversy about it in January? Under the present setup, the Board of Commissioners does not afford

a true home-rule organization. The Commissioners are careful to lean over backwards not to pick a controversy with the Congress. They try to keep discussion of friction behind the scenes as much as possible, and that is understandable.

What I fear, I may say to the Senator from Illinois, is that what we are proposing to do will really be determinative. It is a substantive matter which I think ought to be the subject of a full public hearing and discussion. If that is what is desired, the Commissioners ought to come forward with an affirmative request for the transfer rather than have Congress initiate the transfer, when, after all, we have no official record, so far as listening to the pros and the cons is concerned, on the basis of which to justify the transfer. As I have said, I know nothing of the personal background of the problem but I know enough about administration to suspect that probably Mr. Lowe has his advocates, Mr. Fowler has his advocates, and there might be many charges and counter charges. I like to hear both sides of a question before passing judgment. It seems to me that we are asked to settle something according to a procedure, which I think is even worse than an ex parte procedure, in that there is no "party" procedure at all. Officially, on the record, we have not heard either side. That is why I would respectfully suggest that the committee has now served its purpose by raising the point.

We now know there is a responsibility which I think has been placed clearly on the District of Columbia legislative committee. As a member of that committee, I certainly would not hesitate now to move in committee that an official request be made of the Commissioners that, at a very early date, they come before the committee to discuss with the committee the issue as to whether Reorganization Plan No. 5 ought to be amended and the transfer made. I think that is a better way to handle it, than to deal with it as part of this appropriation bill.

Mr. President, for the record I should like to inquire—and the Senator from Illinois may reply, of course, as he sees fit—of the chairman of the subcommittee, whether he would be willing to drop the statement from the report, as of now, with the assurance of the Senator from Oregon that he will officially request an early consideration of the question in the District of Columbia Committee, so that both sides may be heard, and so that we may then recommend, by way of a bill, an amendment of the Reorganization Act in January or February of next year, to effect whatever change ought to be made.

Mr. DIRKSEN. Mr. President, I shall make two responses to my good friend from Oregon. The first one is that if the matter were considered on a legislative basis it would probably not go to the Committee on the District of Columbia under any circumstance, it being a reorganization matter; and, even though it appertains to the District, it would go to the Committee on Government Operations.

Mr. MORSE. Very well. I would appear there as a witness.

Mr. DIRKSEN. Secondly, Mr. President, I feel duty bound to support the action of the committee, on the ground that others sat with me in the final markup of the bill, in the full committee proceedings, and, having so contrived this result, I think that we shall have to stand by it. But I may say to the Senator from Oregon that probably in the course of the proceedings of the conference committee this matter will be very thoroughly ventilated. The Senator from Illinois is never so adamant or so inflexible that he turns a deaf ear to reason and persuasion.

Mr. MORSE. Will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MORSE. Frankly, one of my reasons for carrying on this discussion is that I could not make my point on the floor of the Senate, and I thought perhaps the conferees would make it for me. But speaking seriously, rather than facetiously, I have not had time to study the bill in detail, and I ask the Senator whether he would direct my attention to the page, section, and line of the bill where this subject is dealt with? Or is it covered only in the report?

Mr. DIRKSEN. It is found on page 3, in line 16. There is found there the language, "Executive Office," and then in italics, "including the Office of Budget and Management."

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. MORSE. I raise the question as to whether the language on page 3, referring to this matter, is subject to a point of order on the ground of being legislation on an appropriation bill.

The PRESIDING OFFICER. Does the Senator refer to words on lines 16 and 17?

Mr. MORSE. Yes, on lines 16 and 17.

The PRESIDING OFFICER. The Chair is advised that it might be subject to a point of order.

Mr. DIRKSEN. Before the Chair rules, Mr. President, I should like to be heard.

The PRESIDING OFFICER. The Chair has stated that it might be subject to a point of order.

Mr. DIRKSEN. Mr. President, I respectfully invite attention to the fact that there is legislative authority for this. It has always been carried in appropriation bills for the District of Columbia, and I know nothing of any reorganization act or any subsequent legislation which has repealed that authority.

Mr. MORSE. Mr. President, I should like to be heard.

I am very frank to say that the Senator from Illinois has lived by his wits on the floor of the Senate, as well as I have, and not having had time to go to the books, I would apply this argument:

My understanding from the colloquy which I have had with the Senator from Illinois is that what we are doing is, in effect, amending a substantive law dealing with the District of Columbia which has previously been enacted. What this really amounts to is passing our own reorganization act in an appropriation bill for the District of Columbia. What we are really saying in this bill, on page 3, lines 16 and 17, is that we are now going to reorganize the Office of Budget and Management of the District of Columbia.

If that is not legislation on an appropriation bill, I miss my guess. I think it amounts to a reorganization of the administrative and executive departments of the District of Columbia in an appropriation bill. In this language we say that these offices shall now be organized in a certain way, and, having organized them, we proceed to appropriate the money for them.

The first act is to reorganize the offices, and, having reorganized the offices in an appropriation bill, we then proceed in the bill to appropriate the money. I say it is legislation on an appropriation bill. I say that the question of how the offices should be organized should not be included in an appropriation bill.

Mr. President, I make my point of order.

Mr. DIRKSEN. Mr. President, I should like to be heard further.

I submit that we create absolutely no function by the inclusion of this language on page 3 of the bill. I submit, further, that it has always been carried in appropriation bills for the District of Columbia and has been one of the regular and normal functions of the executive office. We add no new personnel; we create no new positions; we carry them only where they have been carried previously in appropriation bills. I cannot think of any reason for sustaining the point of order.

Mr. MORSE. Mr. President, in rebuttal, I should like to say that I think the weakness in the argument of my friend from Illinois is that, although this situation used to exist, there was a change under the Reorganization Act, and it is now proposed in an appropriation bill to go back, to use the Senator's own argument, to a previous administrative setup in the District of Columbia. But we should not do it on an appropriation bill. I would add that the fact that possibly at some time in the past this is where the function was located, in no way justifies us to reorganize it, even though the new organization looks like the one which existed some time ago.

The PRESIDING OFFICER. The Chair would like to have information as to the legislative history involved.

Mr. DIRKSEN. Mr. President, when the language was submitted by the Budget Bureau, which is customary, because that bureau drafts the legislative language submitted to the Appropriations Committee, this identical language was carried in the budget.

The PRESIDING OFFICER. The Chair desires information as to the location of the Office of Budget and Management and what authority there is for it to be located there.

Mr. CASE. Mr. President, this is my personal opinion. My personal opinion is that we simply provide money for the Office of Budget and Management,

which comes out of the funds provided for at the end of the paragraph. Of itself, this language does not do anything. What the committee has done is to tell the Board of Commissioners that we believe the two offices are fundamentally compatible. Technically, I think all the language does is to say that the pay for this particular office shall come out of the total funds provided for at the end of the paragraph.

Mr. MORSE. Mr. President, will the Chair, before he rules, permit one last observation?

I certainly do not share the view of the Senator from South Dakota that this language does not transfer funds. As a result of the language, administrative jurisdictions, powers, and duties are going to be changed as between Mr. Fowler and Mr. Lowe. That is what the controversy is about, namely, who is going to be above whom? That deals with the question of the reorganization of the District of Columbia, because what we are really doing by way of the assignment of these funds is determining a chain in the administrative powers and responsibilities of officials now holding office under Reorganization Plan No. 5 of 1952. If this is not an amendment to that plan, I do not know how we can write one.

Mr. CASE. Mr. President, the argument now presented by the Senator from Oregon strengthens the Senator from South Dakota in his opinion. I respectfully invite the attention of the Chair to the fact that Reorganization Plan No. 5 of 1952 places the entire authority for reorganization within the Board of Commissioners. It did not spell out what the reorganization would accomplish. It placed the power in the hands of the Board of Commissioners. All this language does, and what we do in the committee report, is to say to the Board of Commissioners that we think they ought to do this, but the language of the bill does not of itself do it. It merely provides where the pay for that office shall come from. In the report we say we believe it should be consolidated under the Commissioners, and if the Board of Commissioners follow the implied wishes of the committee, it will, under its powers of reorganization, restore the office in question to the executive office.

Mr. MORSE. Mr. President, if I may be allowed to say a word, although I thought I had made my last comment, I think the story which I quoted earlier referring to the attitude of the Commissioners, plus the statement which the Commissioners are reported to have made this afternoon, explain the functions of the various officials of the District of Columbia. If that be true, I think it is legislation on an appropriation bill.

Mr. DIRKSEN. Mr. President, under the provisions of Reorganization Plan No. 5 of 1952 there is simply a broad grant of powers, and a recital of all the various functions of officers of the District of Columbia. Section 3 of the plan relates to performance of functions of the Board, and provides:

> Except as otherwise provided in this section, the Board of Commissioners is hereby authorized to make from time to time such provisions as it deems appropriate to authorize the performance of any of its functions, including any function transferred to or otherwise vested in the Board of Commissioners by this reorganization plan.

It is very general. Consequently, I think we are quite within the provisions of the plan in pursuing the action which is contemplated by the pending bill.

The PRESIDING OFFICER. The Chair would ask the Senator from Illinois whether the provisions of the Reorganization Act would still apply and whether that would be the final authority.

Mr. DIRKSEN. I would presume so. Section 1 deals with hospitals, foundations, examining boards, and regulatory agencies; but it puts them in no particular place. So there is latitude. It was certainly on the basis of that understanding that the budget language as it came to us placed the budget and management office within the purview of the executive office, where it is carried in the bill.

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

Mr. DIRKSEN. I yield.

Mr. CASE. I think the Senator from Illinois should have called attention to the first sentence of section 1 of Reorganization Plan No. 5 of 1952. Actually that does place all these functions in the hands of the Commissioners. That is what the reorganization is for. The first sentence reads:

> There are hereby transferred to the Board of Commissioners of the District of Columbia (hereafter in this reorganization plan referred to as the Board of Commissioners) all functions of the following-named offices and agencies of the government of the District of Columbia, including in the case of each the functions of all officers, employees, and subordinate agencies.

What the reorganization plan did was to take all the offices of the District of Columbia and place them under the District of Columbia Commissioners, and then to say to the Commissioners "You can reallocate and redistribute them as you wish."

I think the answer to the query of the Chair should have been that power is still in the Board of Commissioners to place the offices wherever they wish.

We have only expressed a pious hope that in their final placement of the budget office, it shall be left in the exeutive office under the District Commissioners.

Mr. MORSE. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MORSE. I wish to say two things in reply to the Senator from Illinois and the Senator from South Dakota I think they have proved my case. The reorganization act places the responsibility in the Board of Commissioners. But the argument or statement of the Senator from Illinois as to the purpose of the legislation is really an argument to take away jurisdiction from the Board of Commissioners, in the sense that they are to render a decision in the controversy over the jurisdiction to be exercised by Mr. Fowler and Mr. Lowe. They are to decide it for the Board of Commissioners. Under this language the Board of Commissioners are to be told what to do. I say that makes it legislation on the appropriation bill.

The committee are proposing to change the reorganization act in the sense that they are not leaving the decision any longer to the Board of Commissioners. They are telling them who is to be superior. Mr. Fowler no longer, under this language, is to be subordinate to Mr. Lowe in these matters.

If that is not legislation on an appropriation bill, in that the authority is taken away from the Board of Commissioners, I do not know how a clearer restriction could be placed on the Board of Commissioners.

The PRESIDING OFFICER. The Chair would request the advice of the Senator from Oregon as to whether this transfers authority to the executive officers, or merely provides for their pay.

Mr. MORSE. In my opinion, the effect of this is to transfer authority. In my opinion, what is actually being done is to change the existing administrative duty and power of those two officers. That is legislation.

Mr. DIRKSEN. I have one observation to make. I do not believe that an exclusive inference can be derived at all from the fact that the Office of Budget and Management has been included in the executive office. It can be ministerial, it can be for the purpose of payment, it can be for a variety of purposes; but certainly it does not address itself to the whole question of the peculiar functions which will be exercised by virtue of the transfer here proposed.

Mr. MORSE. I may call attention to the language on page 4 of the committee report, to see what the committee has in mind:

> Regarding the transfer of the Offices of Budget and Management to the Executive Office, the committee believes that these two offices are definitely compatible in operations and directs that their functions be combined as an Office of Budget and Management directly under the Commissioners. In order to carry out the District's budget and management responsibilities in a direct and expeditious manner, the committee has included in the bill language to transfer and consolidate the two offices in the Executive Office under the direction and control of the Budget Officer.

That is not simply a transfer for the purpose of payment. That transfer is for the purpose of changing existing functions and jurisdictional power. I do not know how the committee could explain its motivations and intent any clearer, as the RECORD of today's discussion on the very able report of the chairman will clearly show tomorrow, when we read it. He was very clear in his statement as to why this was being done. It was right in line with the committee report. The purpose was to modify and, as they say in their report, in explanation of their language, it modifies functions. That is legislation. That is not simply purely ministerial. It is not transferring money for the purpose of payment from one office to another. It changes the nature of the offices, and that is legislation.

The PRESIDING OFFICER. Does the Senator from Oregon believe this provision takes from the Commissioners any authority they have under the reorganization act?

Mr. MORSE. Oh, certainly I do. It takes authority from them, because it clearly directs them as to what they must do. They have no discretion in the matter. If this provision is allowed to remain in the appropriation bill, the Commissioners are not going to proceed contrary to the language in the bill, they are going to do just exactly what the committee tells them to do.

Mr. DIRKSEN. As a matter of fact, I should point out that the authority is in the Commissioners to change, modify, transfer, and abolish, at least until June 30, 1954, within the terms of the proviso.

Mr. MORSE. It is one thing for them to do that by discretion; it is another thing for the Committee on Appropriations to put in the word "must."

The PRESIDING OFFICER. The Chair is prepared to rule. While he is in some doubt, he sustains the point of order.

The bill is open to further amendment.

Mr. DIRKSEN. Mr. President, in view of the ruling of the Chair, we should modify the amounts, to round out the bill. I suggest that on page 4, line 16, the bill be amended by reducing the figure "$561,761" by "$143,600," in order to make the Office of Administration conform to the deletion of this item in the Executive Office.

On page 4, in line 23, I would propose to increase the figure $2,765,800 by the corresponding amount, $143,600.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, first I wish to commend the Senator from Illinois [Mr. DIRKSEN]. He has explained in a wonderful way exactly what the bill does.

I wish to commend him also for what he has done in regard to Federal contribution. He has brought to our attention precisely the condition in which the District of Columbia finds itself at present with regard to Federal contribution. But the Senator from Illinois did not go back into the record quite far enough. He stated that in 1922 the Federal contribution was 40 percent. I know that during the period from 1879 to 1921 the District of Columbia and the Federal Government were on a 50–50 basis. That fixed ratio payment was established in the organic act of 1878, and lasted for almost half a century.

I read from the report:

> One of the facts of this problem is the constantly increasing amount of property acquired by the Federal Government, which, being exempt from taxation, decreases the major source of revenue of the District.

That being so, when such properties are taken off the tax rolls of the District, it has the same effect as decreasing the amount which the Federal Government is contributing.

I read further from the report:

> In the fiscal year 1953 the area of tax-exempt property for the Federal Government in the District of Columbia represented 42.7 percent as compared to 40.2 percent in 1943, 37.2 percent in 1940, and 34.9 percent in 1935. Consequently the area of taxable property is correspondingly reduced.
>
> Another related factor is the forecast of the actual condition of the District's general fund at the end of the fiscal year 1955. It was indicated at the hearings that such fund might have a deficit of about $15 million, and the reason advanced for that condition is primarily the fact that running expenses as compared to available revenues have been at such a level as to require the depletion of surplus funds that might otherwise be available.

I know that some will say, "Let taxes in the District be raised." In 1951 District residents paid an average of $128.61 in city taxes. This was the highest rate recorded in any large American city. The Census Bureau reports that the average person in one of America's largest cities paid only $61 in municipal taxes last year, but the residents of Washington, D. C., our Capital City, paid twice that amount. They have done so for several years. That shows that the source of revenue of the District is already being taxed to the limit.

There is also a sales tax in the District at the present time. That being so, I think we should be studying the question of what we are going to do about the situation.

If the real property of the Federal Government in the District of Columbia were taxed, it would produce each year $19 million. If the real estate owned by national organizations, foreign governments, and other private property exempt from taxation were taxed, it would produce almost $3½ million. Those two added together would amount to twice what the Federal Government is contributing to the operation of the District government at the present time.

Should we not pay for what we receive? Should we not pay for all the protection we receive? I do not need to remind Senators and Representatives of the fact that we live in the District and receive protection within the District. But do we pay income taxes in the District? I wonder how many people who work in the District pay their taxes back in the States from which they came?

Should the taxpayers of the District of Columbia be called upon to assume the entire burden, or should the taxpayers of the United States as a whole help to pay for the benefits which we are receiving in the District of Columbia? I have come to the conclusion that the Federal Government ought to contribute at least 25 percent to the cost of operation of the District of Columbia. For that reason I send to the desk an amendment which I am offering.

As I send this amendment to the desk I do so with the knowledge that a point of order will be raised, that it is legislation upon an appropriation bill. Two provisions have already been stricken from the bill on such points of order. However, there are five other examples in the appropriation bill of legislation on an appropriation bill. I shall not argue the point of order. Having served upon the District Committee for 8 years I know that it has been customary to legislate in regard to District matters on the appropriation bill.

My amendment would not become effective during this fiscal year. It would take effect at the beginning of the next fiscal year. It would help meet the burdens which will be placed upon the District at that time, when there will be a deficit of approximately $15 million.

We shall have to face this condition in the future whether we face it here today or not. I discussed this subject fully some months ago on the floor of the Senate. I am only asking that my amendment be taken to conference. I am assuming that there will be a conference. There the question could be studied. It is a problem to which we should give our most earnest attention at this particular time. Every Senator who has spoken on this floor today, and every Senator with whom I have discussed the subject acknowledges that the Federal Government is not carrying its part of the burden of operating the District government.

The PRESIDING OFFICER. The amendment offered by the Senator from South Carolina will be stated.

The CHIEF CLERK. On page 54, after line 2, it is proposed to insert a new section, as follows:

> SEC. 22. (a) In recognition of the obligation of the United States to share equitably in the expense of maintaining the District of Columbia, there is authorized to be appropriated for each fiscal year, beginning with the final year end June 30, 1955, as the annual payment of the United States toward defraying the expenses of the government of the District of Columbia, an amount equal to 25 percent of all amounts (including the amount appropriated pursuant to the authority of this section) appropriated by the Congress for the government of the District of Columbia for each such fiscal year.
>
> (b) Of the amount appropriated each fiscal year under authority of this section, the sum of $1 million shall be credited to the water fund of the District of Columbia, established by law (D. C. Code, 1951 ed., title 43, ch. 15), and the remainder shall be credited to the general fund of the District of Columbia.
>
> (c) Article VI of the District of Columbia Revenue Act of 1947 is repealed.

On page 54, line 3 it is proposed to strike the section number "22" and in lieu thereof insert the number "23."

Mr. CASE. Mr. President, I make the point of order that the amendment proposed would be legislation on an appropriation bill. It would both enact new substantive legislation and repeal existing law. In several other respects it is clearly legislation.

Mr. JOHNSTON of South Carolina. Mr. President, I am not undertaking at this time to argue the point of order. As I stated previously, I concede the amendment is legislation on an appropriation bill, but there are other provisions in the bill, which I could mention, which also constitute legislation on an appropriation bill.

I thought perhaps the Senator would raise another point at this time, namely, that its purpose was the raising of reve-

nue. I contend that it would not raise revenue, because the money has already been raised, and we would be appropriating money already in the Treasury of the United States. For that reason it would not be a tax matter, as we look upon it from the standpoint of the Federal Government. I am not contending it is not legislation on an appropriation bill.

The PRESIDING OFFICER. (Mr. GRISWOLD in the chair). The Chair sustains the point of order.

The bill is open to further amendment.

Mr. CASE. Mr. President, there has been considerable discussion about the possibility of additional airport facilities for the District of Columbia. At one time it was proposed to take a large tract of land in the State of Virginia for the purpose of building the so-called Burke Airport. More recently there has been discussion of the possible use of the Andrews Air Force base. At the same time the suggestion was made that the Friendship Airport at Baltimore be used to supplement the airport facilities for the District of Columbia.

Believing that it might be possible to kill 2 birds with 1 stone, so to speak, I addressed an inquiry to the Engineer Commissioner of the District of Columbia, to find out if it would be possible to expedite improvements on the Washington-Baltimore Parkway and thereby bring the Friendship Airport closer to Washington, in point of time. I have a letter from the Engineer Commissioner, General Prentiss, under date of July 23, and I ask unanimous consent that it may be printed in the RECORD at this point, because of its importance to the consideration of the transportation problem in the District of Columbia.

I might add that the net effect of the letter is to point out that the Friendship Airport could be brought within 41 minutes of the heart of Washington, which would compare with 30½ minutes from the Burke Airport. In other words, there would be a difference of 10 minutes between the two airports after the improvements on the Washington-Baltimore Parkway had been completed. I commend the reading of the letter to all Members of the Senate.

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

GOVERNMENT OF THE
DISTRICT OF COLUMBIA,
EXECUTIVE OFFICES,
Washington, D. C., July 23, 1953.

The Honorable FRANCIS CASE,
United States Senate,
Washington, D. C.

DEAR SENATOR CASE: In compliance with your request of July 13, 1953, for specific information regarding relative running times between the United States Capitol Building and various airport sites in the vicinity of Washington, I am pleased to submit the following factual data gathered by the Department of Highways:

The sites checked were: Friendship International Airport, Andrews Air Force Base, National Airport, and the proposed Burke Airport. A time-distance study was conducted during both the peak and off-peak hours over existing routes (table 1).

On routes where improvements are proposed, the time-distance figures are computed over the improved projects (table 2).

TABLE 1.—*Over existing routes*

	Distance	Time
	Miles	
Friendship	33.75	60.5 minutes (peak), 57 minutes (off peak).
Andrews	11.2	23.5 minutes (peak), 19.5 minutes (off peak).
National	4.5	12 minutes (off peak).
Burke	20.5	37 minutes (peak), 36 minutes (off peak).

TABLE 2.—*Estimated over improved routes*

	Distance	Time
	Miles	
Friendship	31.0	44 minutes (peak), 41 minutes (offpeak).
Andrews	11.2	22 minutes (peak), 19 minutes (offpeak).
National	4.5	11 minutes (offpeak).
Burke	20.5	31.5 minutes (peak), 30.5 minutes (offpeak).

As stated above, the foregoing checks were made between the Capitol and the airport sites. In addition, the following table No. 3 is a record of information furnished the Department of Highways by the Civil Aeronautics Administration and represents checks made by that agency between the same airport sites and the intersection of 16th and K Streets NW., in Washington, during off-peak hours.

TABLE 3

OVER EXISTING ROUTES

From—	To—	Mileage	Time in minutes
16th and K Sts.	Friendship	36.8	56.0
	National	4.8	13.7
	Shirley Highway and Franconia Rd.	13.5	20.8
	Andrews	12.5	27.5
ESTIMATED OVER IMPROVED ROUTES			
16th and K Sts.	Friendship	32.4	47.9
	Andrews		20.00
	Burke	18.75	26.81

The Department of Highways has based their estimated time and distance over new routes on the following construction considerations:

FRIENDSHIP AIRPORT

The completion of the Baltimore-Washington Parkway in Maryland; the scheduled reconstruction and new paving of the Kenilworth Avenue Freeway in the District; the completion of the East Capitol Street Bridge and its western approaches, also within the District.

ANDREWS AIR FORCE BASE

There is no contemplated improvement of this route. However, a slight savings in time is expected upon the elimination of present traffic congestion on South Capitol Street by the construction of the Southwest Freeway which will permit unimpeded left turns from South Capitol Street.

NATIONAL AIRPORT

This route will be improved by the proposed Southwest Freeway. The total distance will remain unchanged, but the travel time should be reduced because of the expressway characteristics of the freeway.

BURKE AIRPORT

The highway improvement affecting this route are the Southwest Freeway within the District and the access road that would be constructed from the Shirley Highway to the airport site.

When listing the various sites in order of off-peak travel time, and with the recommended improvements in place, they appear as follows:

	Minutes
National Airport	11
Andrews Air Force Base	19
Burke Airport	20.5
Friendship Airport	41

It will be noted that the only material time reduction will be realized on the route to Friendship International Airport. This will be accomplished by the completion of certain projects now under construction or presently scheduled. In the District of Columbia, these projects include the pending improvement of the Kenilworth Avenue Freeway connecting the Baltimore-Washington Parkway with the East Capitol Street Bridge. The bridge project itself is currently under way. The remaining portion of the route consists of improving the approaches to the bridge from downtown Washington. The projects comprising this route are deemed urgent in order to afford a proper connection with the Baltimore-Washington Parkway, which is scheduled for completion in 1954, and would incidentally complete the improved route to the Friendship Airport.

The Congress has authorized funds for the completion of the East Capitol Street Bridge and 1 of the 3 major structures to be built on the Kenilworth Avenue Freeway. Our 1954 budget contains a request for funds for the second major structure on the Kenilworth Avenue Freeway and we will request future appropriations for the remainder of the freeway project and the western approaches to the East Capitol Street Bridge.

Hoping this information meets with your request, and with warmest personal regards, I am,

Sincerely yours,
LOUIS W. PRENTISS,
Brigadier General, United States Army,
Engineer Commissioner.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5471) was read the third time and passed.

Mr. DIRKSEN. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. DIRKSEN, Mr. FERGUSON, Mr. MCCARTHY, Mr. CASE, Mr. HILL, Mr. MCCLELLAN, and Mr. MAGNUSON conferees on the part of the Senate.

CUSTOMS SIMPLIFICATION ACT OF 1953

Mr. KNOWLAND. Mr. President, for the information of the Senate I shall move to take up Calendar No. 634, H. R. 5877, the customs simplification bill, for the purpose of making the bill the unfinished business of the Senate. It is not my intention that the Senate consider it this evening.

First I shall call up a privileged matter, the conference report on the independent offices appropriation bill, but I wanted to announce that first I would

ask that the customs simplification bill be made the unfinished business.

Mr. President, I move that the Senate proceed to the consideration of Calendar No. 634, House bill 5877.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 5877) to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5877) which had been reported from the Committee on Finance with amendments.

FIRST INDEPENDENT OFFICES APPROPRIATIONS, 1954—CONFERENCE REPORT

Mr. SALTONSTALL. 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. 4663) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read.

(For conference report, see House proceedings of July 21, 1953, pp. 9414–9417.)

Mr. HUNT. 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	Gore	Martin
Anderson	Griswold	McCarran
Barrett	Hayden	McCarthy
Beall	Hendrickson	McClellan
Bennett	Hennings	Millikin
Bush	Hickenlooper	Monroney
Butler, Md.	Hill	Morse
Butler, Nebr.	Hoey	Mundt
Byrd	Holland	Murray
Capehart	Humphrey	Neely
Carlson	Hunt	Payne
Case	Ives	Potter
Chavez	Jackson	Purtell
Clements	Jenner	Robertson
Cooper	Johnson, Colo.	Russell
Cordon	Johnson, Tex.	Saltonstall
Daniel	Johnston, S. C.	Schoeppel
Dirksen	Kefauver	Smathers
Douglas	Kennedy	Smith, Maine
Duff	Kerr	Smith, N. J.
Dworshak	Kilgore	Sparkman
Eastland	Knowland	Stennis
Ellender	Kuchel	Symington
Ferguson	Langer	Thye
Flanders	Lehman	Watkins
Frear	Lennon	Welker
Fulbright	Long	Wiley
George	Magnuson	Williams
Gillette	Malone	Young
Goldwater	Mansfield	

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from Ohio [Mr. BRICKER], the Senator from Ohio [Mr. TAFT], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The PRESIDING OFFICER. A quorum is present. 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.

Mr. SALTONSTALL. Mr. President, the conference report on the first independent offices appropriation bill was agreed to by the conferees after considerable discussion, and with some compromise on both sides. There are, of course, a number of issues, and I shall be glad to answer questions about any of them.

I think the three issues about which I have been asked the most questions, and in which Senators are most interested, are, first, the Interstate Commerce Commission safety work and field work; second, the housing amendment; and, third, the straightening out of the Los Angeles housing problem. I shall take up the ICC question first.

Mr. President, I send to the desk a resolution, which I ask unanimous consent to offer and to have considered at this time.

The PRESIDING OFFICER. The clerk will state the resolution.

The LEGISLATIVE CLERK. The resolution reads as follows:

Resolved, That it is the sense of the Senate that the safety work lawfully performed by the field organization of the Bureau of Motor Carriers of the Interstate Commerce Commission be continued as presently constituted during fiscal year 1954, pending appropriate reorganization of such activities under the recommendations of the report of the Wolf Management Engineering Co. to the Senate Committee on Interstate and Foreign Commerce of December 22, 1952.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. SALTONSTALL. Mr. President, the situation with relation to the conference report on the ICC and safety regulations is that the House figure was $9,400,000. The Senate put in the figure of the revised budget, namely, $9,600,000. In conference, the House conferees, after some discussion, accepted the Senate figure, which is the figure of the revised budget, and which I believe represents a little more money than was allowed last year.

In the report of the Senate committee accompanying the bill, there was a recommendation that the Wolf report, so-called, be put into effect. The Wolf report was the result of a study by some engineers, who were recommended by the Senate Committee on Interstate and Foreign Commerce a year ago. The Wolf report recommended streamlining the work of the ICC, and includes the work of the so-called regional offices, and the safety work which the ICC is required to do under the law.

In addition to the Wolf report, there was discussion in the House report of the field work and safety. At the time that question came up in conference, the clerk of the committee, at the suggestion of the chairman of the conferees, read a letter addressed to the chairman suggesting that this language should not be included in the report. There was considerable discussion, the House conferees insisting that they wanted to include the maximum amount in the conference report. As shown by the statement of the managers on the part of the House, the language that was included in the report as the result is as follows:

In lieu of the proposal of the Senate the conferees have agreed to the proposal of the House requiring that the sum of $1,793,157 requested for work relating to safety and field work in the Bureau of Motor Carriers be distributed to other work of the Commission which is regarded as of greater importance than such safety and field work.

That is the language of the statement of the managers on the part of the House. The Senate conferees never saw the language, and, of course, had nothing to do with the statement of the House managers which went to the House.

As the result of that language, Members of the Senate have received a great many telegrams, stating the dangers that will ensue if the safety work of the Commission in the motor-truck-carrier field is abandoned.

As chairman of the subcommittee, I took this matter up at once, and as a result of a talk with the chairman of the House committee, Mr. PHILLIPS, I have a statement in writing from him. I talked with the members of the Interstate Commerce Commission, and I have a letter from them. I talked with the Comptroller General of the United States, and I have a letter from the general counsel of the Comptroller General's office, Mr. Fisher.

As I have said, the total amount of the revised budget is contained in the ICC appropriation. They will have the money to carry on the field and safety work. The only question is whether the language in the report and in the statement of the managers on the part of the House, to the House, makes it impossible for the Commission to go ahead.

Mr. WELKER. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I prefer not to yield until I have completed my statement.

Mr. MORSE. Mr. President, as a matter of procedure, may we have an understanding with the Senator from Massachusetts, that when he concludes his statement on the ICC item, we may debate it, in order that we may join issue before proceeding to other items in the report.

Mr. SALTONSTALL. That is what I desire to do. Representative PHILLIPS, of California, wrote me a letter. I shall place the full letter in the RECORD, but the pertinent statements are these:

I know I speak for most, if not all, of the members of the House committee when I say we are quite willing to have this worked out by the Commission, under the terms of the Wolf report, and to wait until next year for a further discussion of the results.

He refers to the safety service. Again, he says:

Any statement that it "closes all the field offices" is not supported by any understanding in either the House or the Senate. These field offices perform other functions for the ICC, in connection with the regulation of motor carriers.

The concluding sentence in the letter reads:

My committee also feels that the few employees, engaged in this particular activity, could well be absorbed in other activities of the ICC which the Commissioners contend are not up to date, including the reorganization requirements contained in the Wolf report.

The Interstate Commerce Commission, in a letter signed by J. Monroe Johnson, Chairman, states:

The Wolf report recommends certain changes in the structure of our field organization. It does not recommend the abandonment of any fundamental operations or duties. It presupposes a continuation of safety activities. We now propose, if permitted, to keep this in mind as we undertake our field reorganization pursuant to the principles of this report. We hope to be able to demonstrate substantial progress along these lines at an early date, certainly before we appear in support of our 1955 appropriations.

He discusses the language of the conference report and the statement made by Representative PHILLIPS on the floor of the House, which created doubt in the minds of the Commission as to whether it should proceed with the work.

Mr. President, I now call attention to the fact that the necessary provision and the money are all in the appropriation bill. All of this language is in the statement of the managers on the part of the House. The Comptroller General of the United States, in a letter signed by the General Counsel, E. L. Fisher, says:

The restriction on the use of the appropriation for work relating to the safety and the fieldwork of motor carriers agreed upon in the conference report would not legally preclude the use of the appropriation for that purpose, since there is no specific limitation in the appropriation language itself and especially in view of the statement made on the floor of the House at page 9417 of the CONGRESSIONAL RECORD for July 21, 1953, in connection with the adoption by the House of the conference report to the effect that the limitation agreed upon in conference was a firm recommendation but "which the ICC under the law could disregard."

With respect to expenditures to carry out recommendations of the so-called Wolf report, the appropriation would be available for that purpose to the extent that such recommendations otherwise are authorized.

Mr. President, I ask unanimous consent that the memorandum from Representative PHILLIPS, the letter from Mr. Johnson of the Interstate Commerce Commission, and the letter from Mr. Fisher, be printed at this point in the RECORD.

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

JULY 23, 1953.

MEMORANDUM TO SENATOR SALTONSTALL

You asked me for a statement regarding the position of the House on that part of H. R. 4663 which has to do with the recommendation to the Interstate Commerce Commission.

I know the Senate understands that this recommendation is contained only in the House report and that nothing on this subject appears in the bill. When the conference committee accepted the Senate suggestion to increase the ICC appropriation by almost $200,000, this gave the agency the revised budget request.

The recommendation to the ICC, concerning this safety service, is not new with the House committee. This will be the second or third time that the House has supported us in this provision, this time without a negative vote in spite of the rash of telegrams and letters.

The House feels that this Agency is in the process of reorganization and improvement, and we agree with the Senate that the adoption of the recommendations of the Wolf report will go a long way toward solving this particular problem, among others. I know I speak for most, if not all, of the members of the House committee when I say we are quite willing to have this worked out by the Commission, under the terms of the Wolf report, and to wait until next year for a further discussion of the results. At the present time this service reaches only about 6 percent of the trucks yearly engaged in interstate commerce, and these, as you know, represent only a small fraction of the trucks on the highway. The House committee has been recommending, since this service largely duplicates services performed under State laws, that the money in the ICC budget, could be applied to other functions which the Commissioners consider of greater urgency.

This should indicate to you what the House has been trying to do. The provision, to which objection is made, appears only in the report. Any statement that it closes all the field offices is not supported by any understanding in either the House or the Senate. These field offices perform other functions for the ICC, in connection with the regulation of motor carriers.

In the conference, the House accepted the Senate recommendation of $200,000 additional, in money, for the ICC, and also adopted the Senate provision that the ICC would improve its efficiency by reviewing the Wolf report and putting its recommendations into effect. In this same agreement between us, the Senate accepted the House suggestion to return, to the House report, the recommendation we are talking about. My committee also feels that the few employees, engaged in this particular activity, could well be absorbed in other activities of the ICC which the Commissioners contend are not up to date, including the reorganization requirements contained in the Wolf report.

JOHN PHILLIPS,
Member of Congress.

INTERSTATE COMMERCE COMMISSION,
Washington, July 24, 1953.

The Honorable LEVERETT SALTONSTALL,
Chairman, Subcommittee on Independent Offices Bill,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR SALTONSTALL: Pursuant to your personal request that this Commission communicate to you in writing its evaluation of certain language contained in the conference report on the First Independent Offices Appropriation Act, 1954, relating to the expenditure of fiscal year 1954 appropriations for the Commission and in order that you might give the Senate assurances of our intentions with reference thereto, we forward this letter.

The language to which we refer reads as follows:

"In lieu of the proposal of the Senate the conferees have agreed to the proposal of the House requiring that the sum of $1,793,157 requested for work relating to safety and field in the Bureau of Motor Carriers be distributed to other work of the Commission which is regarded as of greater importance than such safety and field work."

As we interpret this language it gives rise to serious uncertainty as to whether any funds appropriated to this Commission in the appropriation bill cited above can or should be expended in support of our safety and other field work performed through our Washington and 76 Bureau of Motor Carrier field offices. This uncertainty was further punctuated by remarks made on the floor of the House of Representatives on July 21, 1953 (recorded in CONGRESSIONAL RECORD, p. 9417) by the Honorable JOHN PHILLIPS, in the presence of other members of the House Committee on Appropriations, the subcommittee in charge of the bill in question and the House conferees who subscribed to the report. Mr. PHILLIPS stated, inter alia:

"There are 336 employees and the expenditure is $1,700,000 for something that duplicates work largely done by the States. The feeling of the committee was that, if the Interstate Commerce Commission went into this field, it should go in as sort of a clearinghouse to coordinate and unite the work of the various States which is now being adequately carried out, better than by the ICC. * * *

"It is only a recommendation on our part which I hope the ICC will recognize as a firm recommendation, but which the ICC under the law could disregard, because our primary recommendation is that this $1,700,000, which last year we took out altogether is to be applied to those functions of the ICC's activities which the Commissioners think are the most urgent."

He also said:

"That is correct, but I want to make it clear it is a very firm recommendation in the report. I think the Commissioners would have to come to us and explain next year how they spent the money."

Without belaboring the effect of this cumulative legislative history, allow us simply to state that any such forced action on our part would completely stultify the administration and enforcement of title II of the Interstate Commerce Act (the Motor Carrier Act of 1935) and would cast serious doubt on our ability to effectively regulate other carriers under other provisions of the act who are highly competitive with motor carriers. We cannot believe that this result was intended to be accomplished but actions and words both in this instance speak loudly, and, giving the language in question its most liberal construction from our point of view, we seem to be faced with the minimum possibility that, if we do not fully comply with the language as interpreted by Mr. PHILLIPS this Commission can reasonably expect to suffer further curtailments in its appropriations. This is not a pleasant prospect in view of the serious financial plight in which we even now find ourselves with reference to our increasing caseload and steadily diminishing work force.

During our conversations with you relating to this matter yesterday, you handed us two documents for our consideration—a letter from the General Counsel of the Office of the Comptroller General addressed to Mr. Earl Cooper, clerk of the Senate Committee on Appropriations, and a personal memorandum of July 23 to you signed by the Honorable JOHN PHILLIPS, Member of Congress.

The first of these documents, in short, informally concludes that "the restriction on the use of the appropriation for work relating to the safety and field work of motor carriers agreed upon in the conference report would not legally preclude the use of the appropriation for that purpose since there is no specific limitation in the appropriation language itself and especially in view of the statement made on the floor of the House at page 9417 of the CONGRESSIONAL RECORD for July 21, 1953, in connection with the adoption by the House of the conference report to the effect that the limitation agreed upon in conference was a firm recommendation but 'which the ICC under the law could disregard'."

Assuming that the Comptroller General would take this position formally, it would appear that legal justification exists for our

maintaining the status quo of our field organization and the full duties performed by it. The legal situation, however, is not the only important thing in this regard. We are confronted also by and must consider the practical situation created by the action of the conferees above referred to expressed in definite language and terms.

Our difficulty is not in the least resolved even by this quotation from Mr. PHILLIPS' memorandum to you in which he says:

"The provision, to which objection is made, appears only in the report. Any statement that it 'closes all the field offices' is not supported by any understanding in either the House or the Senate. These field offices perform other functions for the ICC, in connection with the regulation of motor carriers."

For your information on _____, this Commission entered a formal minute on its records to the effect that it endorses the Wolf report in principle and since that date we have been striving assiduously to implement it by appointing a managing director and formulating plans to move progressively in the direction recommended by that report. Because the report will require not only some streamlining of our forces but also some significant additions thereto we even sought a supplementary appropriation some time ago to get the reorganization under way. We failed in this attempt.

But, we now note with pleasure that the Congress authorizes the use of our 1954 appropriation for this purpose, and we are gratified that the funds added by the conferees are also designed to further these plans.

The Wolf report recommends certain changes in the structure of our field organization. It does not recommend the abandonment of any fundamental operations or duties. It presupposes a continuation of safety activities. We now propose, if permitted, to keep this in mind as we undertake our field reorganization pursuant to the principles of this report. We hope to be able to demonstrate substantial progress along these lines at an early date, certainly before we appear in support of our 1955 appropriations.

The Commission is thus faced with a positive declaration in a House conferees' report to which the Senate conferees agree that, if not neutralized or changed by the Senate or jointly with the House, will seriously interfere with the administration of part II of the act.

I want you to know that the Commission has expressed itself in conference as deeply appreciative of your interest evidenced in this matter.

The Commission has considered and adopted the above letter in toto.

Cordially yours,

J. MONROE JOHNSON,
Chairman.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, July 23, 1953.

Mr. EARL COOPER,
Committee on Appropriations,
United States Senate.

DEAR MR. COOPER: This is in reference to your informal inquiry concerning the use of funds provided the Interstate Commerce Commission in the pending First Independent Offices Appropriation Act, 1954.

The restriction on the use of the appropriation for work relating to the safety and field work of motor carriers agreed upon in the conference report would not legally preclude the use of the appropriation for that purpose since there is no specific limitation in the appropriation language itself, and especially in view of the statement made on the floor of the House at page 9417 of the CONGRESSIONAL RECORD for July 21, 1953, in connection with the adoption by the House of the conference report to the effect that the limitation agreed upon in conference with a firm recommendation but which the ICC under the law could disregard.

With respect to expenditures to carry out recommendations of the so-called Wolf report, the appropriation would be available for that purpose to the extent that such recommendations otherwise are authorized.

Sincerely yours,

E. L. FISHER,
General Counsel.

Mr. MORSE. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield, first, to the Senator from Idaho [Mr. WELKER].

Mr. WELKER. I should like to ask the Senator from Massachusetts whether or not, under the explanation just given, it is a fact that field offices will be closed. I heard information given by some experts that nothing would legally preclude the Commission from using the money to keep the field offices open. It seems to me that if that is not a fact there is nothing to prevent closing the field offices.

Mr. SALTONSTALL. There are 76 field offices in the United States. So far as I know, they are located where it is most satisfactory to locate them from the standpoint of the work to be done. One office may close and another one remain open. Under the law the Commission can have whatever number of offices it needs. There is more money appropriated by this bill than they had last year. So far as I know, under the law, it is for the Interstate Commerce Commission to determine where these offices shall be located.

Mr. WELKER. If the Senator will further yield, I make the observation that to me the situation is very strange. It seems to me that anything could happen by virtue of a report such as this.

Mr. SALTONSTALL. The Interstate Commerce Commission is required, under the law, to do safety work. It must have offices. The offices in Idaho are located in Boise and Pocatello.

Mr. MORSE. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. MORSE. Mr. President, I hope the Senator will be kind enough and the Senate will be kind enough to permit me to make my argument in reply to the argument of the Senator from Massachusetts, even though it is not in the form of a question-and-answer colloquy with the Senator from Massachusetts. And I shall be exceptionally brief—for me.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that I shall not lose the floor while the Senator from Oregon makes his argument.

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

The Chair will state that the question is on agreeing to the consideration of the resolution of the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. DIRKSEN. Mr. President, reserving the right to object, what is the validity of the House conferees' language either with respect to the action of the Interstate Commerce Commission or to the legality of the expenditure? It is extremely unusual, certainly, within my experience, that the Senate conferees should not know what the language was that was suggested by the House conferees. If it constitutes an interdiction upon the appropriation, or it means that the Interstate Commerce Commission must close some of its field safety offices, I think the Senate should be fully advised as to the effect of the House language.

That invites a parliamentary inquiry, Mr. President, and I think there should be a ruling from the Chair as to the effect of language appearing in a conference report which represents the intention, purpose, and will of one branch of the National Legislature, but does not come within the purview of the Senate conferees.

Mr. MORSE. Mr. President, on that parliamentary inquiry I should like to be heard, if I may, because it goes to the very essence of the argument which I am asking permission to make, very briefly.

Mr. SALTONSTALL. Mr. President, the last thing in the world that I, as chairman of a conference, want to do is to break faith with the House. This afternoon, after I determined to offer the resolution, I called up the chairman of the House committee, Representative PHILLIPS, of California, and told him what I was going to do in order to supplement the language he gave me in his memorandum of yesterday, and he said to go ahead and offer the resolution; that it was perfectly agreeable to him.

Mr. MORSE. Mr. President, with the understanding that the Senator from Massachusetts will not lose the floor because of the comments I wish to make, I should like to ask the careful attention of all Members of the Senate, and I should like to have the valued judgment of some Members of the Senate, because it is my opinion that if we accept the recommendation of the Senator from Massachusetts, we are adopting an exceedingly unfortunate and dangerous precedent, and it is no answer to say that this is only a conference report. It is a document in line with the historic practices of the Congress of the United States. Under the rules of the House, the managers of a conference committee have to file a statement at the time they ask for action on a conference report. I know of no document or piece of evidence in connection with the judicial interpretation of legislative intent that will be given more careful consideration or greater weight by a court when it comes to pass upon legal questions that may arise in adjudication in respect to a statute or an act of Congress than intent expressed in a conference report. Note what the conferees told the House was the intent of the conferees—not the House conferees alone, but the Senate conferees as well—and this has been acted upon by the House.

I may say, most respectfully, that there is not a thing Mr. PHILLIPS, of California, can do or say now that changes one iota the intent of the House of Representatives with reference to this conference report. It has been adopted by the House on the basis of an expression of intent contained in the report.

What does the language say? The language says:

In lieu of the proposal of the Senate—

There is the compromise in conference; there is the thing on which the conference compromised—

In lieu of the proposal of the Senate the conferees have agreed—

Not the House conferees, but the joint conferees—the conferees of the House and the conferees of the Senate—

the conferees have agreed to the proposal of the House requiring that the sum of $1,793,157 requested for work relating to safety and field in the Bureau of Motor Carriers be distributed to other work of the Commission which is regarded as of greater importance than such safety and field work.

That was the agreement of the conferees. It does not save the situation in any way for the Senate conferees to come before the Senate now and say, "We did not realize that was what we were agreeing to."

The report in the House was adopted on the basis of the presentation to the House that the safety offices would have their money distributed by the Interstate Commerce Commission to other agencies of the Commission. The conferees have authorized the use of $251,650, instead of the other amount, for expenses of traveling.

I speak as a friend of the Senator from Massachusetts [Mr. SALTONSTALL], and I speak respectfully to him, but I speak out of a deep conviction that the Senate should not in dealing with a conference report take the kind of action suggested, because we would not be keeping faith with the House of Representatives.

If Senators were Members of the House, how would they like to have a report adopted when they believed an agreement had been reached that safety work in the field offices would be closed down, but when the report reached the Senate, the Senate said that was not what had been agreed to at all?

Mr. PHILLIPS says he entered into an understanding with the Senator from Massachusetts [Mr. SALTONSTALL]. I am not personal about this. I simply say that Mr. PHILLIPS does not have the legal authority, after the conference report has been adopted by the House, to modify the language in any way by any understanding he may have entered into with the Senator from Massachusetts or with the ICC or with the Comptroller General.

Mr. SALTONSTALL. Mr. President, will the Senator from Oregon permit me to make an insertion in the RECORD that will perhaps help at this point?

Mr. MORSE. Yes.

Mr. SALTONSTALL. In the CONGRESSIONAL RECORD of Tuesday, July 21, 1953, page 9417, Mr. PHILLIPS made an explanation to the House. I shall quote from the colloquy:

Mr. PHILLIPS. It is only a recommendation on our part which I hope the ICC will recognize as a firm recommendation, but which the ICC under the law could disregard, because our primary recommendation is that this $1,700,000, which last year we took out altogether is to be applied to those functions of the ICC's activities which the Commissioners think are the most urgent.

I am quite sure, Mr. Speaker, that the House will overlook the letters and telegrams, most of them sent by people who had no idea what the discussion was about, and will again, for the third time, support the House in an effort to improve the efficiency and the effectiveness of one agency of the Government.

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

Mr. PHILLIPS. I yield to the gentleman from North Carolina.

Mr. COOLEY. I think the gentleman has pretty well cleared up the point I had in mind but I do want to ask the question specifically: The funds these telegrams have reference to are still in the bill, as I understand it?

Mr. PHILLIPS. Yes; the gentleman is correct.

Mr. COOLEY. In the conference report the conferees make certain recommendations which, of course, will not be binding but will be only advisory to the Commission?

Mr. PHILLIPS. That is correct.

Mr. COOLEY. It is up to the Commission to determine whether or not the services are actually duplicating?

Mr. PHILLIPS. That is correct, but I want to make it clear it is a very firm recommendation in the report. I think the Commissioners would have to come to us and explain next year how they spent the money.

Mr. COOLEY. I think that clears up the situation I have in mind.

That was the statement of Mr. PHILLIPS, chairman of the committee in charge of the report on the floor of the House, in answer to a query relating to the telegrams.

Mr. MORSE. I wish to say two things about the statement of Mr. PHILLIPS on the floor of the House. It does not change in legal effect, to the slightest degree, the conference report on which the House acted, or any of the language therein. Second, the language he used, as I shall point out in a moment, was so equivocal that it caused the Chairman of the Interstate Commerce Commission to make the statement I submitted on the floor of the Senate the other day. I do not quote verbatim, but in substance, the Chairman said that on the basis of the language of Mr. PHILLIPS on the floor of the House after the heat had been put on Mr. PHILLIPS by telegrams from all over the country, including his own State, as to the unwisdom of the action he had taken, there was nothing else the Commission could do but to close the offices.

He referred to the statement of Mr. PHILLIPS that the Interstate Commerce Commission would have to explain next year the use to which the funds were put:

Mr. PHILLIPS. That is correct, but I want to make it clear it is a very firm recommendation in the report. I think the Commissioners would have to come to us and explain next year how they spent the money.

So by that language he even negatives the intent he sought to express in the early part of his statement. It was so interpreted by the Interstate Commerce Commission, and I think rightly so.

The action of the House was on the basis of the representation that the agreement with the Senate conferees was that the money heretofore spent for safety regulation should be distributed to other agencies of the Interstate Commerce Commission, and not used for safety regulations. That cannot be wiped out by any agreement entered into between the Senator from Massachusetts [Mr. SALTONSTALL] and Mr. PHILLIPS, or between Mr. PHILLIPS and the Senator from Massachusetts, on the one hand, and the Interstate Commerce Commission, or the Comptroller General of the United States, on the other.

It seems to me we are here dealing with the question in connection with the adoption of conference reports, whether when Senate conferees enter into an agreement with their fellow conferees on the House side, we in the Senate will keep the agreement.

I shall put in this bluntly: The Senate conferees either agreed to what the House conferees reported to the House they agreed to, or they did not. If they did not agree to it, then, from the standpoint of protecting all parties in connection with any litigation that may flow from this action—and we do not know what questions may be raised—the Senate conferees should go back to the House conferees and say, "What is the matter with you? We never agreed to anything like that at all." But if they did agree to it, then they cannot change it, in my judgment, on the principles of sound, ethical dealing with the House, by coming before the Senate with a resolution saying, "This is our intent," or by placing in the RECORD a letter from the Comptroller General in which he says, "Because these moneys have been appropriated, I, the Comptroller General, say the Interstate Commerce Commission must spend them for these purposes." He does not happen to be a court. His opinion would only be an advisory opinion. That would not be good enough for me.

Neither could the chairman of the Senate conferees and the chairman of the House conferees go to the Interstate Commerce Commission and say, "Irrespective of what is found in the language of the House conference report, we want to work out an understanding with you whereby you will go right ahead and spend the money as you have in the past, in spite of what the conference report says."

Let us see what has happened. I speak very respectfully of Mr. PHILLIPS, of California, as I said the other day. He happens to be a personal friend of mine. I know him very well. I have worked with him on a great many matters involving the west coast. But for some years Mr. PHILLIPS has been a leading advocate of closing down the safety work of the Interstate Commerce Commission. For years he has been a leader in the effort to bring to an end interstate regulation of common carriers traveling on the highways of the United States and of safety appliances used by them.

His purpose in getting this item into the conference report, and into the agreement he says in the report has been reached with the Senate conferees, was to carry out his long-established desire to bring to an end the safety work. The conferees placed the provision in the report, and the House adopted it. The language Mr. PHILLIPS uses makes clear that the Interstate Commerce Commission, on the basis of what he said was the firm recommendation

of the conference report, would have to make a clear showing next year as to how they spent the money. The Interstate Commerce Commission is left in a very perplexed and confused situation with regard to what they can or cannot do with the money.

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

Mr. MORSE. I do not have the floor; the Senator from Massachusetts [Mr. SALTONSTALL] has the floor. I wish to complete my thought; then I suggest that the Senator from Idaho ask the Senator from Massachusetts for permission to ask me a question. I have almost finished my argument.

Mr. President, I wish to return to the point I was making before the Senator from Massachusetts asked permission to place the statement of Mr. PHILLIPS in the RECORD. I say the Senate is concerned with what ought to be considered really as good faith in dealing with the Members of the House. I think that when the House adopts a conference report on an appropriation bill, and the report says, "This is the intent and the agreement of the conferees," it cannot be answered by saying that the report made by the House conferees to the House is not a report binding upon the Senate.

I say—and I mean nothing derogatory by this—as the Senator from Georgia [Mr. GEORGE] said on another point of equal importance the other day, that is personal government. That is government by personal arrangement among representatives of the two branches of the Congress. I say that we must clear up this situation so that no Member of the House can say to us when he meets us, "What is the matter with you fellows over there? We adopted a conference report thinking that we were voting to end the safety work of the Interstate Commerce Commission, and you come along and say that is not what we agreed to at all."

At least a misunderstanding exists, and the way to clear up the misunderstanding is to send the bill back in conference. It ought to be sent back to conference. If it is not, I think we shall be establishing an unfortunate precedent when it comes to good-faith dealing with the House of Representatives. I say most respectfully that neither the Senator from Massachusetts [Mr. SALTONSTALL] nor Mr. PHILLIPS has the jurisdiction or the right, in my opinion, to clear up what has developed as a misunderstanding between the House conferees and the Senate conferees. That can be done only in one place, and that is in the conference room. Then the agreement should be submitted to the House and the Senate, so that we shall be of one mind. It is a dangerous precedent to start adopting conference reports in the Senate when we know, on the record, that the agreement is different from the agreement set out in the conference report at the time the House acted.

If we ever get to the point where, because of the pressure of time, or because sending a conference report back may raise some other issues in conference—such as the housing issue—we fail to clear up misunderstandings, we shall be creating a dangerous precedent.

We know what has been said to some of us in the cloakrooms. WAYNE, we must stop this bill from going back to conference, because if we do not, the whole housing issue will be opened up again." I am not going to be stopped in trying to clear up what I think is a lack of agreement between the House and Senate conferees on the basis of the conference report, because of the fact that sending it back to conference may raise some other issues. Let them be raised. Let them be fought out on their merits. If we lose, very well. I am not going to leave the question of the safety of the American people on the highways subject to possible confusion and legal action because of this clear language in the House report; and I am not going to accept a personal arrangement between Mr. PHILLIPS and the Senator from Massachusetts, or their arrangement, in turn, with the Comptroller General and the Interstate Commerce Commission, as a substitute for the long-established practice of the Senate.

Let any veteran of the Senate rise and tell me that this is not the practice. I have checked it. I understand that it has always been the way we have dealt with the House. When a conference report is submitted, and the report sets forth that it is an agreement between the Senate and the House conferees, we do not proceed, in the Senate, to accept the appropriation bill on which the report is made on the basis of some other understanding or some other intent which we reserve to ourselves.

The place to iron out any differences of opinion happens to be in conference. If we do not do that, we destroy the effect of a conference. If, for instance, the purpose of a conference is to agree on figures, and when the conference report is submitted we in the Senate can agree upon one way of spending the sums provided, and the House can agree on an entirely different way of spending them, then who is to administer that kind of appropriation bill?

I close by saying respectfully that I am urging that we continue the kind of relationship which has always characterized the dealings between the Senate and the House—a procedure based upon precedent, and not a procedure of substituting personal arrangements between the heads of two conference committees and other departments of Government for what a report actually says, on the basis of which the House took action.

Mr. SALTONSTALL. Mr. President——

Mr. JOHNSON of Colorado and Mr. HAYDEN addressed the Chair.

Mr. SALTONSTALL. I should like to make a statement in reply to the Senator from Oregon, and then I shall be glad to yield for questions.

I would very much prefer, as chairman of the Senate conferees, if there is any feeling that this report is not on the level, or that we are not acting in accordance with proper ideas of fair play, to take the bill back to conference. I certainly am not going to break my word in the United States Senate. I have lived for quite a while, and I mean to keep my word.

Two years ago the appropriation for safety work was removed by the House. It was restored by the Senate. Last year the same procedure was followed, and the recommendation was made that the Commission give consideration to the Wolf report.

This year the House took the money out, and the Senate insisted on the money going back. The Senate said it believed that the Wolf report should be put into effect as soon as possible, and that the work of the Commission under the law, together with the putting into effect of the Wolf report, was worth $200,000 more money, which the Senate insisted on restoring. So the Wolf report language was included in the House report, and the money was included. At the same time the House insisted, after some discussion, that it felt that the safety work was being duplicated, and was not important work for the Commission to do. The Senate agreed that the language giving priority to other work of the Commission could and should go into the report.

I should like to quote again what Mr. PHILLIPS said with regard to his understanding. I quote one sentence:

> Our primary recommendation is that this $1,700,000, which last year we took out altogether, is to be applied to those functions of the ICC's activities which the Commissioners think are the most urgent.

Again he says that this language is only advisory to the Commission, and not binding.

As I say, the money to do the work is in the bill. The language, as I interpret it, is the language as I understood it at the time of the conference. Mr. PHILLIPS and one or two other Members of the House felt very strongly that this safety work was being duplicated and was not the primary work of the Commission. There was never any discussion of the field offices being given up. The field offices are used for 12 or 14 different purposes, of which safety and field work are only 2.

The total number of employees in the field offices is 336, of which the safety offices comprise 18. So the field offices are used for a great many purposes. The question of giving up the field offices, as I say, never entered into the discussion of the conferees. As Mr. PHILLIPS said in his memorandum, the idea that the field offices would be given up was absurd, as it was never under discussion.

That is the situation. If the Senate feels that this bill should go back to conference, I certainly will be glad to take it back. The problem in connection with this item is this: We put back into the bill $200,000, so that the Interstate Commerce Commission could do its work and could put the Wolf report into operation. There will be a very considerable discussion, obviously, as to the feeling of the House, which has taken this money out the past 3 years. We have had difficulty in getting it back each year.

That is the situation with relation to the Interstate Commerce Commission.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. JOHNSON of Colorado. The Senator from Massachusetts submitted a Senate resolution with reference to this matter, did he not?

Mr. SALTONSTALL. I did. That suggestion was made to me late this afternoon. I was working on several memoranda. Then the suggestion as to the Senate resolution was made to me, as embodying everything which was said in the letters, and I thought it was a good idea.

I told Mr. PHILLIPS I was going to offer the resolution.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. JOHNSON of Colorado. Suppose instead of a Senate resolution the Senate were to adopt a concurrent resolution? The concurrent resolution would then go to the House. If it were adopted by the House, the result would cure everything, would it not? In other words, it would take care of the suggestion the Senator from Oregon made about keeping faith with the House. If a concurrent resolution were adopted by both the Senate and the House, and the report were held up until both Houses acted on it, then, of course, we would be keeping good faith.

Mr. SALTONSTALL. I believe time would be saved by sending the conference report back to conference and by having the conferees decide the question. Mr. President, I am going to make the motion that the report be recommitted to the conference committee.

I will make that motion myself, if there is any question or any misunderstanding. If the Senate wishes to adopt the conference report, I will be glad to have it adopted. However, I do not want to have any question of good faith or fair play raised in connection with anything I do in this body. Mr. President, I make that motion.

Mr. LEHMAN, Mr. KEFAUVER, and Mr. MORSE addressed the Chair.

Mr. SALTONSTALL. I make the motion that the report be recommitted to the conference committee.

Mr. LEHMAN. Mr. President, I wish to make it very clear that I am convinced that no one in this body has the slightest doubt of the complete integrity of the distinguished Senator from Massachusetts. He and I have been associates in public service for a great many years, and I know the great respect in which the Senator from Massachusetts is held.

I fully agree with the Senator from Oregon with regard to the matter which he has discussed, and I believe and hope that the conference report will be sent back to conference for further consideration. I would certainly not want to have the further conference confined exclusively to the question of this one feature of the report, because I believe the conference report has other serious defects, notably on the question of public housing, on which some of my associates and I will want to be heard a little later this evening. So if the report is sent back to conference for further study, I certainly would want to have it made perfectly clear that the question of housing, and possibly other questions also, should be considered at the same time as the provision under discussion.

Mr. MORSE. Mr. President, will the Senator from Massachusetts yield for a personal observation?

Mr. SALTONSTALL. I yield.

Mr. MORSE. I wish to make it crystal clear for the RECORD that not a single syllable of a word, let alone a word, of what I said on the subject is intended to reflect in any way on the Senator from Massachusetts. I have the highest regard for the Senator from Massachusetts. I will say no more than that he knows how high my regard for him is on the basis of certain unofficial action I took without his prior approval at the Republican convention last July. I could not demonstrate my faith in him any more than I demonstrated on the floor of the Republican Convention. I say to him I believe the motion he has made is exactly the motion that should be adopted by the Senate. Our expression of faith in him is not going to change the fact that he will be subjected to more criticism if the appropriation bill is passed without going back to conference, because misunderstanding now exists as to whether or not the Senator from Massachusetts and the Representative from California are not proceeding to do by personal action what the two Houses ought to do for themselves and not have done by their conference representatives after the House has acted on the clear and unequivocal language.

Mr. SALTONSTALL. I thank the Senator very much.

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

Mr. SALTONSTALL. I yield to the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I realize the Senator from Massachusetts has handled a very difficult appropriation bill in the best way he could handle it, and no one has any doubt about the high integrity of the Senator from Massachusetts.

It seems to me on this very important issue of safety in field offices of the ICC it would be helpful to the Senator to have the entire Senate act on the question. It is quite apparent from the language of Mr. PHILLIPS, when he was explaining the bill before the House, that if we expect to have any funds for the safety functions of the ICC the report will have to go back to conference, and the Senate will again have to insist on funds being provided for that purpose, because at page 9417 of the RECORD on Tuesday, July 21, which has been read by the distinguished Senator from Massachusetts, Mr. PHILLIPS said:

> I think the Commission would have to come to us to explain next year how they spent the money.

In other words, he is putting the ICC on notice that if they do not follow his purpose of not spending any money for safety in field offices they will have a rough time when they come to the Committee on Appropriations.

I have talked today with several officials of the ICC—I do not wish to give their names—who told me how they feel about it. They feel, in view of that language, and the fact that they would have to come to the Committee on Appropriations of the House first, they would be foolish if they did not follow the instructions of the House.

So it seems to me, if we are to have any money provided for this very necessary purpose, the question should be ironed out in conference. We have heard a great many complaints from time to time about executive departments not following the directions of Congress. Indeed, quite frequently, they have deviated from the intention of the legislative body. If we are to have them follow explicitly the direction of Congress, it seems to me the intention of Congress and the direction of Congress ought to be made amply clear. Certainly the Commission should not be left in the unfortunate dilemma of the House meaning one thing and the Senate meaning another.

In order to get a clear direction to the ICC, I hope the House will agree to strike out the limiting language. It is a matter of tremendous importance. I know Senators have received many telegrams. I have received a number from public officials and other interested citizens in my State. I ask unanimous consent that some selected telegrams be included in the RECORD at this point as a part of my remarks.

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

NASHVILLE, TENN., *July 23, 1953.*
Senator ESTES KEFAUVER,
Senate Office Building:
Refer conference report on H. R. 4663. Urge your influence in getting appropriation of funds restored for operation of ICC safety and field departments.
FRANK G. CLEMENT.

MEMPHIS, TENN., *July 22, 1953.*
Senator KEFAUVER,
Washington, D. C.:
I respectfully request that you exert every effort toward the continuation of the district offices of the Interstate Commerce Commission. These offices are necessary for the safety and stability of the motor carriers, shippers, and general public.
SHELBY SPRINGER.

MEMPHIS, TENN., *July 22, 1953.*
Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:
Urge that you vote to eliminate provision of bill H. R. 4663 forbidding ICC to continue safety and field work and closing of field offices.
ROBINSON TRUCK LINES.

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Washington, D. C.:
Three hundred members of our organization request that you vote to remove restrictions from independent or district offices of Interstate Commerce Commission which prohibit them from conducting field and safety activities. This is vital not only as

to the safety and stability of motor carriers and allied industries but elimination of this activity will result in wholesale murder on the highway by truckers not interested in safety. We assure you of our cooperation in making them safer. Your support expected and appreciated.

ASSOCIATED TRANSPORTATION OF MEMPHIS,
R. HALE MOSLEY, *Vice President.*

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

In view of the very important and necessary function of the district and field offices of the Interstate Commerce Commission I wish to strongly urge that you oppose the section of the independent office appropriations bill which eliminates the necessary revenue for these offices to operate, which I consider very detrimental to the relations of motor carriers and the general public.

FRED H. GILL.

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

In vew of the very important and necessary function of the district and field offices of the Interstate Commerce Commission I wish to strongly urge that you oppose the section of the independent office apropriations bill which eliminates the necessary revenue for these offices to operate, which I consider very detrimental to the relations of motor carriers and the general public.

RAYMOND F. JONES.

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

In view of the very important and necessary function of the district and field offices of the Interstate Commerce Commission I wish to strongly urge that you oppose the section of the independent office appropriations bill which eliminates the necessary revenue for these offices to operate, which I consider very detrimental to the relations of motor carriers and the general public.

S. C. HENDERSON.

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

In view of the very important and necessary function of the district and field offices of the Interstate Commerce Commission I wish to strongly urge that you oppose the section of the independent office appropriations bill which eliminates the necessary revenue for these offices to operate, which I consider very detrimental to the relations of the motor carriers and the general public.

J. E. PRUITT.

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Washington, D. C.:

For the public good the undersigned urges that you oppose the section of the independent office appropriations bill which deprives the Interstate Commerce Commission of revenue to operate its district and field offices, which offices are for the protection of the public.

FRANKLIN HENDRIX.

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

Understand that House yesterday passed independent offices appropriation bill in which elimination is recommended of safety work and field offices in Bureau of Motor Carriers, Interstate Commerce Commission. It appears that this recommendation would virtually eliminate regulation of motor carriers and would be extremely disastrous and harmful. Would appreciate your looking into this matter and elimination of recommendation if consistent with your thoughts.

CEYLON B. FRAZER.

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

Re H. R. 4663. Understand this bill before Senate tomorrow. Senate should adopt Senate's report instead of conference report. Enforcement safety motor carrier regulations by field men necessary to interstate transportation. Appreciate your doing what you can.

A. LONGSTREET HEISKELL.

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Washington, D. C.:

For the public good the undersigned urges that you oppose the section of the independent office appropriations bill which deprives the Interstate Commerce Commission of revenue to operate its district and field offices which offices are for the protection of the public.

JOAN KNOLTON.

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Washington, D. C.:

For the public good the undersigned urges that you oppose the section of the independent offices appropriations bill which deprives the Interstate Commerce Commission of revenue to operate its district and field offices, which offices are for the protection of the public.

DOROTHY SAJONCE.

MEMPHIS, TENN., *July 22, 1953.*
Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

We want to urge that you vote to eliminate the provisions of independent offices appropriations bill prohibiting ICC from continuing field and safety work. If bill passes in present form motor carriers will be seriously hurt, also the public, as to safety.

DEAN TRUCK LINES.

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

In view of the very important and necessary function of the district and field offices of the Interstate Commerce Commission I wish to strongly urge that you oppose the section of the independent offices appropriations bill which eliminates the necessary revenue for these offices to operate, which I consider very detrimental to the relations of motor carriers and the general public.

JOHN L. TILLEY.

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Washington, D. C.:

For the public good the undersigned urges that you oppose the section of the independent offices appropriations bill which deprives the Interstate Commerce Commission of revenue to operate its district and field offices, which offices are for the protection of the public.

PAULINE SOUTHERLAND.

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

In view of the very important and necessary function of the district and field offices of the Interstate Commerce Commission, I wish to strongly urge that you oppose the section of the Independent Offices Appropriations bill which eliminates the necessary revenue from these offices to operate, which I consider very detrimental to the relations of motor carriers and the general public.

R. A. HANCOCK.

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAVUER,
Senate Office Building,
Washington, D. C.:

In view of the very important and necessary functions of the district and field offices of the Interstate Commerce Commission, I wish to strongly urge that you oppose the section of the Independent Offices Appropriations bill which eliminates the necessary revenue for these offices to operate, which I consider very detrimental to the relations of motor carriers and the general public.

W. B. ANDREWS.

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

For the public good the undersigned urges that you oppose the section of the Independent Offices Appropriation bill which deprives the Interstate Commerce Commission of revenue to operate its district and field offices, which offices are for the protection of the public.

J. W. HANNINGS.

MEMPHIS, TENN., *July 22, 1953.*
Senator ESTES KEFAUVER,
Washington, D. C.:

Urge that you vote to eliminate provision of H. R. 4663, Independent Offices Appropriation bill forbidding ICC to continue safety and field work for motor carriers.

MEADORS MOTOR LINES.

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

In view of the very important and necessary function of the district and field offices of the Interstate Commerce Commission I wish to strongly urge that you opopse the section of the independent offices appropriation bill which eliminates the necessary revenue for these offices to operate, which I consider very detrimental to the relations of the motor carriers and the general public.

R. W. PEACOCK.

OAK RIDGE, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

The League of Women Voters of Tennessee is distressed to learn of the House Appropriation Committee's proposed cut of 20 percent in funds for mutual-security program. We feel this would imperil the United States technical assistance program to underdeveloped countries. We believe it particularly unwise to cut by 60 percent the United States contribution to U. N. technical assistance program. Now just when the U. S. S. R. and Poland are recognizing the worth of such a program and proposing to support it. We urge you to use your influence to restore these cuts in mutual security program funds.

Mrs. HARRY BAINBRIDGE,
President.

MEMPHIS, TENN., *July 22, 1953.*
Hon. ESTES KEFAUVER,
Washington, D. C.:

For the public good the undersigned urges that you oppose the section of the independent offices appropriation bill which deprives the Interstate Commerce Commission

of revenue to operate its district and field offices, which offices are for the protection of the public.

IRIS GREENE.

MEMPHIS, TENN., *July 22, 1953.*

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.:

Will appreciate your vote to retain district offices of Bureau of Motor Carriers of the Interstate Commerce Commission. Should these offices be closed the shipping public and legitimate motor carriers would have no one to assist in policing the handling of interstate shipments by truck operators not having ICC authority. Also, these offices assist tremendously toward control of safety regulations on public highways.

ROADWAY EXPRESS, INC.,
W. H. CRUTCHFIELD,
General Freight Agent.

MEMPHIS, TENN., *July 22, 1953.*

Hon. ESTES KEFAUVER,
Washington, D. C.:

The undersigned urges that you oppose the section of the Independent Office appropriation bill which deprives the Interstate Commerce Commission of revenue to operate its district and field offices, which offices are for the protection of the public.

MRS. JEAN MARTIN.

MEMPHIS, TENN., *July 22, 1953.*

Hon. ESTES KEFAUVER,
Washington, D. C.:

We want to urge that you vote to eliminate provision of Independent Offices appropriation bill prohibiting ICC from continuing field and safety work. If bill passes in present form motor carriers will be seriously hurt, also the public as to safety.

LAWSON FREIGHT LINES.

MEMPHIS, TENN., *July 22, 1953.*

Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

In view of the very important and necessary function of the district and the field offices of the Interstate Commerce Commission I wish to strongly urge that you oppose the section of the Independent Office appropriations bill which eliminates the necessary revenue for these offices to operate, which I consider very detrimental to the relations of motor carriers and the general public.

KENNETH C. SEELEY.

MEMPHIS, TENN., *July 22, 1953.*

Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

In view of the very important and necessary function of the district and field offices of the Interstate Commerce Commission I wish to strongly urge that you oppose the section of the independent offices appropriation bill which eliminates the necessary revenue for these offices to operate, which I consider very detrimental the relations of motor carriers and the general public.

JOE BRINKERHOFF, Jr.

MEMPHIS, TENN., *July 23, 1953.*

Senator ESTES KEFAUVER,
United States Senate,
Washington, D. C.:

There is a bill coming up before the Senate tomorrow headed "Independent Offices Appropriation bill", which reduce the safety and field activities of the ICC Division of Motor Carriers so that they would be unable to operate effectively. Endeavor to provide elimination of the portion of the bill effecting the safety provision for the general public.

HAYES FREIGHT LINES,
PALMER OLLARD.

MEMPHIS, TENN., *July 22, 1953.*

Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

In view of the very important and necessary function of the district and field offices of the Interstate Commerce Commission I wish to strongly urge that you oppose the section of the independent offices appropriation bill which eliminates the necessary revenue for these offices to operate, which I consider very detrimental to the relations of motor carriers and the general public.

W. T. LANCASTER.

MEMPHIS, TENN., *July 22, 1953.*

Hon. ESTES KEFAUVER,
Washington, D. C.:

For the public good, the undersigned urges that you oppose the section of the independent offices appropriation bill which deprives the Interstate Commerce Commission of revenue to operate its district and field offices, which offices are for the protection of the public.

MRS. MARY B. OSWALT.

MEMPHIS, TENN., *July 22, 1953.*

Hon. ESTES KEFAUVER,
Senate Office Building:

In view of the very important and necessary function of the district and field offices of the Interstate Commerce Commission, I wish to strongly urge that you oppose the section of the independent offices appropriation bill which eliminates the necessary revenue for these offices to operate, which I consider very detrimental to the relations of motor carriers and the general public.

W. T. BADDLY.

BRISTOL, VA., *July 22, 1953.*

Hon. ESTES KEFAUVER,
Senate Office Building:

Concerned over bill to reduce Interstate Commerce Commission appropriation. Please use influence to restore appropriation for Bureau of Motor Carriers field force.

SMITH TRANSFER & STORAGE,
By ANDY SMITH.

BRISTOL, VA., *July 22, 1953.*

Hon. ESTES KEFAUVER,
Senate Office Building:

Committee action on Interstate Commerce Commission appropriations highly detrimental to motor-transport industry. Hope you will vote to restore appropriations for Bureau of Motor Carriers field force and safety department.

E. J. RUTHERFORD,
President, Bristol Van & Storage Co.

MEMPHIS, TENN., *July 22, 1953.*

Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

Understand Senate committee has recommended adoption of House bill abolishing funds for operations of Interstate Commerce Commission district offices. This would mean the discontinuance of all safety work now being done by the Interstate Commerce Commission and would not only be detrimental to the motor carrier industry but to the general public as well. This is not a good bill and will result in confusion and chaos among the motor carriers. Your vote against this bill will insure the continued growth and expansion of the already great industry in the United States.

DEALER TRANSPORTS,
MACK SNIPES,
Vice President and General Manager.

NASHVILLE, TENN., *July 22, 1953.*

Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

Urge opposition to conference committee report on H. R. 4663 recommendation that $1,793,000 be taken from Bureau Motor Carrier funds for safety and field work and used by Interstate Commerce Commission for other work.

RICHARD GLEAVES.

MARTIN, TENN., *July 22, 1953.*

Hon. ESTES KEFAUVER,
United States Senate:

Re conference report on H. R. 4663. Your action in restoring funds of the present appropriations of bill H. R. 4663 will be greatly appreciated as this bill will cut the major portion from the Nations' safety program. If such program is carried out the present rate of 38,000 deaths and accidents on the highways will be expected to increase.

C. U. WHELDON,
Argo Collier Truck Lines.

CHICAGO, ILL., *July 22, 1953.*

Senator ESTES KEFAUVER,
Senate Office Building:

We think H. R. 4663 will affect the safety and proper operation of motor carriers if the field offices are eliminated.

STEPHEN, CUISINIER & GILLESPIE.

NEW YORK, N. Y., *July 22, 1953.*

Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

Re conference report independent office appropriations bill. Understand this bill released from committee and passed by House vote today. In effect this would close down the various division offices of the ICC which affects safety enforcement, etc. Most vital branch of ICC will therefore be shut down. The safety of the traveling public. Road supervision, etc., will necessarily be hampered. Most urgent that this conference bill be sent back to committee for further study and to give transportation companies an opportunity to be heard on subject. Would appreciate your cooperation and efforts to protect the trucking industry.

HARRIS J. KLEIN.

NASHVILLE, TENN., *July 21, 1953.*

Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

On behalf of the 116,000 people employed directly by the trucking industry in Tennessee we urge your active support on S. 1461, together with amendment filed on July 2 by Arthur, Johnson, Bricker, Capehart.

CHARLES H. POTTER,
Southeastern Motor Truck Lines.

NASHVILLE, TENN., *July 21, 1953.*

Senator ESTES KEFAUVER,
Senate Office Building, Washington, D. C.:

Re House bill H. R. 4663. I urge you to use your influence to restore funds for safety work of ICC.

PAUL L. ANDREWS,
Representative Washington County.

NASHVILLE, TENN., *July 21, 1953.*

Hon. ESTES KEFAUVER,
Senate Office Building, Washington, D. C.:

Re conference report on H. R. 4663. Adoption of the House report on this bill cuts off a major portion of the safety program of this Nation and can be expected to increase the death toll on the highways. Your help in restoring these funds is urgently needed and will be appreciated. Please advise your position.

STAN OWENS,
General Manager, Tennessee Motor Transport Association.

BRISTOL, VA., *July 22, 1953.*

Hon. ESTES KEFAUVER,
Senate Office Building:

Committee action on Interstate Commerce Commission appropriations highly detrimental to motor transport industry. Hope you will vote to restore appropriations for Bureau of Motor Carriers field force and safety department.

E. J. RUTHERFORD,
President, Bristol Van & Storage Co.

BRISTOL, VA., *July 21, 1953.*

Hon. ESTES KEFAUVER,
Senate Office Building:

We are very much interested in the appropriations measures now pending for the Interstate Commerce Commission. We hope you can see fit to vote to restore appropriation for Bureau of Motor Carriers field force and safety department.

R. N. MCINTURFF,
President, Rutherford Freight Lines, Inc.

MEMPHIS, TENN., *July 22, 1953.*

Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

Urgently request that you amend independent offices appropriation bill to restore authority to Interstate Commerce Commission to conduct safety and field activities' work and supervision. Without these activities conditions in the motor carrier industry will return to same chaos as was prevalent prior to passage of Motor Carrier Act in 1935. This request is in the interest of shippers and receivers of freight as well as the motor carrier industry.

GORDONS TRANSPORT, INC.,
M. M. GORDON,
President.

NASHVILLE, TENN., *July 22, 1953.*

Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

House bill 4663 conference committee report directs appropriation of $1,793,000 Bureau Motor Carriers safety and field work to be used by ICC for other purposes. This will have effect of destroying safety and field work of Bureau Motor Carriers. Wildcat truckers, gypsies, and bootleggers will have a field day at the expense of legitimate, established truck lines. Called your office to speak to you personally about matter but you were on Senate floor. Let me urge you strongly as possible to have this appropriation earmarked for BMC safety and field work when conference report comes before the Senate tomorrow.

WHITWORTH STOKES.

MEMPHIS, TENN., *July 22, 1953.*

Hon. ESTES KEFAUVER,
United States Senate:

Field work by the ICC is vital to the very life of this Nation's transportation network. Their safety program alone saves thousands of traffic deaths annually. This function in itself is worth the expenditures and capital needed to carry on. Adoption of the House report on H. R. 4663 will abolish all means of carrying on such work. Your help in returning the funds concerned in H. R. 4663 is urgently requested.

FILM TRANSIT, INC.,
G. L. BRANDON,
General Manager.

MEMPHIS, TENN., *July 23, 1953.*

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.:

We understand in H. R. 4663 the committee made certain recommendations to ICC which if followed will seriously restrict safety and field work of ICC. No State in the South attempts to control hours of service of truck drivers. This is vitally important to every person using the highways today. We desire to strongly urge removal of committee recommendation in order that present field and safety work of ICC be continued. Your strong support is urgently solicited.

COOK TRUCK LINES, INC.,
L. C. MILLER.

MEMPHIS, TENN., *July 23, 1953.*

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.:

Kindly refer H. R. 4663 concerning independent offices appropriation bill safety and field works of the Interstate Commerce Commission. As a representative motor carrier we should like to state our opposition to the elimination of safety and field works on the grounds that said elimination would tend to tear down and disrupt that which the ICC has built and supervised and policed during the past 20 years. Your earnest efforts toward defeat of this bill will be in the public interest of a rapidly growing industry that is in dire need of continual supervision through the district offices of said Interstate Commerce Commission.

T. V. MCEVILLY,
Loomac Freight Lines, Inc.

MEMPHIS, TENN., *July 22, 1953.*

Hon. ESTES KEFAUVER,
Washington, D. C.:

For the public good the undersigned urges that you oppose the section of the independent office appropriations bill which deprives the Interstate Commerce Commission of revenue to operate its district and field offices, which offices are for the protection of the public.

H. B. RAMSEY.

Mr. SALTONSTALL. Mr. President, I thank the Senator from Tennessee.

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

Mr. SALTONSTALL. I yield.

Mr. DIRKSEN. The Senator from Illinois has propounded a parliamentary inquiry. I should like to have a ruling on it. It is my understanding that the Chair is ready to rule. I believe it would be informative.

Mr. SALTONSTALL. Mr. President, I yield to the Senator from Illinois for the purpose of stating his parliamentary inquiry, provided I do not lose the floor.

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

Mr. KNOWLAND. Mr. President, may we have the parliamentary inquiry stated?

Mr. DIRKSEN. The RECORD will show it, but it was substantially: What is the legal or binding effect of the language that appeared in the conference report, which represented only the opinion of the managers of the House and had never been examined heretofore by the Members of the Senate?

Mr. KEFAUVER. Mr. President, a parliamentary inquiry. I believe the suggestion of the Senator from Illinois does not exactly state the facts. What the Senator from Massachusetts stated was discussed in the conference. I do not believe the facts of the case show that the language was never considered by the Senate. It was probably discussed in conference. Therefore, I wonder whether the parliamentary inquiry fits exactly the situation as it is described by the Senator from Massachusetts.

Mr. President, in order to clarify the matter, will the Senator from Illinois restate his parliamentary inquiry, and then allow the Senator from Massachusetts to state whether the statement of fact on which it is based is accurate.

The PRESIDING OFFICER. Will the Senator from Illinois restate his parliamentary inquiry, for the benefit of the Senator from Tennessee?

Mr. DIRKSEN. Mr. President, the inquiry was rather general in nature, but it went substantially to the question that is before the Senate at the present time, namely, whether there is in the statement which accompanies the report, language by the managers on the part of the House which, although submitted to the House, had never come to the attention of the managers on the part of the Senate—which is as I understand the situation. That might or might not have a very specific effect upon the way the appropriation in question might be expended.

Therefore, the question is whether, under those circumstances, that language in the statement which accompanies the report has any legal or binding effect regarding the purposes for which the expenditures can be made or the amount of the expenditures, or whether it represents nothing more than the opinion of the House conferees.

The PRESIDING OFFICER. The Chair is ready to rule.

Mr. MORSE. Mr. President, will the Chair please withhold the ruling, so that we may have a little discussion, and in order that I may ask a question of the Senator from Massachusetts? I make the request because the ruling will be very important to the Senate, and because the parliamentary inquiry itself assumes a fact about which I wish to be sure. Before the Chair rules, I wish to know whether it is a fact.

So, Mr. President, if the Chair will permit, I wish to ask the following question of the Senator from Massachusetts: Am I right or am I wrong when I state that it is my conclusion that in the conference no question was left by the House conferees—with Mr. PHILLIPS acting as the chairman of the House conferees—that they were going along with the understanding that this money would be redistributed by the Interstate Commerce Commission to other work which is considered to be of more importance? Was there such discussion in the conference committee?

Mr. SALTONSTALL. The first point which was brought up in the conference committee, to the best of my knowledge and memory, was about the money. It was voted to restore the money. I refer to the money the Senate voted to have used to have the Wolf report put into operation and to streamline the efforts in carrying out the work of the Commission.

The safety question was then brought up. The clerk, Mr. Cooper, read a letter which had been received by me, as chairman, stating that the safety work should be continued.

The House conferees objected very strenuously to the terms of the letter.

It was then agreed that the money appropriated for the Commission should be used first for other things; and it was the idea of the conferees on the part of the House, as I understood, that the safety work would not be given up, but that the Wolf report would be put into effect, that the employees would be absorbed, and that the safety work would be given a lower priority.

Mr. MORSE. Mr. President, I wish to say, most respectfully, to the Senator from Massachusetts, that I think his very account of the discussion in the conference committee fully justifies the language used by the House conferees in their statement to the House, when they said it was agreed by the conferees that this money should be redistributed and used for purposes which were considered more important.

So the parliamentary inquiry includes an assumption of fact which is not borne out by the very statement which has been made by the chairman of the Senate conferees, namely, that this matter was discussed, that there was objection by the House conferees, that there was insistence by the House conferees that there be an understanding that the money be redistributed so as to be used for work other than safety work; that they so reported to the House; and that on the basis of that understanding, the House adopted the conference report.

Mr. SALTONSTALL. Mr. President, I should like to read a part of the colloquy in the House between Mr. COOLEY and Mr. PHILLIPS:

> Mr. COOLEY. In the conference report the conferees make certain recommendations which, of course, will not be binding but will be only advisory to the Commission?
>
> Mr. PHILLIPS. That is correct.

Mr. KERR. Mr. President, will the Senator from Massachusetts yield to me?

Mr. SALTONSTALL. I yield.

Mr. KERR. I hold in my hand report No. 881, which bears the heading "First Independent Offices Appropriation Act, 1954" and contains the subheading "Conference Report (to accompany H. R. 4663)."

I wish to ask the Senator from Massachusetts whether there is any other report of the conference committee.

Mr. SALTONSTALL. It is my understanding that the Senate conferees never submit a printed statement to accompany a conference report, but that the managers on the part of the House always submit a printed statement to the House of Representatives. So far as I know, the Senate conferees on these bills never see the printed statement on the part of the managers for the House, which is submitted to the House until it is printed and until the conference report itself comes upon the floor of the Senate.

In this instance, until this question arose, and until I knew it was to be an issue, I had never seen this printed statement, which is signed only by the managers on the part of the House, and was not in any sense subjected to scrutiny by the conferees on the part of the Senate.

Mr. KERR. I understand that. But as a point of information for myself, as well as for the other Members of the Senate, let me inquire whether Report No. 881 is the only report on this subject that exists. It is, is it not?

Mr. SALTONSTALL. That is correct.

Mr. HILL. Mr. President, will the Senator from Massachusetts yield to me?

Mr. SALTONSTALL. I yield.

Mr. HILL. If the Senator will turn to page 7 of the document he holds in his hand, Report No. 881, he will find at the top of the page a heading "Statement of the Managers on the Part of the House." The statement follows. The language in question is to be found in the text following that heading. The Senator will also find that that statement is also signed; the names of the signers, who are the managers on the part of the House, appear on page 12.

In other words, the Senate conferees did not take part in that statement, which is a statement by the managers on the part of the House.

Mr. KERR. I am aware of that, and I express my appreciation to the Senator from Alabama for the suggestion, and also to the Senator from Massachusetts for answering my question.

But in view of the fact that it is the only printed statement by any of the conferees, and in view of the fact that it was the one which was before the House when the House adopted the conference report, therefore, not only in order to avoid any question as to what seems to be the intent of our distinguished conferees, for whom I have the greatest respect, and in whom I have the highest confidence, but also in order to make our own record clear and to do justice to them, we should take steps to have a further conference held.

Mr. SALTONSTALL. Mr. President, to the best of my knowiedge, both the Senator from Alabama and the Senator from Louisiana were present in the conference when this subject was discussed. If I have not stated the matter accurately, I shall be very glad to yield, so that we may hear from them.

Mr. HILL. Mr. President, will the Senator from Massachusetts yield to me?

Mr. SALTONSTALL. I yield.

Mr. HILL. To the best of my recollection, the Senator from Massachusetts has stated the matter accurately. I think he has stated it in just the way it developed. The agreement was that the appropriation was to be put back into the bill, and certainly my understanding is along the line of that stated by the Senator from Massachusetts to the Senate, namely, that to implement the Wolf report would not involve, so far as I understood, any desertion of the safety work done by the Interstate Commerce Commission.

Mr. KNOWLAND. Mr. President, will the Senator from Massachusetts yield to me?

Mr. SALTONSTALL. I yield.

Mr. KNOWLAND. I have been discussing the matter with the distinguished Senator from Massachusetts, as well as with the distinguished minority leader. I was going to make a suggestion which I understood would be agreeable, namely, that the conference report be rejected—as a part of the procedure—and that then, assuming that the Senate rejected the conference report, a motion be made that the Senate further insist upon the remaining amendments in disagreement, as set forth in the report, request a further conference with the House of Representatives on all amendments in disagreement, and that the Chair appoint the conferees on the part of the Senate.

In regard to the amendments in disagreement, as they are set forth on page 6 of the conference report, at the bottom of the page, just preceding the signatures, we find the statement:

> The committee of conference report in disagreement amendments numbered 9, 33, 42, 43, 46, and 53.

My understanding is that amendment numbered 33, which was an amendment on the part of the Senate, had already been accepted by the House, and therefore it is not in isssue.

So far as I know—and the distinguished Senator from Alabama and the other Senators who were present at the conference will, of course, be able to state their understanding of the matter—there is no controversy or major difference of opinion regarding amendments numbered 9, 46, and 53. I may be mistaken, but that is my understanding.

Amendments numbered 42 and 43, the housing amendments were subject to controversy.

I understand there were 3 different housing amendments, namely, amendments numbered 33, 42, and 43. But amendment numbered 33 having been accepted by the House, it is no longer at issue.

That leaves only amendments numbered 42 and 43.

So they would be sent to the further conference, along with the conference report, if the Senate so votes.

Mr. JOHNSON of Texas. We are agreeable to that course.

Mr. KNOWLAND. Yes. I have also discussed this matter with the Senator from Massachusetts. Although he feels that this procedure would clarify the situation, yet there seems to be some doubt. In view of the precedents of the Senate and the problems which might be raised, I am inclined to believe that probably the more orderly procedure and the more expeditious procedure would be for us to reject the conference report and request a further conference with the House on the amendments in disagreement. I am of that opinion because it is obvious that we shall have considerable discussion not only tonight, but tomorrow, and of course the House is not in session; and if we were to adopt a concurrent resolution, the result would be that action on the appropriation bill would have to be held up, in order to wait to see what action the House would take on the concurrent resolution. So, I am inclined to believe we would save more time—rather than be required to wait that long—by rejecting the conference report and by having a further conference on the amendments in disagreement.

The acting majority leader would not have made the suggestion, except after consultation with the distinguished Senator from Massachusetts and the minority leader. If that is agreeable to the Senate, I think we could proceed, and

it would then be my purpose to recess until tomorrow morning at 10 o'clock.

The reason is that I think all Members of the Senate, in the general comity that exists between the two Houses, find that there is a very definite feeling on the part of the distinguished Senator and other members of the conference committee that they thoroughly understood what was done. In the future, we do not want any question to be raised, regardless of how remote, as to the good faith of the Senate in living up to its part of an agreement. Therefore, rather than have even a remote possibility of that, I think probably it would be much better to follow the procedure I have suggested, if it is agreeable to the Senate.

Mr. DIRKSEN. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. DIRKSEN. I withdraw the parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois withdraws his parliamentary inquiry. The question is on agreeing to the conference report.

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

Mr. SALTONSTALL. I yield to the Senator from Illinois.

Mr. DOUGLAS. I think the suggestion of the distinguished acting majority leader, that not only the issue concerning the safety work of the Interstate Commerce Commission, but also the two amendments in regard to housing, be included in the matters of disagreement and sent back to conference is extremely sound and wise.

In order that the RECORD may be clear on this point, I think it well to know exactly what the House did. The House not only put a limit of 20,000 units on construction for this fiscal year, but it also forbade any future units being contracted for, and in the debate virtually forbade any future construction, although there are some 62,000 units that are now under definite contract.

On the recommendation of the Representative from California, Mr. PHILLIPS, such an amendment was adopted by the House, which means, if not objected to by the Senate, the absolute death of public housing in the great cities of this country and a continuation of the slums and the discontinuance of public housing for low-income groups in smaller cities and towns as well.

Mr. President, those of us in Congress who have sought civil rights legislation have been stopped by a combination of Republicans and Southern Democrats who are really Dixiecrats. In 1954 we shall renew our fight for F. E. P. C. and other anti-discriminatory legislation and keep hammering on these issues until we win.

But meanwhile, we have been able to make some advances for low-income Negroes, especially in the field of housing. Before 1949 all colored persons found themselves confronted with a desperate housing shortage. Faced with excessively high rents, discrimination in financing and location and a variety of other factors, there were just no decent places for low-income Negroes to live. The one positive accomplishment to help in this situation was the Public Housing Program of 1949.

Now, the Republicans are apparently attempting to destroy even this last vestige of a fair break for the Negro. This can be seen by their actions in stopping the public housing program in our first session of the 83d Congress. As a part of an appropriation bill, they legislate to stop the Public Housing Administration from contracting for new house construction. If this policy continues, the whole public housing program will dry up and the only Federal program favorable to Negroes will fall by the wayside.

Make no mistake about it, Mr. President, a vote to destroy public housing is a vote against the Negro. Proof of this can be seen from the figures I have assembled on what public housing means to Negroes. We cannot permit this Nation to slide backwards in working for the elimination of unfair treatment of minority groups.

Mr. President, I think we should be very definite in our statement that we should reject the House interpretation, not only on the matter of the ICC safety work but also on the matter of housing, as well. I thank the acting majority leader for including that in the frame of reference for the conference committee, but I think the RECORD should show very clearly that we are in disagreement on both points and not merely on one.

I serve notice, Mr. President, that even though we temporarily lose the battle for decent housing for low-income groups, we shall never give up the fight. Public housing is a program necessary for low-income persons in city and rural slums and we must keep it alive.

Mr. President, I ask unanimous consent that a statement I have prepared on the subject of public housing, and a summary of the telegrams which I have received on the ICC feature of the conference report, be printed at this point in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement and summary of telegrams were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DOUGLAS AND OUTLINE OF OBJECTIONS TO HOUSE AMENDMENTS TO PUBLIC HOUSING PROVISIONS IN H. R. 4663

SUMMARY

The House amendments accompanying the conference report on H. R. 4663 are a knockout blow to the low-rent public housing program. As the debate in the House made clear last Tuesday, the House leadership has sought to fasten into this bill a restriction against any future public housing contracts with the express intention of liquidating the program. The limitation to 20,000 units is bad enough. The restriction against new contracts, with the interpretation given by the House leaders, is fatal.

That part of the total housing program which is of greatest benefit to low-income groups, and to racial minorities, and which is essential to the slum clearance and urban redevelopment plans, is thus about to be thrown out the window. It is far different from the royal reception recently accorded the real estate, home construction, mortgage financing and other private building interests by Congress as we rolled out the red carpet and extended and expanded the various loans, loan guaranties, secondary markets for mortgages and other programs by which the Government gladly assists all of those groups.

If the Senate is to maintain this essential, but very small, part—it is hardly 3 percent—of our national housing program, I believe it must send the bill back to conference with a clear understanding that we want them to take the knife out of the back of public housing. The able and energetic majority leader in the Senate, whose absence we all deeply regret, did much in 1949 to father and develop this well-balanced housing program and win congressional approval for it. The senior Senator from Louisiana, [Mr. ELLENDER], was a vigorous advocate and cosponsor. It deserves the same bipartisan support today.

OUTLINE OF OBJECTIONS TO PUBLIC HOUSING PROVISO (HOUSE AMENDMENT TO SENATE AMENDMENT 43)

LEGISLATION IS A DEFINITE STEP TOWARD LIQUIDATION OF THE LOW-RENT PUBLIC HOUSING PROGRAM

That the provision adopted by the House to prohibit the Public Housing Administration from making any new loan and contributions contracts unless later authorized, is a deathblow to the program, is clearly shown by the House debate July 21, 1953, when this provision was approved.

On that occasion the following statements were made:

"Mr. COLMER. I understood the gentleman from California to say in substance that this would liquidate the public housing program.

"Mr. PHILLIPS. That is the intent of the conference committee." (CONGRESSIONAL RECORD, July 21, 1953, p. 9417.)

"Mr. THOMAS. The committee decided this year they would tighten up the language and virtually attempt to wind up the program. * * * But until the next Congress begins, for all practical purposes, this program is wound up, with the exception of the 20,000 units included in the bill." (CONGRESSIONAL RECORD, July 21, 1953, p. 9420.)

In the House debate Congressman PHILLIPS also put special emphasis on what he called "escape clause" in existing loan and contribution contracts, suggests that by virtue of those clauses the Federal Government can get out of many of the existing loan and contributions contracts. The legal interpretation put on these clauses by the agency is merely that they prevent the Government from being obligated to start more than 35,000 units (the 1953 act limit) in any one year.

With Congressman PHILLIPS' interpretation of those contracts, and his expressed intention on the House floor, it is clear that the effort is being made to stop all further public housing projects except for the 20,000 units authorized in this bill.

This means that nearly two-thirds of the units presently under executed contributions contracts, which most of us had considered binding, may not go forward. This following list of those projects by States and city areas (excluding the approximately 6,000 units in controversy in Los Angeles) shows the wide range of the housing thus endangered.

Executed annual contributions contracts but not under construction, June 30, 1953

	Number units
Alabama: Hartselle	12
Arkansas: Blytheville	60
California:	
Bakersfield (Kern County)	163
Brawlew area (Imperial County)	25
Colton	31
Indio (Riverside County)	20
Los Angeles	1,593
Oakland	1,998
Richmond	300
Sacramento County	100
San Francisco	2,683
Colorado: Denver	520

Executed annual contributions contracts but not under construction, June 30, 1953—Continued

	Number units
Connecticut:	
Ansonia	125
Derby	75
Meriden	140
New Haven	368
District of Columbia	1,386
Florida:	
Miami	488
West Palm Beach	250
Georgia:	
Atlanta	510
Athens	286
Illinois:	
Alton (Madison County)	100
Brussels (Calhoun County)	4
Chicago	8,015
Gillespie (Macoupin County)	20
Hamburg (Calhoun County)	6
Pinckneyville (Perry County)	26
Hardin	22
Kampsville	12
Kankakee	120
Indiana:	
Evansville	108
Indianapolis (in litigation)	659
Muncie	520
Kentucky:	
Owensboro	74
Somerset	50
Louisiana: New Orleans	1,352
Maryland: Baltimore	2,588
Massachusetts:	
Boston	150
Clinton	100
Gloucester	100
Lowell	372
Lynn	175
Michigan:	
Detroit	3,874
Pontiac	300
Saginaw	236
Minnesota: St. Paul	418
Mississippi:	
Meridian	92
Yazoo City	40
Missouri: St. Louis	3,384
New Jersey:	
Bloomfield	125
Kearny	160
Newark	778
Paterson	252
Trenton	122
New York:	
Buffalo	472
New York	9,062
Syracuse	331
North Carolina:	
Goldsboro	115
Rocky Mount	110
Winston-Salem	244
Ohio:	
Cincinnati	660
Cleveland	998
Columbus	524
Youngstown	304
Oregon: Reedsport (Housing Authority, Douglas County)	14
Pennsylvania:	
Connellsville	125
Harrisburg	165
Philadelphia	975
Pittsburgh	1,000
Turtle Creek (Housing Authority, Allegheny County)	300
Puerto Rico:	
Arecibo (Puerto Rico Housing Authority)	200
Moca (Puerto Rico Housing Authority)	74
Rio Piedras (Puerto Rico Housing Authority)	664
San Juan (municipal housing authority of capital)	1,150
Tennessee:	
Chattanooga	206
Etowah	54
Memphis	79

Executed annual contributions contracts but not under construction, June 30, 1953—Continued

	Number units
Texas:	
Beaumont	150
Galveston	104
Knox City	32
Naples	20
Omaha	10
Port Arthur	168
Texarkana	125
Tom Bean	10
Whitewright	16
Virginia:	
Alexandria	46
Norfolk	742
Portsmouth	665
Wisconsin: Milwaukee	411
Total	55,815

Source: Public Housing Administration.

The statements by the leading House conferees thus mean that the pipeline of projects working up to the ready stage for construction is cut off. No new projects can be put into it to be ready when Congress appropriates further sums. And the agency is being asked to dump all possible existing contracts out of the pipeline on the theory of an escape clause.

The importance of having an inflow of executed annual contributions contracts and the necessity of preparing well in advance for the time when construction is authorized is explained in the following extract from a statement of May 5, 1953, by the Public Housing Commissioner which was furnished to the Comptroller General of the United States, Lindsay C. Warren:

"It has been the experience of the Agency under the United States Housing Act of 1937, as amended, that in order to create a sufficient workload to result in a certain number of units ready for construction in a particular fiscal year, it was necessary to place many more than that number under annual contributions contracts (up to the annual contributions contract a local housing authority cannot even start acquiring sites), a still larger number under preliminary contracts (where preliminary loans for surveys and planning were necessary) and still more under program reservations. This practice is necessary for two obvious reasons: (1) a certain number of projects under program reservations never reach the point of either preliminary loan contracts or annual contributions contracts, and a lesser number drop out between the preliminary loan contract stage and the annual contributions contract stage, (2) some projects progress from the stage of program reservation, preliminary loan contract, or annual contributions contract, to the construction stage in a relatively short time; others, for various reasons such as the size of the project, problems of design, cost, site selection and acquisition, reconciliation of local differences of opinion, relocation of slum-site dwellers, etc., may take years to reach the point of construction."

The Senator from South Carolina [Mr. MAYBANK] and Commissioner Egan also made it clear in the Senate hearings (p. 446) that in many cases it takes from 3 to 4 years after the execution of the contributions contracts to start construction. Cutting off the flow of new contracts and pressure to nullify existing contracts, which the House provision and debate attempt, are thus likely to be fatal to public housing.

Although I am confident that our Senate conferees did not intend any such liquidation of the program, it would appear that the House conferees did.

HOUSING ASSISTANCE TO THOSE IN GREATEST NEED IS TO BE CUT OFF

While virtually all other programs for housing assistance have been continued and extended, public housing for low-income families is to be reduced and soon cut off.

THE HOUSING OPPORTUNITIES FOR NEGRO FAMILIES WILL BE ESPECIALLY HARD HIT

The housing program that has done the most to give Negro families a fair shake and to meet the serious shortage that exists for these families in present housing opportunities (because of discrimination in financing, exorbitant rents, site location, etc.), has been the low-income public housing program. Under the legislation prior to 1949, 70,200, or 42.7 percent of the 183,000 occupied units were occupied by Negro families. Of the 170,200 units completed, or under construction, under the 1949 act as of June 30, 1953, 49,200, or 28.9 percent are designated for occupancy by Negro families. Of the 175,200 units not under construction, under the act of 1949, 51,200, or 29.2 percent are planned for occupancy by Negro families. Of the 56,100 units (included in the last figure mentioned above—175,200) under annual contributions contracts, 27,200, or 48.5 percent are planned for occupancy by Negro families.

Southern communities have a good record in this regard. A computation made nearly a year ago of units under all programs showed that in the Southern States 51 percent of the total number of units completed, under construction or planned, were for occupancy by Negro families. We in the North must acknowledge that the local action of southern communities has been more extensive than our own.

The needs of these citizens are further emphasized by certain facts in connection with the urban redevelopment programs. Of 48,900 families which will be displaced in 92 urban redevelopment projects a recent report reveals that 31,500 or 64.6 percent were nonwhite. I understand that over 80 percent of these Negro families are reported to be living in substandard housing and that nearly 60 percent of such displaced families must be rehoused in public housing.

The importance of this public-housing program not only for the families now housed in substandard houses, but also for the communities where group tensions often develop out of inadequate housing situations hardly needs to be underlined. It is hard to see how anyone who recognizes the great needs of Negro citizens for housing and the substantial assistance given by the public-housing program, could fail to support the continuation of it.

THE PUBLIC HOUSING LIMITATIONS OF THE HOUSE WILL SERIOUSLY HANDICAP THE SLUM-CLEARANCE AND URBAN-REDEVELOPMENT PROGRAMS ALSO

Since under the law slum clearance requires the relocation to decent, safe, and sanitary dwellings of those who are to be displaced, and housing shortages exist in many of these cities, public housing for relocated families becomes a most essential part of the total program.

It is ironical, as pointed out in the House debate by Congressman YATES, that the slum-clearance and urban-redevelopment figure in this bill is 150 percent higher than last year's figure ($20 million instead of $8 million), while, at the same time, the heart is being cut out of the public housing program so necessary to its success.

THE PROVISIONS FOR A REPORT TO THE APPROPRIATIONS COMMITTEES COMPLETELY SIDETRACKS THE BANKING AND CURRENCY COMMITTEES, WHICH HAVE PRIMARY JURISDICTION FOR HOUSING LEGISLATION

If the bill can be sent back to conference, attention should also be given to the importance under orderly congressional procedure for any review and report on public housing to be sent to the appropriate legislative committees, the House and Senate Banking and Currency Committees. This will assure full hearings and discussion of this vital part of the well-rounded housing program adopted in 1949, with strong bipartisan support.

SUMMARY OF TELEGRAMS RECEIVED BY SENATOR PAUL H. DOUGLAS ON SAFETY FEATURES OF INTERSTATE COMMERCE COMMISSION WORK AS AFFECTED BY CONFERENCE COMMITTEE ACTION ON H. R. 4663

I have received numerous telegrams from citizens of Illinois protesting against those features of the conference report, which have been interpreted by the House conferees and the House, as discontinuing the safety inspection work of the ICC on trucks and other heavy motor vehicles. I hope that the Senate will also disagree with the House on this point and send the report back to conference.

Among those who have protested have been the following:

P. V. Pappas, Stephan Cuisinier and Gilespie, Adilon Peetit, Jr., Roy E. Olin, Franklin R. Overmyer, Safeway Truck Lines, Spector Motor Service, M. A. Riddle, Howard Willet, Jr., Midstate Freight Lines, Hinchcliffe Motor Service, Samuel L. Kane, Krerna Trucking Co., William Noorlag, Jr., all of Chicago; Dumont Cartage Co., of Aurora; C. John Viking, of Waukegan.

R. B. Oppenheimer and Lee Brothers Inc., of Chicago; Dohrn Transfer Co., of Rock Island; Eugene Cohn, Thomas E. Carey, Walter Mullady, Richard O. Stoaks, Max R. Harris, Fred Olson & Son, M. E. Holt, H. M. Sell, all of Chicago; Fox Valley Express and Martin Transfer and Storage, of Aurora; Bunsen Transfer, of Elgin; Midwest Transfer Co., Nighthawk Freight Service, W. W. Flint, and Dennis Collier, all of Chicago; Elgin Storage and Transfer Co., of Elgin.

Mr. SALTONSTALL. I desire to reply to the Senator from Illinois, very briefly, in regard to this bill going back to conference, by saying I do not agree with him in his interpretation that housing is to be given up. As one of the conferees, I am in favor of housing, and in my opinion the language continues it. It is for the Congress at the next session to decide how far to proceed with it. But I may say that if we get into that discussion, it will be a very long one.

In regard to the suggestion of the acting majority leader, I may say amendment No. 9 relates to the purchase of automobiles by the Federal Communications Commission. On amendment No. 9, the House receded and concurred with an amendment. On amendment No. 33, the Housing and Home Finance Agency amendment, the House receded and concurred in the Senate amendment, so there was nothing for us to do on that.

Amendment 42 relates to public housing, which has been discussed. Amendment 43 also relates to public housing, which has also been discussed. Amendment No. 46 relates to the Interstate Commerce Commission's purchase of automobiles. On it the House receded and concurred, with an amendment. I do not think there is any argument in regard to that amendment, or any particular interest in it, so I hope we can accept it.

Amendment 53 has to do with the National Capital Planning Commission, and land acquisition. On it the House receded and concurred, with an amendment. I do not think there is any interest in that. So the understanding I get is that if the Senate rejects the conference report, it will mean that all the other items, as to which there was not an amendment proposed by the House in which we had to concur, will be in conference.

The Interstate Commerce Commission amendment is in conference as well as the housing amendment, or they will be, if the motion of the acting majority leader prevails.

Mr. SPARKMAN. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield to the Senator from Alabama.

Mr. SPARKMAN. I do not wish to delay the Senate, but I believe we ought to be rather positive with reference to the continuation of the housing program. I certainly know that the Senator from Massachusetts means exactly what he says, when he states he is in favor of continuing it. It was my understanding, from discussions I had with various conferees on the part of the Senate, that the intent was not to discontinue the housing program. But again we must go back to the discussion which took place on the floor of the House when this amendment was considered. I wish to read a question which was propounded to Representative PHILLIPS, who was chairman of the managers on the part of the House. This statement was made by Representative COLMER:

I understood the gentleman from California to say in substance that this would liquidate the public-housing program?

Mr. PHILLIPS replied:

That is the intent of the conference committee.

Mr. KEFAUVER. Mr. President, will the Senator tell us the page from which he is reading?

Mr. SPARKMAN. That is found on page 9417 of the CONGRESSIONAL RECORD for July 21. The first statement I read, and the reply thereto, appear in the middle of the third column. In the first column on page 9418, after a brief discussion, Representative PHILLIPS stated:

I believe that these 20,000 houses for this year should end this public-housing program, and that in the future we should depend upon private industry with the help of the FHA and similar supporting programs to carry on local construction.

Still later, as shown on page 9420, in the third column, Representative THOMAS, who is the ranking Democrat on the committee, said:

For all practical purposes this program is wound up with the exception of the 20,000 units included in the bill.

Mr. President, I think we ought to have those statements in mind. We ought to make certain that when there is a final decision between the two Houses, the intent of the Senate will be well understood, namely, that it is not intended that there shall be a liquidation of the housing program, but that what it amounts to is a cutting down to the figure agreed upon, of 20,000 units per year.

Mr. President, I realize, of course, that there was another provision, and that it should be studied. These provisions should go to the appropriate committees of the two Houses. Of course, we all have great respect for the powerful Appropriations Committees; yet, after all, the determination of basic legislation ought to be made by legislative committees, and legislation ought to be proposed to the Senate by legislative committees. If an existing program is to be abolished, it ought to be abolished upon the recommendation of a legislative committee. If a study is to be made to determine what the future of that program is to be, and if it involves basic legislation, I say the study ought to be made by the appropriate legislative committees, and that there should be substantive legislation.

Mr. President, I shall not take any more time, but, in order that there may be before the Senate a showing with reference to the housing situation, let me say that these are units which have been in process, applications prepared and preliminary contracts made, over a period of 2 or 3 years. Not a single one has come in since July 5, 1952. That is when the curtailment to 35,000 units was made, and this does not involve a single unit based upon an application or contract since that time. The Senator from Illinois [Mr. DOUGLAS] has stated what will happen, and I would add to what he said that public housing in the smaller towns and cities would be wiped out completely.

Mr. President, I ask unanimous consent to insert in the RECORD a list of States, with the localities and the number of units affected, and I invite the attention of the Members of the Senate, from every State in the Union, to look over the list and note the small towns and small cities which would be adversely affected by a stoppage of the program.

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

ALABAMA

Abbeville	40
Adamsville, Housing Authority Jefferson County	115
Aliceville	44
Altoona	34
Anniston	136
Arab	32
Attalla	110
Berry	24
Birmingham	2,000
Brookside, Housing Authority Jefferson County	6
Carson, Housing Authority Washington County	10
Chatom, Housing Authority Washington County	22
Collinsville	2
Crossville	6
Demopolis	100
Elba	34
Enterprise	50
Florala	42
Florence	100
Gadsden	200
Gardendale, Housing Authority Jefferson County	62
Geneva	34
Graysville, Housing Authority Jefferson County	74
Haleyville	8
Hanceville	12
Harpersville, Housing Authority Vincent	16
Hartford	34
Heflin	34
Huntsville	20
Kimberly, Housing Authority Jefferson County	62
Leeds	18
Leighton	30
Lineville	28
McIntosh, Housing Authority Washington County	10

Millry, Housing Authority Washington County	8
Mobile	207
Montgomery	910
Mulga, Housing Authority Jefferson County	230
Oneonta	10
Opp	60
Pell City	48
Piedmont	36
Ragland	26
Scottsboro	100
Sunflower, Housing Authority Washington County	10
Talladega	196
Trussville	34
Vernon	16
Vincent	12
Warrior, Housing Authority Jefferson County	74
Winfield	4
Yellow Pine, Housing Authority Washington County	10
York	18
Total (53)	5,558

ARIZONA

Avondale, Housing Authority Maricopa County	30
Buckeye, Housing Authority Maricopa County	20
Elmirage-Surprise, Housing Authority Maricopa County	20
Gilbert-Higley, Housing Authority Maricopa County	20
Maricopa, Housing Authority Pinal County	30
Maricopa County	150
Peoria, Housing Authority Maricopa County	20
Phoenix	516
Stanfield, Housing Authority Pinal County	20
Tolleson, Housing Authority Maricopa County	40
Total (10)	866

ARKANSAS

Blytheville	14
Little Rock	72
Texarkana	80
Total (3)	166

CALIFORNIA

Atwater, Housing Authority Merced County	15
Calipatria	25
Coalinga, Housing Authority Fresno County	25
Eureka	60
Imperial	25
Holtville	50
Marysville	50
Oakland	2
Oakley, Housing Authority Contra Costa County	30
Redlands, Housing Authority San Bernardino County	65
Riverside, Housing Authority Riverside County	260
Sacramento	50
San Francisco	27
Total (13)	684

COLORADO

Pueblo	401

CONNECTICUT

Danbury	150
Enfield	116
New Haven	130
New London	176
Southington	50
Stamford	1
Wallingford	40
Total (7)	663

DELAWARE

Wilmington	900

DISTRICT OF COLUMBIA

Washington, National Capital Housing Authority	1,484

FLORIDA

Bonifay, Northwest Florida Regional Housing Authority	40
Bunnell, Housing Authority Flagler County	35
Cottondale, Northwest Florida Regional Housing Authority	16
Eau Gallie, Housing Authority Brevard County	24
Geneva, Housing Authority Seminole County	6
Graceville, Northwest Florida Regional Housing Authority	56
Jacksonville	1,266
Key West	53
Live Oak	54
Malone, Northwest Florida Regional Housing Authority	6
Marianna	80
Miami	500
Ocala	98
Orlando	1
Ormond Beach	28
Oviedo, Housing Authority Seminole County	30
Pahokee	115
Pensacola	328
Pompano Beach	120
Quincy	80
Sanford	50
Sneads, Northwest Florida Regional Housing Authority	22
Total (22)	3,008

GEORGIA

Alma	62
Americus	40
Atlanta	1,000
Augusta	525
Austell	18
Baldwin, Housing Authority of Cornelia	8
Bronwood, Housing Authority of Dawson	6
Buchanan	8
Cairo	86
Camilla	50
Canon, Housing Authority of Lavonia	12
Carnesville, Housing Authority of Lavonia	12
Chauncey, Housing Authority of Eastman	10
Chester, Housing Authority of Eastman	10
Chipley, Housing Authority of Harris County	12
Claxton	60
Cleveland	12
Columbus	242
Dallas	60
Dawson	21
Donalsonville, Housing Authority of Seminole County	36
Edison	24
Fort Gaines	24
Gainesville	160
Hamilton, Housing Authority of Harris County	18
Hapeville	50
Harlem	14
Hilltonia, Housing Authority of Screven County	12
Homerville	50
Jefferson	40
Kingsland	24
Lafayette	72
Loganville	20
Louisville	28
Ludowici	28
Lumber City	20
Macon	750
McRae	20
Millen	62
Montezuma	56
Morgan	4
Mount Airy, Housing Authority of Cornelia	8
Newnan	55
Newton	28
Ocilla	65
Odum, Housing Authority of Jesup	10
Oglethorpe	20
Parrott, Housing Authority of Dawson	4
Pearson	20
Pinehurst, Housing Authority of Dooly County	6
Rhine, Housing Authority of Eastman	16
Savannah	337
Screven, Housing Authority of Jesup	14
Social Circle	30
Summerville	100
Sylvania	50
Thomson	106
Tifton	54
Tignall, Housing Authority of Washington	14
Unadilla, Housing Authority of Dooly County	20
Vidalia	120
Vienna, Housing Authority of Dooly	28
Warner Robins	100
Warrenton	28
Washington	50
Waverly Hall, Housing Authority of Harris County	10
Waynesboro	100
Willacoochee, Housing Authority Atkinson County	40
Wrens, Housing Authority Waynesboro	18
Total (69)	5,217

HAWAII

Hilo, Island of Hawaii, Hawaii Housing Authority	40
Honolulu, Island of Oahu, Hawaii	266
Total (2)	306

IDAHO

Pocatello	200

ILLINOIS

Alton, Housing Authority Madison County	150
Athens, Housing Authority Menard County	26
Batchtown, Housing Authority Calhoun County	6
Benld, Housing Authority Macoupin County	44
Bloomington	100
Brighton, Housing Authority Macoupin County	20
Brooklyn, Housing Authority St. Clair County	100
Brussels, Housing Authority Calhoun County	2
Bunker Hill, Housing Authority Macoupin County	30
Camp Point, Housing Authority Adams County	22
Carlinville, Housing Authority Macoupin County	56
Carrier Mills Township, Housing Authority Saline County	58
Chicago	10,617
Chicago Heights, Housing Authority Cook County	148
Clayton, Housing Authority Adams County	16
Danville	200
East St. Louis, Housing Authority St. Clair County	300
Galatia, Housing Authority Saline County	10
Gillespie, Housing Authority Macoupin County	30
Grand Chain, Housing Authority Pulaski County	20
Hamburg, Housing Authority Calhoun County	4

Harrisburg, Housing Authority Saline County	50
Henning, Housing Authority Vermillion County	4
Herrin, Housing Authority Williamson County	100
Hurst, Housing Authority Williamson County	30
Johnston City, Housing Authority of Williamson	74
Joliet	454
Karnak, Housing Authority Pulaski County	36
Mendon, Housing Authority Adams County	14
Mound City, Housing Authority Pulaski County	60
Mounds, Housing Authority Pulaski County	60
Nokomis, Housing Authority Montgomery County	35
Olmsted, Housing Authority Pulaski County	16
Pekin, Housing Authority Tazewell County	100
Peoria	336
Pinckneyville, Housing Authority Perry County	14
Pulaski, Housing Authority Pulaski County	20
Raymond, Housing Authority Montgomery County	20
Riverside, Housing Authority Adams County	24
Staunton, Housing Authority Macoupin County	58
Stonefort, Housing Authority Saline County	8
Ullin, Housing Authority Pulaski County	30
Virden, Housing Authority Macoupin County	50
Waukegan	260
Total (44)	13,812

INDIANA

Evansville	120
Indianapolis	1,152
Michigan City	170
Tell City	40
Total (4)	1,482

KENTUCKY

Covington	50
Danville	48
Frankfort	75
Louisville	496
Mount Sterling	82
Paducah	200
Paris	26
Winchester	54
Total (8)	1,031

LOUISIANA

Arcadia	28
Bernice	18
Donaldsonville	60
Erath	20
Farmerville	20
Junction City	6
Marion	10
New Orleans	106
Do	2,000
Palmetto	6
Shreveport	500
Thibodaux	80
Vinton	20
Westlake	20
Total (14)	2,894

MARYLAND

Annapolis	60
Baltimore	1,463
Cumberland	145
Frederick	80
Total (4)	1,748

MASSACHUSETTS

Attleboro	75
Boston	263
Cambridge	325
Chicopee	150
Everett	125
Fall River	200
Gloucester	100
Holyoke	160
Lawrence	137
Lowell	16
Newburyport	150
Pittsfield	200
Somerville	284
Taunton	100
Total (14)	2,285

MICHIGAN

Alpena	42
Baraga	10
Bay City	480
Belding	10
Benton Harbor	20
Bessemer	20
Bronson	30
Ecorse	200
Greenville	40
Hamtramck	190
River Rouge	100
Saginaw	29
Ypsilanti	90
Total (13)	1,261

MINNESOTA

Chisholm	16
Duluth	300
Eveleth	50
Fergus Falls	85
Hibbing	45
Minneapolis	816
St. Paul	742
South St. Paul	75
Total (8)	2,129

MISSISSIPPI

Aberdeen	110
Belmont, Mississippi Regional Housing Authority No. 1	32
Corinth	120
Gloster, Housing Authority Brookhaven	54
Hernando	20
Holly Springs	30
Houlka, Mississippi Regional Housing Authority No. 1	10
Iuka	32
Laurel	176
Meridian	100
Newton	62
Okolona	50
Rienzi, Mississippi Regional Housing Authority No. 1	6
Saltillo, Mississippi Regional Housing Authority No. 1	12
Shannon, Mississippi Regional Housing Authority No. 1	16
Wesson, Housing Authority Brookhaven	38
Yazoo City	40
Total (17)	908

MISSOURI

Kansas City	1,314
St. Louis	1,478
Total (2)	2,792

NEVADA

Las Vegas	40
Reno	150
Total (2)	190

NEW HAMPHIRE

Dover	1
Nashua	100
Total (2)	101

NEW JERSEY

Asbury Park	63
Atlantic City	278
Bayonne	4
Do	250
Burlington	100
Camden	164
Clifton	125
Elizabeth	250
Hackensack	6
Do	44
Hoboken	5
Jersey City	794
Morristown	56
Newark	526
New Brunswick	200
Orange	20
Paterson	8
Perth Amboy	200
Plainfield	47
Rahway	79
South Amboy	75
Trenton	117
Union City	45
West New York	5
Do	80
Total (25)	3,541

NEW YORK

Albany	400
Buffalo	1,531
Cohoes	250
Cortland	100
Freeport	100
New York	22,955
North Tarrytown	60
Syracuse	319
Watervliet	90
Yonkers	335
Total (10)	26,200

NORTH CAROLINA

Asheville	238
Concord	150
Durham	113
Greensboro	236
High Point	200
Jacksonville, Eastern Carolina	50
Laurinburg	52
Raleigh	300
Wayne County, Eastern Carolina Regional Housing Authority	45
Winston-Salem	293
Total (10)	1,677

NORTH DAKOTA

South West Fargo, Housing Authority of Cass County	24
Williston	76
Total (2)	100

OHIO

Canton	350
Cincinnati	1,896
Cleveland	4,606
Columbus	1,676
Dayton	1,500
Elyria-Lorain Metropolitan Housing Authority	100
Hamilton	150
Lorain	185
New Boston-Portsmouth Metropolitan Housing Authority	110
Portsmouth	190
Steubenville	250
Warren	125
Youngstown	631
Total (13)	11,769

OREGON

Athena, Housing Authority Umatilla County	15
Hermiston, Housing Authority Umatilla County	8
Newport area, Housing Authority Lincoln County	5
Reedsport, Housing Authority Douglas County	1
Sutherlin, Housing Authority Douglas County	25
Total (5)	54

PENNSYLVANIA

Aliquippa, Housing Authority Beaver County	75
Ambridge, Housing Authority Beaver County	50
Bentleyville, Housing Authority Washington County	60
Burgettstown, Housing Authority Washington County	30
Canonsburg, Housing Authority Washington County	168
Canton Township, Housing Authority Washington County	100
Chester	10
Connellsville	25
Easton	72
East Pittsburgh, Housing Authority Allegheny County	100
Ellwood City, Housing Authority Lawrence County	100
Glassport, Housing Authority Allegheny County	65
Harrisburg	165
Johnstown	450
McKeesport	302
McKees Rocks, Housing Authority Allegheny County	4
New Castle, Housing Authority Lawrence County	300
Philadelphia	5,393
Pittsburgh	2,451
Pottstown, Housing Authority Montgomery County	100
Reading	102
Robinson Township, Housing Authority Allegheny County	50
Sharon, Housing Authority Mercer County	100
Smith Township, Housing Authority Washington County	60
South Fayette Township, Housing Authority Allegheny County	150
York	158
Total (26)	10,640

PUERTO RICO

Adjuntas, Puerto Rico Housing Authority	150
Aguada, Puerto Rico Housing Authority	100
Aguadilla, Puerto Rico Housing Authority	200
Do	100
Aguas Buenas, Puerto Rico Housing Authority	74
Arecibo, Puerto Rico Housing Authority	100
Barceloneta, Puerto Rico Housing Authority	1
Barranquitas, Puerto Rico Housing Authority	120
Bayamon, Puerto Rico Housing Authority	300
Do	100
Caguas, Puerto Rico Housing Authority	258
Do	236
Do	106
Camuy, Puerto Rico Housing Authority	1
Catano, Puerto Rico Housing Authority	300
Cayey, Puerto Rico Housing Authority	200
Ciales, Puerto Rico Housing Authority	60
Cidra, Puerto Rico Housing Authority	125
Coamo, Puerto Rico Housing Authority	120
Corozal, Puerto Rico Housing Authority	100
Dorado, Puerto Rico Housing Authority	2
Fajardo, Puerto Rico Housing Authority	160
Do	100
Guanica, Puerto Rico Housing Authority	200
Guayama, Puerto Rico Housing Authority	240
Do	100
Guayanilla, Puerto Rico Housing Authority	120
Guaynabo, Puerto Rico Housing Authority	80
Gurabo, Puerto Rico Housing Authority	100
Hormigueros, Puerto Rico Housing Authority	64
Humacao, Puerto Rico Housing Authority	200
Do	100
Jayuya, Puerto Rico Housing Authority	100
Juana Diaz, Puerto Rico Housing Authority	100
Juncos, Puerto Rico Housing Authority	200
Lajas, Puerto Rico Housing Authority	80
Las Piedras, Puerto Rico Housing Authority	100
Loiza, Puerto Rico Housing Authority	1
Loiza Aldea, Puerto Rico Housing Authority	50
Luquillo, Puerto Rico Housing Authority	60
Mameyes II Palmer, Puerto Rico Housing Authority	50
Manati, Puerto Rico Housing Authority	180
Do	100
Maricao, Puerto Rico Housing Authority	30
Maunabo Town, Puerto Rico Housing Authority	50
Mayaguez	350
Do	120
Moca, Puerto Rico Housing Authority	1
Morovis, Puerto Rico Housing Authority	66
Naranjito, Puerto Rico Housing Authority	80
Orocovis, Puerto Rico Housing Authority	70
Patillas, Puerto Rico Housing Authority	70
Penuelas, Puerto Rico Housing Authority	70
Ponce	6
Do	500
Do	498
Quebradillas, Puerto Rico Housing Authority	100
Rincon, Puerto Rico Housing Authority	75
Salinas, Puerto Rico Housing Authority	100
San German, Puerto Rico Housing Authority	150
San Juan, Municipal Housing Authority of Capital	40
Do	2,000
Do	170
San Sebastian, Puerto Rico Housing Authority	150
Trujillo Alto, Puerto Rico Housing Authority	50
Villalba, Puerto Rico Housing Authority	60
Total (65)	10,044

RHODE ISLAND

Providence	442

SOUTH CAROLINA

Bennettsville	65
Central, South Carolina Regional Housing Authority	24
Charleston	557
Clover, South Carolina Regional Housing Authority	46
Duncan, South Carolina Regional Housing Authority	10
Fort Mill, South Carolina Regional Housing Authority	28
Liberty, South Carolina Regional Housing Authority	26
Walhalla, South Carolina Regional Housing Authority	76
Winnsboro, South Carolina Regional Housing Authority	63
Total (9)	900

TENNESSEE

Chattanooga	192
Clarksville	100
Dyersburg	155
Englewood, Housing Authority Athens	18
Etowah	4
Gallatin	100
Humboldt	120
Knoxville	706
La Follette	6
Lynchburg, Housing Authority Fayetteville	18
Manchester	20
Memphis	392
Paris	64
Waverly	38
Total (14)	1,933

TEXAS

Anson	30
Ballinger	7
Benjamin	10
Bogata	10
Bryan	110
Cameron	50
Celeste	10
Chillicothe	10
Crystal City	28
De Kalb	20
De Leon	10
Del Rio	150
Deport	10
Electra	27
Fort Worth	200
Gonzales	20
Hamilton	20
Henrietta	10
Hico	16
Honey Grove	8
Hughes Springs	20
Kenedy	40
Kingsville	8
Laredo	300
Linden	16
Ore City	10
Plano	20
Port Arthur	132
Princeton	10
Rochester	10
Rockwall	10
San Antonio	455
San Marcos	30
Smiley	12
Terrell	140
Texarkana	125
Texas City	40
Trenton	8
Van Alstyne	20
Velasco	25
Victoria	122
Waco	400
White Settlement	100
Total (43)	2,809

VIRGINIA

Alexandria	56
Danville	250
Richmond	894
Roanoke	300
Total (4)	1,500

VIRGIN ISLANDS	
St. Croix, Virgin Islands Housing	70
Virgin Islands Housing and Redevelopment	150
Total (2)	220
WASHINGTON	
Aberdeen, Housing Authority of Grays Harbor County	54
Auburn, Housing Authority, King County	60
Grand Coulee, Housing Authority, Grant County	9
Hoquiam, Housing Authority, Grays Harbor County	10
Renton	100
Rosalia	10
Soap Lake Housing Authority, Grant County	4
Vancouver	300
Total (8)	547
WEST VIRGINIA	
Huntington	500
Morgantown	170
Wheeling	38
Total (3)	708
WISCONSIN	
Milwaukee	1,363
Superior	200
Total (2)	1,563

Mr. SALTONSTALL. Mr. President, I know it is the desire of Members to go home but I should like to answer briefly my friend from Alabama.

The language in this report does not end public housing, in my opinion, or in the opinion of the conferees. The Senate conferees were in favor of a continuation of public housing. The original public housing program calls for 135,000 units. A year ago President Truman sent up a recommendation for 75,000 houses. The House bill provided for no public housing. There were 35,000 houses included in conference. The House put in none; the Senate put in 35,000, and the conferees agreed on 20,000, with the language which has been read from the conference report.

At approximately June 30 there were under construction, but not completed, 75,754 units. Approximately 62,000 additional houses were needed. In other words, 75,000 houses were being built and 62,000 houses more were needed. There were binding contracts, but no construction was started because there was no money.

Mr. President, the process has been described as being like a coffeegrinder. That is the best description that was given. At the present time there are 75,000 houses going through the coffeegrinder. There are 62,000 houses above the coffeegrinder, waiting to be built. They are legally contracted for. In addition to that, there is a program for 120,000 more.

What the committee is attempting to do is this: 20,000 houses are going to be built this year. The conference report says that there shall be no contracts let by the Commission until after next February 1, when the President makes a report to the Senate and to the House Appropriations Committees with recommendations for the future.

The law has not been changed in any way. There is money appropriated for 20,000 houses. What is the result? When a law is on the books the President can submit his recommendations for 35,000 houses or 20,000 houses or any number he wants, and if the Senate and House agree, new contracts can be started, and another group of 20,000 can go through the coffeegrinder to be constructed. It requires a message from the President. It can be handled by a bill or on motion, either in the House or in the Senate.

There is no language in the bill, in my opinion and in the opinion of the Senate conferees who are in favor of housing, to end housing. Twenty thousand houses are to be built this year, but no new contracts are to be signed until after next February. In the meantime, 42,000 more houses are legally contracted for and must be built unless the law is repealed. They would come ahead of any new contracts. That is what the language means.

Mr. MAGNUSON. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. MAGNUSON. Mr. President, I have received so many communications on behalf of housing and in connection with the Interstate Commerce Commission's safety work that I ask unanimous consent to place them in the RECORD at this point, so as not to further take the time of the Senate.

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

NEWS RELEASE OF INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN, AND HELPERS OF AMERICA, JULY 21, 1953

Elimination of safety inspection of interstate motor carriers by the Interstate Commerce Commission, as called for in the conference report of the first independent offices appropriation bill, was condemned today by Dave Beck, general president of the International Brotherhood of Teamsters, as "vote-trading with pressure groups in cynical disregard of human lives and highway safety."

Beck denounced the language of the conference report which, he said, scuttles "one of the most vital functions of the Motor Carrier Bureau of the ICC, that of safety regulation of interstate motor carriers under the pretext that it is unimportant."

The conference report requires, if approved by Congress as written, that "the $1,793,157 request for work relating to safety and field in the Bureau of Motor Carriers be distributed to other work of the Commission which is regarded as of greater importance than such safety and field work."

The various States do not have responsibility or jurisdiction for maintaining safety standards of interstate carriers, Beck pointed out. If, through the ICC appropriations bill, motor-carrier inspection by the ICC is canceled out, "chaotic and dangerous highway conditions will have been deliberately created by Congress," it is charged by the head of the powerful Teamsters Union whose members drive most of the Nation's trucks.

Beck reminded Representative JOHN PHILLIPS, Republican, of California, leader of the attack against the ICC safety-inspection program, that "although responsible, first-class trucking concerns maintain high safety standards on their own, the effect of killing ICC safety inspection would be to unleash on the highways the death-dealing ramshackle equipment of gypsy and fly-by-night operators."

In urging continuation of the ICC safety-inspection program, Beck, as spokesman for the International Brotherhood of Teamsters, joins with other highway-transportation groups, including the American Trucking Associations, Automotive Manufacturers Association, American Automobile Association, National Association of Motor Bus Operators, and Truck Trailer Manufacturers Association.

Previous to the move by joint conferees to wipe out the ICC field-inspection service, Beck has been critical of the inadequacy of ICC safety inspection due to limited funds and staff provided by Congress.

Beck today called upon House and Senate Members to "vote down, in the name of sanity and humanity, the outrageous attempt to destroy Federal safety regulation, regardless of cost in human lives."

WASHINGTON, D. C., *July 20, 1953.*

Senator WARREN G. MAGNUSON,
United States Senate,
Washington, D. C.:

Conference report on H. R. 4663, independent offices appropriations, prohibits any expenditures on safety and field work, Bureau of Motor Carriers, Interstate Commerce Commission. For all practical purposes this ends all enforcement of part 2, Interstate Commerce Act. Most important adoption of House version of report by conferees wipes out safety regulation conceded by 40 States to be vital factor in reducing highway death toll which amounted to 38,000 last year. We urge that something be done to remove this prohibition placed on this humanitarian undertaking and that Senate report prevail.

JOHN V. LAWRENCE,
American Trucking Associations, Inc.

SEATTLE, WASH., *July 24, 1953.*

WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.:

Port of Seattle Commission is much concerned on conference report of House bill 4663 (independent offices appropriations) prohibiting any expenditure by ICC on safety and field work. This would mean abolition of field offices and for all practical purposes the end of enforcement of the Interstate Commerce Act. Seattle and other Puget Sound ports compete with Portland for cargo from eastern Washington points. Generally speaking intrastate rates regulated by Washington Department of Public Service from eastern Washington to Puget Sound ports are identical with published interstate rates from eastern Washington points to Portland, Oreg., which rates are regulated by ICC. With no enforcement by ICC, irresponsible truck operators would charge less in order to get business on cargo from eastern Washington to Portland than the Washington State regulated charge from eastern Washington points to Puget Sound ports. This would also work very much to the disadvantage of merchants in the Puget Sound area doing business with eastern Washington since Portland merchants could have cheaper undercover freight rates with no enforcement by the ICC.

C. H. CARLANDER,
Vice President, Board of Seattle Commission.

GOODWIN MOVING & STORAGE CO.,
Spokane, Wash., July 22, 1953.

The Honorable WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.

DEAR SIR: We have just been advised that the conference report on House Report 4663 prohibits any expenditure by ICC on safety and field work.

Do you realize what this would mean to our industry? It would mean the abolition of the field offices, and for all practical pur-

poses the end of enforcement of the Interstate Commerce Act. This would be chaotic as it would bring to an end the ICC safety program at a time when our traffic death tolls is in excess of 38,000 per year.

This could make an upheaval in our industry as it would leave us in the same state of confusion that existed prior to Federal regulation to the Motor Carrier Act.

We, as one small operator, are very much concerned in this and we urge you to protest the adoption of the House report. We are also calling for sufficient appropriation to enable the ICC to adequately perform its enforcement duties.

Yours very truly,

J. H. GOODWIN,
General Manager.

THE CATER TRANSFER & STORAGE CO.,
Spokane, Wash., July 22, 1953.

Mr. WARREN MAGNUSON,
United States Senate,
Washington, D. C.

DEAR SENATOR MAGNUSON: It has come to our attention that House bill Report No. 4463 is being considered by both Houses of Congress and pertains to the curtailment of the appropriation for the Interstate Commerce Commission.

It is our feeling and the feeling of the entire Industry that the Interstate Commerce Commission is very important to the Trucking Industry, in that it does stabilize rates and the safety regulations as regulated by the ICC, is very important not only to the industry but to the general public in the elimination of accidents and deaths on the highway.

May we urge you to oppose this report and seek ample appropriation to carry on the good work of the ICC.

Very truly yours,

R. O. DANIELSON,
Manager.

WASHINGTON, D. C., *July 23, 1953.*

Hon. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.:

Action of conferees on independent offices appropriation bill (H. R. 4663) limiting construction of low-rent public housing during this fiscal year to only 20,000 units from existing contracts and prohibiting the Public Housing Administration from executing any additional loan and contribution contracts amounts to liquidation of the low-rent public housing program. Such action means outright killing of a vitally needed basic program without as much as a hearing. It would end all hope of low-income slum dwellers to obtain decent housing for themselves and their children. Sweeping legislative action of this kind should not be taken without hearings and consideration by the proper congressional committees. The American Federation of Labor strongly urges the Senate to reject the conference report nullifying the original Senate action. Urge you do everything possible to assure authorization of the minimum 20,000 units with the original Senate language which would permit 20,000 new loan and annual contribution contracts during this fiscal year, thereby keeping the low-rent public housing program alive.

WILLIAM F. SCHNITZLER,
Secretary-Treasurer,
American Federation of Labor.

Mr. LEHMAN. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. LEHMAN. I want to thank the Senator from Massachusetts, and I think he has chosen a very wise way of handling the matter, but I desire to say that the provision which now appears in the appropriation bill seems to lead to a liquidation of the program. Nothing can be done after the 20,000 units are constructed and have gone through the coffee grinder to which the Senator from Massachusetts has referred.

The Public Housing Administrator is to make a report to the Congress of the United States giving his recommendations. I think we might just as well understand that unless we have a very definite statement of policy in the appropriation bill and do not depend on the good will of the Public Housing Administrator, we may well be perfectly honest and frank with ourselves and say that this is the end of the program, because the Public Housing Administrator, as a matter of record, is now opposed to public housing as he was when he was a Member of the House of Representatives for several years. The Senator from Massachusetts may remember that I opposed the confirmation of the nomination of the Public Housing Administrator when it came before the Senate.

So I shall ask the Senator from Massachusetts, when he goes to conference, to fight for a clear definition, to make sure that it does not mean the end of our public-housing program.

I am afraid that unless he does so, and the Senate acquiesces in the next report that comes to us, we might just as well say goodby to any public housing program for men and women of small or moderate means. I cannot make my feeling more definite than by again asking the Senator to take the matter to conference, with a determination that there shall be written into the law, into the appropriation bill, an adequate statement that it will not mean the end of public housing, and that Congress does not intend to depend on the good will of the Administrator of Housing and Home Finance.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. JOHNSTON of South Carolina. I certainly am pleased with the way in which the Senator from Massachuetts has discussed the matter so freely in the Senate. I do not believe any Senator would desire it to be understood, when the report is recommitted, that any reflection has been cast upon the Senator from Massachusetts. If there is any Senator for whom I have deep respect, it is the senior Senator from Massachusetts.

Mr. President, since I have received many telegrams and letters concerning the Interstate Commerce Commission matter, I ask unanimous consent to have a number of them printed in the RECORD together with a brief statement by me.

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

STATEMENT BY SENATOR JOHNSTON OF SOUTH CAROLINA

There have been numerous indications throughout the first session of this 83d Congress that this administration was "penny-wise and pound-foolish." But, in my opinion, no action has been taken which dramatizes that fact more sharply than the action taken by the conferees on the first independent offices bill. That action would prohibit any expenditures of funds on safety and field work by the Bureau of Motor Carriers of the Interstate Commerce Commission.

Is money that dear to this administration? Are its leaders that insensitive to the heavy toll of highway deaths and injured which we mark up every year?

Compare our highway casualties, if you please, with our casualties in Korea. Korean casualties as of midnight July 17, 1953, include 24,965 dead, 101,368 wounded, making a grim total of 126,333. Highway casualty figures for the same period, ending as of midnight May 31, 1953, reveal that 105,000 of our citizens died as a result of highway accidents. The number of persons injured on the highways during the same period, the figures reveal, were 3,780,000. The grim total was 3,885,000—nearly 4 million Americans killed or injured on our highways since June of 1950. The Korean war, with all of its danger and destruction, accounted for only one-fourth that number.

Mr. President, in 1952 alone 38,000 Americans lost their lives on the highways of this Nation. One million, three hundred and fifty thousand were injured or maimed for life.

In my own State of South Carolina—where the Bureau of Motor Carriers have done such fine work—2,227 of our people were killed between July 1, 1950 and May 1, 1953, and over 80,000 were injured. Think what those figures might have been, think of the heartbroken families, think of the broken homes, if the Bureau of Motor Carriers of the Interstate Commerce Commission had not been constantly on the job.

The information I have is that the conferees of the House were of the opinion that the activities of the Safety Section, Bureau of Motor Carriers, of the Interstate Commerce Commisison were duplicated by the States. That is an erroneous view, and the Senate was so advised only yesterday by the distinguished Senator from Oregon, [Mr. MORSE] and the able Senator from Idaho [Mr. WELKER]. The matter is of such importance touching upon the lives of millions of Americans who use our public highways daily, that I would like to place in the body of the RECORD at this point a brief outline of the activities of the Safety Section, Bureau of Motor Carriers, of the Interstate Commerce Commisison. This statement is designed to show just how these activities are not duplicated by the States.

ACTIVITIES OF SAFETY SECTION, BUREAU OF MOTOR CARRIERS OF THE INTERSTATE COMMERCE COMMISSION NOT DUPLICATED BY STATES

PRELIMINARY STATEMENT

Safety inspectors of the Interstate Commerce Commission do not have police power. They do not patrol highways. They make road checks of equipment only in cooperation with State highway police. These road checks are detailed inspections of motor carrier equipment in far greater detail than State highway police undertake at any time. State highway police are primarily concerned with motor carrier compliance with the individual State laws as to size and weight of vehicles.

Through the Interstate Commerce Commission has been promulgated a set of safety rules and regulations which has been uniform in application throughout the United States and the District of Columbia. The Interstate Commerce Commission is the only agency which has nationwide jurisdiction over motor carriers in the matter of compliance with such rules and regulations. Those safety regulations are set forth in six parts as listed below:

1. Qualifications of drivers.
2. Drivers of motor vehicles.
3. Parts and accessories necessary for safe operation.
4. Reporting of accidents.
5. Hours of service of drivers.
6. Inspection and maintenance.

SPECIFIC ACTIVITIES NOT DUPLICATED BY STATES

1. Control of hours of operation of drivers: No State has jurisdicition over the driver of a motor carrier licensed in that State once he crosses the State line. Without Interstate Commerce Commission regulations, a driver could continue to operate the motor vehicle, once across that State line, for an indefinite period, endangering not only his own life, but those of other highway users.

2. Uniform regulations with respect to motor-carrier equipment: The laws of the States vary considerably with respect to the equipment, parts, and accessories required for the operation of motortrucks. Some are adequate; some wholly inadequate. The Interstate Commerce Commission, having jurisdiction over common and contract carriers, as well as private carriers in interstate commerce, has set forth regulations and requirements providing for uniform minimum equipment, parts, and accessories over which they have jurisdiction. Their inspection of motor vehicles is much more detailed than that of the State police.

3. Central reporting of accidents in interstate commerce: Interstate Commerce Commission rules require a report of any accident to a vehicle engaged in interstate commerce no matter where such accident takes place. In this way a comprehensive knowledge of the driving record of the various drivers is assured. If this activity were discontinued, a driver domiciled, for example, in Rhode Island, could have accidents all over the United States without the only agency then having jurisdiction over him knowing anything about it.

4. Inspection of motor carrier activities at terminals: Interstate Commerce Commission requires a complete inspection of carrier operations at the terminal. This includes an evaluation of the carrier's safety practices, instruction of drivers in safety matters, reporting hours of service, inspection of required physical examination records, evaluation of preventive equipment-maintenance operation, and detailed inspection of vehicles in terminal at time of inspection. No State makes inspections of this sort.

In connection with this work, Interstate Commerce Commission safety inspectors do a great amount of safety instruction of both drivers and carriers in proper safety practices.

5. Rules and regulations for an inspection of carriers hauling explosives in interstate commerce: Very few States have separate requirements or regulations covering carriers hauling explosives. The Interstate Commerce Commission has a complete, separate, set of regulations for this type of commerce. In addition, before a carrier is granted a permit to haul explosives in interstate commerce, Interstate Commerce Commission rules require that a complete terminal inspection be made by an Interstate Commerce Commission safety inspector, in the field, a report forwarded to Washington for comparison with previous records on the carrier, and an evaluation of the complete record and favorable recommendations made to the Commission before the permit may be granted.

6. Liaison with manufacturers for truck and bus equipment: The Interstate Commerce Commission is the only agency which has liaison on a nationwide basis with manufacturers of truck and bus equipment on all matters pertaining to the design of vehicles and deficiencies thereof which have been revealed by Interstate Commerce Commission study of accident reports from throughout the Nation. As a specific example, we cite the case of a certain bus manufacturer. Accident reports revealed that in all cases of a bus of this particular make overturning the top of the bus was torn off. A careful inspection of those busses by the manufacturer and the Interstate Commerce Commission revealed deficiencies in design of top struts and supports. The manufacturer subsequently redesigned the tops and corrected the deficiencies.

Mr. SALTONSTALL. In view of the fact that the bill is going to be returned for further conference, we will try to bring out something helpful.

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

Mr. SALTONSTALL. I yield to the Senator from Florida.

Mr. SMATHERS. I was unavoidably called from the floor at the time the question was under discussion. Since my return I understand the Senator from Massachusetts, on his own motion, has moved that the entire conference report be recommitted, and has said he will take the position that the $1,793,000 which had been taken away from the safety field division will be restored to that division.

Mr. SALTONSTALL. That is the clear intention of the Senate.

Mr. SMATHERS. That is the intention of the Senate. I wish to congratulate the Senator.

Mr. President, I ask unanimous consent to have printed in the RECORD certain telegrams which I have received concerning the matter.

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

MIAMI, FLA., *July 21, 1953.*

GEORGE SMATHERS,
Senate Building, Washington, D. C.:

It is very important to trucking industry that you check report from the conference committee on appropriations concerning the Interstate Commerce Commission. We feel that if field offices of Interstate Commerce Commission are closed it will mean the end of regulated carriers. Please assist us in deleting this portion from the conference committee report.

KERMYT W. CALLAHAN,
Withers Van Lines.

MIAMI, FLA., *July 21, 1953.*

Senator GEORGE SMATHERS,
Senate Office Building,
Washington, D. C.:

Of vital importance to trucking industry that report from conference committee on appropriation concerning Interstate Commerce Commission be checked. If field officers of Interstate Commerce Commission are closed it will be a death blow to regulated carriers. We beg your assistance to delete this portion from conference committee report.

ARMLON "BUD" LEONARD,
Leonard Bros. Transfer & Storage Co.; Chairman, Specialized and Heavy Haulers Division, Florida Trucking Association.

TAMPA, FLA., *July 22, 1953.*

Hon. GEORGE SMATHERS,
Senate Office Building,
Washington, D. C.:

We understand that proposed appropriations for ICC will not include money for motor carrier safety work and ICC field representatives. The elimination of these activities will seriously hamper proper operation of motor carriers and we urge that you support full appropriations for these activities.

SAFETY TRANSPORTATION CORP.,
CURRIE B. WITT,
D. J. HANLEY.

TAMPA, FLA., *July 22, 1953.*

Hon. GEORGE M. SMATHERS,
United States Senate,
Washington, D. C.:

Very vital to all regulated carriers that ICC safety work and field force be continued.

HUNT TRUCK LINES.

TAMPA, FLA., *July 22, 1953.*

Senator GEORGE SMATHERS,
Senate Office Building,
Washington, D. C.:

Have learned that proposed appropriation for Interstate Commerce Commission does not provide money for field force or motor carrier safety work. Our company and other regulated motor carriers will be seriously harmed if the work of the ICC field forces and safety forces are discontinued. Will greatly appreciate your support in getting conference committee's report recommitted and to have appropriation restored.

CENTRAL TRUCK LINES, INC.,
J. F. SMALLEY.

WINTERHAVEN, FLA., *July 22, 1953.*

Senator GEORGE SMATHERS,
Senate Office Building,
Washington, D. C.:

It has just been brought to our attention that the proposed appropriation for the ICC does not provide funds for the field force—which, incidentally, is of great value to everyone traversing the highways—and as a result will curtail the safety work that is done by the ICC. Both of these are a must in the appropriation. Any curtailment in the above will be yery serious if this work is discontinued. We will appreciate your full support in seeing that there is no curtailment or reduction of these funds but rather an increased amount for this most worthy program.

CAROLINA SOUTHERN MOTOR EXPRESS, INC.,
F. L. MCNEER.
L. A. MCNEER.
W. F. LAWLESS.

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

Mr. SALTONSTALL. I yield.

Mr. COOPER. I believe the Senator from Massachusetts will remember that it was charged by many persons that one of the purposes of this administration was the destruction of the public housing program. The President of the United States has said that charge is not true.

I was one of those who voted against the confirmation of the nomination of Mr. Cole to be Administrator of Public Housing because of his attitude toward public housing in the House of Representatives. However, I must say that, according to all my information, he is absolutely objective in his approach to public housing.

I believe there is a great deal of misunderstanding about the housing provision amendment in the report. It is being construed by a great many Members of Congress as a determination on the part of the conferees to bring about the death of public housing. I would agree with other Senators who have spoken that the conferees should make it clear in their next report that such is not the fact.

Mr. SALTONSTALL. I thank the Senator.

Mr. MURRAY. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. MURRAY. Together with other Senators, I have the highest respect and confidence in the ability of the senior Senator from Massachusetts to handle the matter. I am confident that, as a result of his efforts, it will be cleared up.

I have received a great many telegrams from my State, including one from the Governor of Montana, and also a statement which was published in the press in Washington by the Independent Advisory Committee to the Trucking Industry, Inc. I ask unanimous consent that these matters may be printed in the RECORD.

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

HELENA, MONT., *July 22, 1953.*
Hon. JAMES E. MURRAY,
United States Senate:
Respectfully urge you join in protesting abandonment of ICC field offices.
J. HUGO ARONSON,
Governor of Montana.

BILLINGS, MONT., *July 22, 1953.*
Hon. JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.:
Urgently request you vote against adoption of H. R. 4663, which would eliminate Montana office, Bureau of Motor Carriers. This bill prohibits expenditures on safety and field work, Interstate Commerce Commission, and ends enforcement of part II, Interstate Commerce Act, leaving Montana without representative of Commission which will be harmful to motor-carrier industry and shippers.
L. W. ECKEL,
Managing Director, Montana Motor Transport Association.

BILLINGS, MONT., *July 22, 1953.*
The Honorable JAMES MURRAY,
United States Senate,
Washington, D. C.:
Independent departments appropriations bill for fiscal year 1954, if passed by the Senate as recommended by the joint Senate-House conference, and passed by House yesterday, will leave Montana without any Interstate Commerce Commission field office and thereby work a hardship on Montana shippers and carriers who will be required to take all their business to the Commission's Washington office. Urge your support in providing Interstate Commerce Commission necessary funds to continue their field work.
N. EARLY,
Billings Traffic Bureau.

LAUREL, MONT., *July 22, 1953.*
Hon. JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.:
As a part of Montana's second largest industry, I urgently request you to vote against the adoption of H. R. 4663, which would eliminate the Montana office of the bureau of motor carriers, leaving our great State without a representative of the Commission, which would be most harmful not only to the motor carrier industry and shippers but to the public at large. This bill would drastically curtail expenditures on safety as well as the field work of the Interstate Commerce Commission and ends the enforcement of part II of Interstate Commerce Act in Montana. As one who firmly believes in greater efficiency in Government agencies, I am convinced that the passage of this bill would fall short of accomplishing that end.
L. WAYNE HAGEMAN,
Owner, Hageman Transport Co.

MILES CITY, MONT., *July 22, 1953.*
Senator JAMES MURRAY,
Senate Office Building,
Washington, D. C.:
Strongly urge defeat of H. R. 4663. ICC safety and field offices extremely important to welfare of trucking industry.
BALSAM & DEFRANCE,
E. G. BALSAM.

BILLINGS, MONT., *July 22, 1953.*
Hon. JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.:
Urgently request you vote against adoption of H. R. 4663, which would eliminate Montana office, Bureau of Motor Carriers. This bill prohibits expenditures on safety and fieldwork, Interstate Commerce Commission, and ends enforcement of part II, Interstate Commerce Act, leaving Montana without representative of Commission, which will be harmful to motor-carrier industry and shippers.
A. C. HOUCK,
Houck Transport Co.

BILLINGS, MONT., *July 22, 1953.*
Senator JAMES MURRAY,
Senate Office Building,
Washington, D. C.:
We urgently request you vote against adoption of H. R. 4663, which would eliminate Montana office, Bureau of Motor Carriers. This bill prohibits expenditures on safety and fieldwork of ICC and ends enforcement of part II, ICC Act, leaving Montana without representation of Commission, which will be harmful to motor-carrier industry and shippers.
J. J. CUMISKEY, *General Manager.*
H. F. JOHNSON, INC.,

BILLINGS, MONT., *July 22, 1953.*
JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.:
Urgently request you vote against adoption of H. R. 4633, which would eliminate Montana office, Bureau of Motor Carriers. This bill prohibits expenditures of safety and fieldwork, Interstate Commerce Commission, and ends enforcement of part II of Interstate Commerce Act, leaving Montana without representative of Commission, which will be harmful to motor-carrier industry and shippers.
E. L. JONES,
Owner, E. L. Jones, Inc.

BILLINGS, MONT., *July 22, 1953.*
Hon. JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.:
Urgently request you vote against adoption of H. R. 4663, which would eliminate Montana office, Bureau of Motor Carriers. This bill prohibits expenditures on safety and fieldwork, Interstate Commerce Commission, and ends enforcement of part II, Interstate Commerce Act, leaving Montana without representative of Commission, which will be harmful to motor-carrier industry and shippers.
BILL PALMER,
President, Montana Motor Transport Co.

BILLINGS, MONT., *July 23, 1953.*
Hon. JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.:
Urgently request you vote against adoption of H. R. 4663, which would eliminate Montana office, Bureau of Motor Carriers. This bill prohibits expenditures on safety and fieldwork, Interstate Commerce Commission, and ends enforcement of part II, Interstate Commerce Act, leaving Montana without representative of Commission which will be harmful to motor-carrier industry and shippers.
CONSOLIDATED FREIGHTWAYS.

[From the Washington Post of July 22, 1953]
MEMBERS OF CONGRESS: PUBLIC SAFETY IS IN YOUR HANDS

The conference report on H. R. 4663—which prohibits any expenditures on safety and field work by the Bureau of Motor Carriers, Interstate Commerce Commission—ends all enforcement of part 2, the Interstate Commerce Act.

Most important, the adoption of the House version of the report by the conferees wipes out the safety regulation conceded by 40 States to have been the vital factor in reducing our highway death toll, which amounted to 38,000 persons in 1952.

We urge that the Congress—in the interest of public safety—vote against the crippling of this great safety effort as called for by the conference report on H. R. 4663 and accept the Senate report.

Acceptance of the conference report can definitely be expected to increase the death toll on our highways.

Signed by Independent Advisory Committee to the Trucking Industry, Inc.: Dave Beck, chairman (general president, International Brotherhood of Teamsters); Walter F. Carey, director (president, American Trucking Associations, Inc.); Roy Fruehauf, director (president, Fruehauf Trailer Co.); B. M. Seymour, director (president, Associated Transport, Inc.).

WASHINGTON, D. C.

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

Mr. SALTONSTALL. I yield.

Mr. ELLENDER. I am sorry I was not here to participate in the debate on this important subject since its inception. I was occupied before the Senate Appropriations Committee. I wish to state that I am in thorough agreement with the statement made by the distinguished Senator from Massachusetts. He is to be commended for the position that he has taken. The language contained in the House bill as it came to the Senate made no provision for housing. There was language to stop the building of housing units already contracted for. As the chairman of the conference will no doubt recall that language was stricken out upon the insistence of the Senate conferees and the language now in the bill was substituted therefor. As I understood from all of the discussion on the subject the language substituted simply meant that no new contracts could be entered into, but that of 63,000 units already contracted for, 20,000 would be built. In the meantime, a thorough study of the whole problem would be made by Mr. Cole, the Housing and Home Finance Administrator, with a view of submitting his study to the Congress as well as the Committee on Appropriations, early next year.

Mr. President, I wish to express my keen disappointment respecting the House debate as quoted by the junior Senator from Alabama [Mr. SPARKMAN], when he quoted Representatives PHILLIPS and THOMAS as saying that this action meant the end of public housing.

As a matter of fact, as was stated by the Senator from Massachusetts, our whole discussion revolved around the effect of the language agreed upon. The Senate conferees contended that the

language meant a delay in the execution of future contracts. It was agreed by the conferees on the part of the House of Representatives that the language did not mean the end of housing. It was understood that a further study of the problem should be made and that in the meantime at least 20,000 units of the housing already contracted for would be built.

Mr. SALTONSTALL. That is the understanding. I thank the Senator.

Mr. IVES. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. IVES. Would it not be possible to include in the final report language in accordance with the suggestion or statement made by the Senator from Louisiana?

Mr. SALTONSTALL. I feel very strongly that the definite purpose should be to set that forth in the report, or some report, to be issued by the conferees.

Mr. ELLENDER. The difficulty with that is that the Senate never makes reports as is the case with the House.

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

Mr. SALTONSTALL. I yield.

Mr. KEFAUVER. In addition to the language in the conference report, the motion of Mr. PHILLIPS at page 9424 of the RECORD of last Tuesday, July 21, as interpreted, would seem to contemplate terminating the program after 20,000 houses had been built.

I thoroughly agree with the distinguished Senator from Alabama [Mr. SPARKMAN] that if the program is to be terminated, it should not be done until after full hearings have been had and a study made by the legislative committees. If appropriate hearings were held, my opinion is that there would be a very loud, substantial voice throughout the country almost reaching unanimity, in favor of continuation of the public housing program. I know that throughout the years in my own State of Tennessee, where the program was accepted in some cities with considerable doubt in the beginning, many cities and smaller towns have now gone into the program and believe in it.

The present House language would eliminate some 14 projects, involving 1,481 units, in the State of Tennessee alone. I have received many letters and telegrams from interested citizens.

Mr. President, I believe that the conference report should make it amply clear that this program is not to be terminated, that that is not the intention of the Senate, and that there should be full committee hearings before any such action is contemplated.

It is stated that this program is being held up pending a study. The agricultural program is being studied, and yet it is not being stopped. Almost everything in Government is being studied these days by commissions or committees. That is no reason why a successful program like the housing program should be discontinued.

I invite attention to the fact that if this limitation does stop the low-cost housing program, it would also substantially eliminate the slum clearance. While slum clearance is not specifically referred to, we know as a practical matter that if we clean out slums we should, and in most cases would, put in low-cost housing units to take care of the people who had formerly lived in the slums.

I wish to compliment the Senator from Massachusetts for his support of the low-cost housing program. I think the people of the United States are in favor of this program. They support the position of the Senator from Massachusetts, which is my position. I hope the conferees will come back with clear and unmistakable language indicating that we intend and expect this program to be continued.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a brief statement, and also a letter in reference to this program.

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

As of March 23, 1953, there were, in 408 localities, 150,000 dwelling units contracted for under the regulations of the Public Housing Administration. However, the Housing Administration, after the contract stage, awards what it terms annual contribution contracts—what amounts to a green light for construction. If the House conference report is approved by the Senate, these 150,000 first stage contracts will be invalidated.

In Tennessee, here is the picture:

Chattanooga	[1] 92
Clarkesville	100
Dyersburg	155
Englewood	18
Galletin	100
Humboldt	120
Knoxville	706
Lafollette	6
Lynchburg	18
Manchester	20
Memphis	392
Paris	64
Petersburg	12
Waverley	38
Total	1,841

[1] All figures as of Apr. 30, 1953.

Source: Mr. Abner D. Silverman, Assistant Commissioner for Operations, Public Housing Administration.

These projects would be dropped if House conference report is adopted in Senate.

Under provision in the housing law itself, all occupants must have been living in substandard dwellings unless they are veterans who can be taken under certain conditions such as rents in their present dwellings which they cannot afford to pay.

The entire country has discovered the slum conditions are very unprofitable. The cost of services—fire, police, etc.—generally costs twice as much to the municipality as is derived from tax revenues from the particular area.

CITY OF MEMPHIS AS AN EXAMPLE

The city of Memphis has built and now has occupied 3,390 low-rent public-housing units. The tax revenues which the city of Memphis derived from the sites of those low-rent units before they were cleared of slums was $47,639.56 annually. The tax revenues from those same areas in 1953 are $128,033.61. The city of Memphis has a 58-acre tract occupied by 525 substandard units which they plan to develop under title I, urban redevelopment program. Under this particular program, which incidentally has the support of the private-home builders, the municipality clears and rebuilds into low-rent public housing those houses which are rock-bottom substandard. The remainder which are repairable are rehabilitated by the private builders under a redevelopment plan approved by the municipality and, of course, are owned and sold by private builders. In this 56-acre tract, the total tax revenue received annually is $6,551. The estimated annual tax following redevelopment is $35,000.

SLUM CLEARANCE

There is no legal relationship between the slum clearance program and urban redevelopment and the limitation on housing contained in the conference report. The office of the legal counsel of slum clearance informs us that as a matter of law they could go forward with the slum-clearance program but that as a probable matter this program would be brought to a halt. They point out that the legislative history of the past, as well as the practical consideration, would indicate that when a slum is cleared low-rent public housing is expected to take its place. In other words when the slum houses are torn down and the people are displaced they have to have some place to go. The slums would have to be replaced by low-rent public housing which they could afford to go into or they would be replaced by higher cost and higher rent housing which they could not afford to go into.

HUMBOLDT HOUSING AUTHORITY,
Humboldt, Tenn., March 18, 1953.

Re Humboldt Housing Authority, Contract A–261, Project No. Tenn. 27–1 and 27–2.

Senator ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR: We need your assistance in connection with the housing projects for Humboldt. We are now operating under Preliminary Loan Contract No. A–261; and the two proposed projects are designated Tennessee 27–1 and Tennessee 27–2.

Humboldt has never had a housing project. About one and a half years ago Humboldt Housing Authority was organized and chartered and the preliminary steps toward securing the housing project or projects were made. After completion of a housing survey Humboldt was approved for a white project to consist of 60 units and a nonwhite project to consist of 60 units. Site selections were made and approved by the Atlanta office, an architect was employed, the necessary preliminary maps and surveys were made, and the development program for each of the projects was completed and sent to Atlanta. This was in the early fall of last year, 1952. We were told in the summer of 1952 that if we got far enough along with our program for a contract to be let by December 1, 1952, we would get in the 1953 fiscal year. However, when the development programs were completed and sent to Atlanta we were then told that by reason of the pressure of work it would not be possible for them to be processed in time for a contract in the 1953 fiscal year, but that they would go forward with them so they could be ready for the 1954 fiscal program. We further understand that, both because of pressure of work and because they did not want to process any programs that would not be approved for 1954, the development programs are still in Atlanta. We have done everything we have been requested to do with regard to the programs, and so far as we know, they are complete and are and have been ready to be processed. As a matter of fact, we had understood and hoped that these projects would receive approval for the 1953 fiscal year.

We are now advised that a tentative list of projects for Tennessee for next year has been forwarded to Washington and this list is now in the central office of the Public Housing Administration in Washington. We are further informed that this list is subject to certain criteria which would place the Humboldt projects at a serious disadvantage.

That is, we understand that it is being recommended that where there are two pro-

grams proposed for a town or city for 1954 they recommend the construction only of the project with the greater number of units, and that, as in our case, where the units are evenly distributed between the white and nonwhite projects, they recommend that only one project be constructed and that the local housing authority will determine which of the projects is to be constructed. This would mean allotting now to Humboldt only 50 percent of the total units heretofore approved as necessary. We feel that such a policy is completely unfair to us. First, there has never been a housing project in Humboldt and these will not be additional units but primary units. We know that numerous other towns and cities in Tennessee who have already enjoyed considerable public housing construction are being recommended for additional units for the coming year which will mean the expenditure of millions of dollars. The total of 120 units for the 2 Humboldt projects represents, comparatively, a very meager percentage of the total units recommended for the State as a whole. Since these will be the first housing projects to be constructed in Humboldt, and since the need as revealed by the survey is great, we do not feel that they should eliminate one of these projects or reduce the number of units.

The Humboldt Housing Authority is and for several months has been ready to proceed. Our development programs have been completed; the sites have been selected and approved and can at this time be acquired for a reasonable amount; the plans and specifications have been prepared and are ready. We cannot even acquire the sites until an annual contribution contract is executed and we are informed that no such contract will be entered into until after July 1 of this year and then only for projects which have received Presidential approval. We are also informed that there may be additional delay because of the appointment of Mr. Cole, the new Administrator.

We will therefore greatly appreciate it if you will check with the central office of the Public Housing Administration there and determine if the Humboldt projects are on the list recommended for construction in the 1954 fiscal year and if you will use your influence to get approval for both of these projects without reduction in units. We repeat, these are comparatively small projects; they are much needed; and Humboldt has never had a housing project.

We have waited until we thought it was absolutely necessary before burdening you with this matter. The Humboldt Housing Authority has been organized and working toward a housing project for more than a year and a half. It is now apparent that more than 2 years will have passed before any construction will be commenced. We feel that there is no excuse for any additional delay and we feel strongly that there is even less excuse, under the circumstances, for any reduction in the number of units to which we are entitled.

We are turning to you as our representative in the Senate to see that our interests of Humboldt are protected. We have now done all that we can do for ourselves in this matter, and we urgently need your assistance. Please look into this situation for us, and let us know just where we stand, and keep us informed as to the status of the Humboldt projects. We will be deeply appreciative of your assistance and interest.

Sincerely,

HUMBOLDT HOUSING AUTHORITY,
By HAROLD W. MCLEARY, *Chairman.*
C. S. ROOKS,
E. L. NELSON,
DAN S. TUTTLE,
BARTON O'BRIEN,
Commissioners.
J. D. SENTER, Jr.,
Executive Director.

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

Mr. SALTONSTALL. I yield.

Mr. KNOWLAND. As a result of the discussion tonight, it seems to me that some very real thought should be given to the suggestion I am about to make, either by way of a concurrent resolution, or in some other way. Of course, we cannot do anything about it at this session of Congress, but action should be taken so that what is now called the statement on the part of the managers of the House would become, instead, a statement on the part of the conferees of both Houses, a statement which would be filed simultaneously in both Houses of Congress. Otherwise we may get into this kind of snafu again. It could happen very easily.

In my judgment the problem would not be solved by the Senate managers filing one report, and the House managers filing another report. In fact, that might create even more difficulties. But, if we could have an arrangement—and I think some very real thought should be given to the question by members of the Committee on Rules and Administration and other Members of the Senate—under which, when conference reports come back, in place of the statement which begins on page 7 of the report, under the heading "Statement of the Managers on the Part of the House," and which is signed by the House managers, we could have a statement of the conferees on the part of both the House and Senate, which would be agreed to in conference, it would bring about a great improvement in our procedure. The same statement would be filed in both the House and Senate.

Mr. SALTONSTALL. Mr. President, I will say to my good friend from California that after my experience tonight I am heartily in favor of the suggestion which he makes.

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

Mr. SALTONSTALL. I yield.

Mr. MORSE. On behalf of the Senator from New York [Mr. IVES], and the Senator from Oregon, an invitation is extended to the Senator from California to join in sponsoring such a resolution. A few minutes ago we agreed that we would offer such a resolution. We now invite the Senator from California and any other Senator who wishes to join us, to become cosponsors of just the kind of resolution the Senator was describing.

Mr. SALTONSTALL. I thank the Senator.

Mr. JOHNSON of Texas. Mr. President, I wish to say for the RECORD that I think the distinguished Senator from Oregon, who is a great liberal and the leader of the Independent Party in the Senate, has rendered the Senate and the country a great service by the statement he made this afternoon, which results in the conference report being recommitted. When he started his speech, I was not sure that he was correct. When he finished, I was confident that I should join him.

I wish also to commend the distinguished acting majority leader [Mr. KNOWLAND] for the manner in which he has handled this entire situation. He has acted with wisdom and tact.

There is one thing about which we must always be very careful. Even when only one Member of the Senate questions a procedure, before we send anything on its way to becoming a law, we ought to stop, look, and listen, and be very careful.

I think the distinguished chairman of the subcommittee realizes the situation in which we found ourselves. He knows that every Member of the Senate has confidence in him. While he felt that the chairman of the House group understood what was being done it might well have been that all other Members of the House did not so understand it.

I do not believe that anything but good can come from the action we are taking tonight. I am glad that we have finally reached the point where we can send the bill back to conference, so that further work can be done on it. We have done a great deal of talking. There is nothing we can do in the Senate Chamber about correcting the imperfections which exist in this conference report.

I believe that we need to stand firm on the ICC matter. I express the hope which so many other Senators have expressed, that we will let the House Members suffer no illusions to the effect that they are killing off the public-housing program.

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

Mr. SALTONSTALL. I yield to the Senator from Alabama.

Mr. HILL. Is it not true that the House conferees came to the conference after the House had voted, on a yea-and-nay vote, 239 to 161, with a majority of 78, not to put in a single dollar for a single housing unit, and after the House had placed in the bill language, which I think it should not have placed in it, and which would have killed the whole housing program? The distinguished Senator from Massachusetts, as chairman of the Senate conferees, with the unanimous support of all the other Senate conferees, fought a battle with the House conferees to get them to recede from the position of the House, taken on a yea-and-nay vote, by a majority of 78, and to agree not to kill this program, but to provide the money for the 20,000 housing units, and also to strike out the House language, and insert language which the Senate conferees thought would save the program. Is not that true?

Mr. SALTONSTALL. I will say to the Senator from Alabama that I am glad he brought that question up. The language contained in the report was drafted by Mr. Fitzpatrick, counsel for the Housing Administration. I think it will be agreed that his instructions were to draft such language as would make sure that the public housing program was not killed.

Mr. HILL. And that language was put in in lieu of the House language, which was deliberately and willfully inserted to kill the program.

Mr. SALTONSTALL. That is correct.

Mr. HILL. The House had refused to vote a single dollar for the construction of a single unit of housing, had it not?

Mr. SALTONSTALL. That is correct.

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

Mr. SALTONSTALL. I yield.

Mr. HUMPHREY. I do not wish to take much more time of the Senate, but I would feel derelict in my responsibility as a Senator representing my State unless I said that I have received considerably more than 200 telegrams and messages in regard to the Interstate Commerce Commission safety program. Despite whatever differences we may have on the language, or on its interpretation, those telegrams reveal at least a feeling and an understanding on the part of the senders that the Interstate Commerce Commission would be denied responsibilities in the field of safety work.

Secondly, so far as housing is concerned, I discussed this question with the distinguished Senator from Massachusetts. I felt, at the time of our personal discussion, that he was strongly of the opinion that it did not mean the end of housing.

When I read the RECORD, as the Senator from Alabama [Mr. SPARKMAN] pointed out, I could not help feel that here again we see a play on words. Actually what happened was that the conference report, as it was submitted to the House, and as it was understood by the Senate, became all things to all men.

I wish to concur in the thought expressed by the acting majority leader, that it is imperative we have a report which is identical for both Houses. It has always been somewhat amazing to me that we have not had such a report. Now that the distinguished Senator from Oregon [Mr. MORSE] and the distinguished Senator from New York [Mr. IVES] have been working together in silent meditation—if not too silent, at least it has not been so oral that it has interrupted the deliberations of the Senate—I believe we should get the resolution in the legislative hopper and under way, so we will have no more difficulties like this one.

I believe the experience has been a help to all Members of the Senate. I hope it has not been embarrassing to the Senator from Massachusetts, because I know of no Senator who has the affection of his colleagues to a greater degree than has the Senator from Massachusetts.

I thank the Senator from Massachusetts for the time he took today to explain the situation to me, as he has to the Senate tonight. Let me make my position perfectly clear. We must continue the public-housing program. We must have the safety work of the Interstate Commerce Commission. I say it only so the Senator will be further fortified in knowing that the people I represent have asked for it. The mayors of the Twin Cities of Minneapolis and St. Paul and other cities in Minnesota are looking forward to a big start in housing, and are asking for it. I feel it is our responsibility to make this a matter of record.

Mr. SALTONSTALL. I thank the Senator.

The PRESIDING OFFICER (Mr. CARLSON in the chair) laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4663, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
July 21, 1953.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 33 to the bill (H. R. 4663) entitled "An act making appropriations for the executive office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes," and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 9, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "purchase of not to exceed eight passenger motor vehicles, for replacement only, in the event adequate vehicles cannot be obtained by transfer from other departments or agencies."

That the House recede from its disagreement to the amendment of the Senate numbered 42, and concur therein with an amendment, as follows: ": *Provided further*, That unless the governing body of the locality agrees to its completion, no housing shall be authorized by the Public Housing Administration, or, if under construction continue to be constructed, in any community where the people of that community, by their duly elected representatives, or by referendum, have indicated they do not want it, and such community shall negotiate with the Federal Government for the completion of such housing, or its abandonment, in whole or in part, and shall agree to repay to the Government the moneys expended prior to the vote or other formal action whereby the community rejected such housing project for any such projects not to be completed plus such amount as may be required to pay all costs and liquidate all obligations lawfully incurred by the local housing authority prior to such rejection in connection with any project not to be completed: *Provided further*, That, in any case where the Public Housing Administration (after the approvals on the part of the governing body of the locality required by law) has entered into a financial assistance contract with a local housing authority covering any low-rent housing projects to be constructed in such locality, and (a) thereafter, but prior to the effective date of this act, a majority of the members of the governing body of the locality and the people of the locality have voted against any such low-rent housing projects, and (b) the local housing authority and the governing body of the locality agree to a modification of the agreement providing the required local cooperation in connection with such low-rent housing projects, the preceding proviso shall not be applicable, and (1) the Public Housing Administration shall not, unless the governing body of the locality shall, by resolution, request such action, (a) authorize the award of any contract for the construction of any such low-rent housing project, or (b) make any further advance of funds on account of any such project for which the main construction contract has not heretofore been awarded, excepting only such funds as may be required by the local housing authority (i) to pay all costs and liquidate all obligations heretofore properly incurred by it in connection with any such project which, pursuant to such modification, is to be terminated, and (ii) to pay costs in connection with the liquidation (including the sale of land or other assets) of any such terminated project; (2) in the liquidation of any such terminated project no claim shall be made by the local housing authority or the Public Housing Administration against the locality or its governing body on account of such termination; (3) the Public Housing Administration shall absorb as a loss, and shall release the local housing authority from, all claims, if any, of said Administration in connection with such terminated project in excess of the net amount realized from the sale by the local housing authority of all land (which, if sold to other than a public agency, shall be after public advertisement to the highest responsible bidder, but if sold to a public agency may be at a price equal to the purchase price of the land, exclusive of improvements, as approved by the Public Housing Commissioner) and other assets acquired and held in connection with such terminated project; and (4) the Secretary of the Treasury shall credit as a payment upon the note or notes of the Public Housing Administration, executed and delivered in connection with funds obtained pursuant to section 20 of the United States Housing Act of 1937, as amended, an amount equal to such loss as certified by the Public Housing Commissioner."

That the House recede from its disagreement to the amendment of the Senate numbered 43, and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert ": *Provided further*, That notwithstanding the provisions of the United States Housing Act of 1937, as amended, the Public Housing Administration shall not, with respect to projects initiated after March 1, 1949 (1) authorize during the fiscal year 1954 the commencement of construction of in excess of 20,000 dwelling units or (2) after the date of approval of this act, enter into any new agreements, contracts, or other arrangements, preliminary or otherwise, which will ultimately bind the Public Housing Administration during fiscal year 1954 or for any future years with respect to loans or annual contributions for any additional dwelling units or projects unless hereafter authorized by the Congress to do so, and during the fiscal year 1954 the Housing and Home Finance Administrator shall make a complete analysis and study of the low-rent public-housing program and, on or before February 1, 1954, shall transmit to the Appropriations Committees of the House and Senate his recommendations with respect to such low-rent public-housing program."

That the House recede from its disagreement to the amendment of the Senate numbered 46, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "purchase of not to exceed four passenger motor vehicles, for replacement only, in the event adequate vehicles cannot be obtained by transfer from other departments or agencies."

That the House recede from its disagreement to the amendment of the Senate numbered 53, and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert: "For necessary expenses for the National Capital Planning Commission in connection with the acquisition of land for the park, parkway, and playground system of the National Capital, as authorized by the act of May 29, 1930 (46 Stat. 482), as amended, $100,000, to remain available until expended, to be used for carrying out the provisions of section 1 (a) of said act: *Provided*, That not exceeding $24,940 of the funds available for land acquisition purposes shall be used during the current fiscal year for necessary expenses of the Commission (other than payments for land) in connection with land acquisition."

Mr. SALTONSTALL. Mr. President, I move that the Senate disagree to the amendments of the House to the amendments of the Senate numbered 42 and 43; agree to the amendments of the House to the amendments of the Senate

numbered 9, 46, and 53; further insist on the amendments of the Senate in disagreement; and ask for a further conference with the House of Representatives thereon.

The PRESIDING OFFICER. The Chair would advise the Senator from Massachusetts that the pending question before the Senate is his resolution, which was submitted earlier today.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to withdraw the resolution.

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

Mr. IVES. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. IVES. Has the motion on the ICC matter been adopted?

The PRESIDING OFFICER. No; it has not been agreed to.

Mr. SALTONSTALL. That is included in the motion I have made.

Mr. MORSE subsequently said: Mr. President, I ask unanimous consent to have published in the body of the RECORD, just before action by the Senate on the motion of the Senator from Massachusetts a copy of a speech which the Senator from New Hampshire [Mr. TOBEY] had prepared for delivery on the issue. He was necessarily detained and could not make the speech. He has asked me to insert it in the RECORD for him.

I wish to associate myself with every argument made by the Senator from New Hampshire in his speech. I wish to add only, so it may be of help to the conferees in their discussions, that, of course, the basis of the controversy originally was the controversy between the licensed and unlicensed operators of trucks. The record should show that fact. It is my judgment that if we do not follow the course of action which we are about to follow, and if the appropriation bill had been passed on the basis as was first proposed, the moment the President signed the bill, legal counsel for the unlicensed operators would have proceeded to take the necessary legal action to tie up the Interstate Commerce Commission from spending any funds. I believe we will now be able to get into the situation where at least when the final appropriation is approved it will be impossible for legal counsel to take that kind of dilatory action.

There being no objection, Mr. TOBEY'S statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR TOBEY

On July 21, 1953, the House approved a conference report on the First Independent Offices Appropriation Act of 1954. The Honorable JOHN PHILLIPS, of California, has led this fight against safety, and he has repeatedly stated that the ICC should not concern itself with the safety and field work which it has performed for many years, and which it is directed by law to do. Congressman PHILLIPS in effect suggests that we should trade lives for dollars. He has stated that safety is a function of the States and that it should not be performed by the ICC.

The public and the transportation industry has become aroused by this flagrant disregard for the millions of people who travel our highways. At this point, I should like to read a letter from the Public Utilities Commission of the State of California—Congresman PHILLIPS' own State—regarding this matter.

"Hon. J. HADEN ALDRIDGE,
"Chairman, Interstate Commerce Commission, Washington, D. C.

"DEAR MR. CHAIRMAN: It has come to our attention that enforcement of your safety regulations of interstate carriers may be drastically curtailed or discontinued. Our commission has general regulatory power over California intrastate for-hire carriers. There are approximately 14,841 such carriers operating 81,376 vehicles. Our jurisdiction with respect to safety, however, is confined to but 411 carriers, which is approximately 3.7 percent of the for-hire carriers under our jurisdiction. These carriers operate 24,441 vehicles, which is approximately 30 percent of the total vehicles operated. The balance of 56,935 vehicles, or 70 percent of the total, are not subject to any safety regulation by this Commission. Many of the carriers not subject to intrastate safety supervision are also interstate carriers operating both with and without the State.

"It seems to this commission that in the interests of safety, both with respect to general commodities and explosives, your Commission's safety activities should be continued.

"Sincerely,

"R. E. MITTELSTAEDT,
"President."

Congressman PHILLIPS wants to eliminate from inspection 56,935 vehicles, or 70 percent of all the carriers operating in his State, vehicles which the Public Utilities Commission of the State of California has said are not subject to any safety regulation by the State. The State highway patrol of the State of California has not only asked for a continuation of this service but has asked for an increase. My colleague, Senator EDWIN C. JOHNSON, from Colorado, has inserted in the RECORD this letter together with letters from many other States, which makes this safety program mandatory. My State of New Hampshire, and every State in the Union, will be greatly injured if this conference report on H. R. 4663 is accepted by the Senate. Every motor carrier field office in the United States will be closed and motor-carrier regulations will cease to exist. The people of the United States are greatly aroused by this obvious trade of lives for dollars.

Mr. President, I would like to call your attention to this full-page ad in the Washington Post, dated July 22, 1953, which has as its headline "Members of Congress: Public safety is in your hands." The death toll in 1952 amounted to 38,000 persons.

Mr. President, this Nation has not grown so poor that we must follow the Shylock pattern of "gold for a pound of flesh." I am amazed that our conferees have even considered such a proposal. A conference report on an appropriations bill should not, and does not, have the right to disregard laws which have been on our books for many years. If this report is permitted to pass, part II of the Interstate Commerce Act, which deals with motor vehicles, will for all practical purposes become void, and the Congress of the United States will have on its doorstep the blood of the many thousands of people that will be killed this next fiscal year.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the motion of the Senator from Massachusetts [Mr. SALTONSTALL].

The motion was agreed to; and the Presiding Officer appointed Mr. SALTONSTALL, Mr. BRIDGES, Mr. FERGUSON, Mr. CORDON, Mr. MAYBANK, Mr. HILL, and Mr. ELLENDER conferees on the part of the Senate at the further conference.

MEMORANDUM FOR MEMBERS OF CONGRESS ISSUED BY THE SECRETARY OF COMMERCE

Mr. KNOWLAND. Mr. President, I had intended to ask unanimous consent to have printed in the body of the RECORD a memorandum for Members of Congress, dated July 24, 1953, issued by the Secretary of Commerce, Sinclair Weeks, together with a copy of a newspaper press release on the same date. I understand, however, that earlier in the day the Senator from Indiana [Mr. CAPEHART] had the memorandum and release printed in the body of the RECORD, so I shall not make the request.

RECESS TO 10 A. M. TOMORROW

Mr. KNOWLAND. Mr. President, I move that the Senate stand in recess until 10 o'clock a. m. tomorrow.

The motion was agreed to; and (at 8 o'clock and 28 minutes p. m.) the Senate took a recess until tomorrow, Saturday, July 25, 1953, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 24 (legislative day of July 6), 1953:

DIPLOMATIC AND FOREIGN SERVICE

Robert D. Coe, of Wyoming, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Denmark.

HOME LOAN BANK BOARD

Walter W. McAllister, of Texas, to be a member of the Home Loan Bank Board for a term of 4 years, expiring June 30, 1957, vice Kenneth G. Heisler, term expired.

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

To be commissioned ensign

Jack D. Walker

IN THE ARMY

Lt. Gen. Charles Lawrence Bolté, XXXX Army of the United States (major general, U. S. Army), for appointment as commander in chief, United States Army, Europe, with the rank of general and as general in the Army of the United States, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

The following-named officers for temporary appointment in the Army of the United States, to the grades indicated, under the provisions of subsection 515 (c) of the Officer Personnel Act of 1947:

To be major generals

Brig. Gen. Edwin Luther Sibert, XXXX United States Army.

Brig. Gen. Robert Wesley Colglazier, Jr., XXXXXXX, United States Army Reserve.

Brig. Gen. Gordon Byrom Rogers, XXXX Army of the United States (colonel, U. S. Army).

Brig. Gen. Philip DeWitt Ginder, XXXX Army of the United States (colonel, U. S. Army).

Brig. Gen. Lionel Charles McGarr, XXXX Army of the United States (colonel, U. S. Army).

Brig. Gen. Paul Donal Harkins, [redacted] Army of the United States (colonel, U. S. Army).

To be brigadier generals

Col. Richard Gray McKee, [redacted] United States Army.

Col. Joseph Conrad Odell, [redacted] United States Army.

Col. Paschal Neilson Strong, [redacted] United States Army.

Col. Emerson Charles Itschner, [redacted] United States Army.

Col. Vonna Fernleigh Burger, [redacted] United States Army.

Col. Henry Randolph Westphalinger, [redacted] United States Army.

Col. David Louis Van Syckle, [redacted] United States Army.

Col. John Bruce Medaris, [redacted] United States Army.

Col. Ralph Joseph Butchers, [redacted] United States Army.

Col. Alfred Benjamin Denniston, [redacted] United States Army.

Col. Edwin Hugh John Carns, [redacted] United States Army.

Col. William Arnold Carter, Jr., [redacted] United States Army.

Col. August Schomburg, [redacted] Army of the United States (lieutenant colonel, U. S. Army).

Col. Harvey Herman Fischer, [redacted], Army of the United States (lieutenant colonel, U. S. Army).

Col. Teddy Hollis Sanford, [redacted] Army of the United States (lieutenant colonel, U. S. Army).

Col. Paul Thomas Carroll, [redacted] Army of the United States (lieutenant colonel, U. S. Army).

CONFIRMATION

Executive nomination confirmed by the Senate July 24 (legislative day of July 6), 1953:

UNITED STATES COAST GUARD

Vice Adm. Merlin O'Neill to be Commandant of the United States Coast Guard with the rank of vice admiral for a term of 4 years. (Reappointment.)

WITHDRAWAL

Executive nomination withdrawn from the Senate July 24 (legislative day of July 6), 1953:

UNITED STATES DISTRICT JUDGE

Monroe Mark Friedman to be United States district judge for the northern district of California.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 24, 1953

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious Spirit, bless us in this moment of prayer with a strong and steady faith, a faith that is resolute and invincible, because it is placed, not in our own puny strength and finite wisdom but in the Lord God, omnipotent and omniscient.

We know that during this day we will be challenged with tasks which are far beyond our strength unless Thou sustain us. We will be baffled with problems beyond our wisdom unless Thou illumine us, and uncertain of our ways unless Thou guide us.

May we revel and rejoice in the glad assurance that Thy grace is sufficient for all our needs. Wilt Thou transform our strength into service and our wisdom into the guidance that is so desperately needed in the high enterprise of building a better world for all mankind.

Grant that our President, our Speaker, and all the Members of Congress may be inspired daily by lofty ideals, noble principles, clear vision, and indomitable courage as they seek to minister to bruised and broken humanity.

Hear us in the name of the Christ. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 4484. An act to amend section 365 of the act entitled "An act to establish a code of laws for the District of Columbia," approved March 3, 1901, as amended, to increase the maximum sum allowable by the court out of assets of a decedent's estate for funeral expenses;

H. R. 5804. An act to authorize the Secretary of the Interior to grant easements for rights-of-way through, over, and under the parkway land along the line of the Chesapeake & Ohio Canal, and to authorize an exchange of lands with other Federal departments and agencies, and for other purposes; and

H. J. Res. 253. Joint resolution to amend the joint resolution of June 16, 1938, creating the Niagara Falls Bridge Commission.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 2236. An act for the establishment of a Commission on Area Problems of the Greater Washington Metropolitan Area;

H. R. 2824. An act to encourage the discovery, development, and production of tungsten areas, and concentrates in the United States, its Territories and possessions, and for other purposes; and

H. J. Res. 228. Joint resolution to permit the entry of 500 children under 6 years of age, adopted by United States citizens while serving abroad in the Armed Forces of the United States, or while employed abroad by the United States Government.

The message also announced that the Senate had passed a bill, joint resolution, and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2417. An act to provide for the creation of a Commission on Judicial and Congressional Salaries, and for other purposes;

S. J. Res. 96. Joint resolution to strengthen the foreign relations of the United States by establishing a Commission on Government Use of International Telecommunications; and

S. Con. Res. 43. Concurrent resolution tendering the thanks of Congress to Gen. Peyton C. March, former Chief of Staff of the Army.

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

H. R. 5969. An act making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1954, and for other purposes.

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

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 amendments of the Senate to the bill (H. R. 5227) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1954, and for other purposes."

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1954

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5969) making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1954, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas? [After a pause.] The Chair hears none and appoints the following conferees: Mr. WIGGLESWORTH, Mr. SCRIVNER, Mr. FORD, Mr. MILLER of Maryland, Mr. OSTERTAG, Mr. TABER, Mr. MAHON, Mr. SHEPPARD, Mr. SIKES, and Mr. CANNON.

SUSPENDING IMPORT DUTIES ON ALUMINUM AND ALUMINUM ALLOYS

Mr. REED of New York. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent that the bill (H. R. 5534) to suspend for 1 year import duties on aluminum and aluminum alloys be recommitted to the Committee on Ways and Means.

Mr. Speaker, I regret that I have been directed to request this recommittal.

There is a definite shortage of aluminum in this country. The 17,000 independent aluminum fabricators in the United States are unable to meet their requirements for this critical metal. These small businesses are in a desperate plight. They need this bill.

It has been argued that the suspension of this duty will not increase the supply of aluminum. Mr. Speaker, one thing I do know is that the continuance of a tariff never helped to relieve a domestic shortage. That there is such a shortage today no one doubts.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. REED]?

Mr. MASON. Mr. Speaker, I object.

"THIS IS THE PLACE!"

Mr. STRINGFELLOW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. STRINGFELLOW. Mr. Speaker, "This is the place!" These four short insignificant words may mean very little when taken from context, but when they were uttered on July 24, 1847, by Brigham Young to his small band of Mormon pioneers as they stood on a promontory overlooking Salt Lake Valley, they represented a fulfillment of a prophecy and the end of a 2,000-mile trek across a desolate wilderness infested with hostile Indians.

Today is the 106th anniversary of the arrival of the Mormon saints in the valley of the Great Salt Lake. On this memorable day more than a hundred years ago, all of Utah was a desert, inhabited only by a few Indian tribes, and the only vegetation growing in the valley was scrub oak and sagebrush. It was indeed a desolate and bedraggled group of hardy pioneers who entered the valley on that day and they possessed the courage and vision to start a new existence in this primitive wilderness far removed from civilization.

If you will reflect a moment on your early American history, you will recall that the Latter-day Saints, or Mormon Church, as it is commonly called, was founded by Joseph Smith in the year 1830. You will also recall that the Founding Fathers of America supposedly came to this country to escape religious persecution and even though the United States Constitution guaranteed freedom of religion, there were many who were still very intolerant of any church which differed in the slightest degree from their own secular and ecclesiastical beliefs and ideas. Inasmuch as Mormonism did embrace several principles which were not in accord with the orthodox religions of that day and age, the early converts to the Mormon Church were severely persecuted and reviled by their neighbors. As a result, the Mormons were successively driven by mob rule and bigotry from the States of New York, Ohio, Missouri, and Illinois. The final crowning blow of religious intolerance occurred in Illinois in 1844 when Joseph Smith, the founder of the Mormon Church, was slain by an unruly mob which broke into the Carthage, Ill., jail where Joseph had been illegally incarcerated on trumped-up charges.

The martyrdom of their religious leader would have been sufficient to destroy the will of a less hardy or zealous people; but the Mormon converts were undaunted and, under the inspired leadership of Brigham Young, they launched the longest recorded mass march in history in their trek from Illinois and Missouri to the valleys in the tops of the mountains of Utah, which was then Mexican territory.

Brigham Young was truly one of the great men of America—a pioneer, colonizer, statesman, and religious leader of his people—and he and the Mormons helped carve a new empire in the West.

The Latter-day Saints people, having survived many trials and hardships, industriously set about clearing the land in Salt Lake Valley and other fertile areas of Utah and in time truly made the desert blossom as a rose.

It has taken many years to rid men's minds of their superstitions and bigotry concerning the Mormons and their religious beliefs. And even today there are some people who look askance at us when we acknowledge that we are Mormons and are proud of the fact.

Recent national magazine articles have extolled the scenic wonders of Utah and praised the industry of our people, but at the same time have in many instances demonstrated intolerance and lack of understanding or appreciation of our religious and moral concepts. But Utah and the Mormon people have come a long way in the 106 years since their pioneer forefathers arrived in the Salt Lake Valley. Today the State of Utah has approximately three-fourths of a million people living in some of the most modern and beautiful cities to be found anywhere in the world. We are a growing, expanding industrial State with many millions of dollars of yet unexplored and undeveloped mineral wealth. Our future growth will only be limited by our ability to harness our water resources through multipurpose reclamation projects which will provide sufficient power and water for industry and agriculture. Membership in the Mormon Church today exceeds 1 million persons and thousands of converts are embracing this new religion every year. The Book of Mormon, which contains the revealed history of the religious and secular life of the early American Indian here in the Western Hemisphere, has been translated into almost every known language and has been distributed by thousands of Mormon missionaries to every nation, kindred, and tongue throughout the world.

Whereas Mormons were once reviled and persecuted, they today command respect and their counsel and advice are earnestly sought after by our Nation's leaders in the fields of religion, business, and politics. They hold no ill will toward their former malefactors; indeed they exemplify the words of the Master who in His Sermon on the Mount said:

> Love your enemies, bless them that curse you, do good to them that hate you, and pray for them which despitefully use and persecute you.

I am very proud and yet humble to say that I am a Mormon, and that my colleague here in the House, Congressman WILLIAM A. DAWSON, is also a member of the Latter-day Saints Church, as are both of Utah's Senators. One member of the President's Cabinet, Secretary of Agriculture Ezra Taft Benson, is an apostle in the governing body of the Mormon Church, and he is a man of God, as well as a great leader who is today working out a solution to our most vexing agricultural problems. If I were to start enumerating the names of Utah people who today are heads of Government departments or in important positions here in Washington and throughout the Nation, you would be amazed and almost believe the Mormon exodus is being reversed. Because our people are today moving east, west, north, and south, and we have nine Mormon chapels in the Washington area alone and colonies of Latter-day Saints people in every State in the Union. So I can assure you Mormonism is not a passing fad, but is here to stay until the millennium.

Today in every community and city in Utah gala celebrations are taking place to commemorate the arrival of the saints in Utah, the promised land of Mormonism. People are happy, gay, and carefree on this day which is annually proclaimed a legal holiday in Utah. As you leave the House Chamber today, I ask you to take a minute of your time to pass through Statuary Hall and pause before the statue of Brigham Young and reflect on the contribution this great American and the Mormon people have made to the history of our Nation. Utah—and all people of that great State—we salute you.

THE ELEX CLUB'S TRIP TO EUROPE

Mr. ADAIR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial.

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

There was no objection.

Mr. ADAIR. Mr. Speaker, an important event is taking place in Fort Wayne, in the Fourth District of Indiana, tomorrow, which I feel deserves the attention and interest of the Members of the House.

We are constantly striving for better understanding and relations with foreign countries. Diplomacy is really a matter of common sense and getting to know our neighbors. Direct human relationships many times go further and create better results and warmer feelings than the high echelon protocol of governmental figures.

From Fort Wayne, Ind., my home town, today a group of young women from the General Electric Co. who are part of an organization known as the Elex Club are taking off on a trip by air to Europe. They typify the true American girl, independent, hardworking, ambitious, talented, or skilled in various fields of endeavor. They are making this trip on their own from money they made and saved under our free-enterprise system, showing the high standard of living and possibilities that can be realized in this country of ours.

They will have a wonderful trip besides carrying the American story to the peoples of the various nations they are scheduled to visit. When they return they will have spread good will, acquainted our European neighbors with their friendly spirit and have left a picture of true Americanism with the people with whom they have come in contact.

The Elex Club trip has stirred up tremendous interest and enthusiasm in Fort Wayne. For months, the girls have been planning and preparing for this wonderful experience. Through Mr. Thruston B. Morton, Assistant Secretary, Department of State, word has gone out to

the various American missions and consular offices in the places they will visit to see that they receive a cordial welcome from their home country.

Mrs. Mamie Doud Eisenhower, the charming wife of the President of the United States, has sent the members of the Elex Club her friendly greeting and good wishes for a pleasant and memorable trip. In a letter to the club, Mrs. Eisenhower wrote:

THE WHITE HOUSE,
Washington, June 19, 1953.

DEAR FRIENDS: It is a pleasure to extend greetings to your fine group from the General Electric Co., of Fort Wayne. I think your proposed trip to Europe is a splendid idea. You will find the experience tremendously interesting and beneficial, I know.

Such trips as yours are of inestimable value these days, for it is highly important that you young people become familiar with the international scene and take an active part in establishing understanding and good will.

My best wishes to you for a successful journey.

MAMIE DOUD EISENHOWER.

Included in their itinerary will be visits to England, the Netherlands, France, Germany, Switzerland, and Italy. They will leave by plane from Fort Wayne tomorrow, flying first to New York and then on to Europe.

This trip was planned entirely by the members of the club. It is not a publicity stunt or an advertising junket. The girls worked hard, saved their money by cutting corners on personal expenses, to make the trip possible.

It could only happen in America. They will be our good will ambassadors to the full meaning of the word. Our hats are tipped to them. We wish them a happy journey, the never-to-be-forgotten thrills of seeing far off places, and bringing back home with them the excitement, glamour, and friendship of an innumerable host of new friends and friendships for America.

It can and does happen in America. Initiative, energy, planning, thrift, and enterprise offer golden opportunities in this country. These wonderful American girls know that. We are proud of them. Their trip is a dream come true. That is what is so great about our country. Dreams do come true. Our way of life makes that possible. I know that we all join in wishing them endless pleasure and happiness in this venture which they planned and will now realize.

Here is a story on this exciting adventure as reported in the Fort Wayne (Ind.) News-Sentinel July 21:

EUROPE-BOUND PARTY TO DEPART SATURDAY—BAND, BREAKFAST, OFFICIAL DELEGATION TO BID BON VOYAGE TO GENERAL ELECTRIC TRAVELERS

A big band, city dignitaries, a "bon voyage" breakfast, the plush red carpet, hosts of friends and relatives—in short, the works—have been lined up to speed some 122 General Electric employees on their way when they take off from Baer Field Saturday morning for the first leg of their vacation air tour of Europe.

The women employees, members of the company's Elex Club, will make up what is believed to be the largest civilian group ever to visit Europe together by plane. When they clamber aboard the giant Trans-World Airlines 80-passenger and 61-passenger planes here Saturday morning for the flight to New York City, it will mean the realization of 2 years of saving and planning for that perfect dream vacation.

The Fort Wayne group, which will also include husbands of 4 of the women making the trip, will be joined by 21 other GE employees from eastern plants at New York City. One couple, Mr. and Mrs. Carl Vogelgesang, 1012 West Wayne Street, will celebrate their 29th wedding anniversary when their plane lands in London Sunday.

PLAN BREAKFAST

The European-bound vacationers and more than 350 of their friends and relatives will be guests of Wolf & Dessauer's at a bon voyage breakfast in the Lookout Room at the Baer Field Terminal Saturday morning. Breakfast will be served by W. & D. at 7 a. m. and 8 a. m.

On hand, too, will be the Wolcottville High School band who will have special reason to play sweet as well as loud as they pipe the vacationers aboard the planes.

Edward Bradley, music instructor at Wolcottville High School and the band director, will be handling a dual capacity. In addition to leading the band, he will be saying goodbye to his mother, Mrs. Helen Bradley, a GE employee who will be making the trip.

OFFICIALS TO BE PRESENT

Mayor Harry W. Baals will head the group of city and county officials at the airport to bid the vacationers a pleasant and happy trip. Other officials will include Police Chief Al Figel, City Controller Robert Meyers, Sheriff Harold Zeis, and David Cunningham, president of the Fort Wayne Chamber of Commerce as well as a number of GE officials.

Mayor Baals is preparing official letters of introduction and greetings for the group to present to the mayors of the cities of Paris and Nice in France. He will give the letters to the group when they are ready for their departure from Baer Field.

It is probable that the group will be in good hands on the hop across the Atlantic. Allan Lichtenberg, son of Col. Chester Lichtenberg, retired General Electric executive, will ferry the big 81-passenger TWA plane into Fort Wayne and is expected to pilot one of the three planes used by the group on their flight from New York to London.

TRY TO AVOID CONFUSION

To minimize confusion at the airport, the vacationers will take their luggage to the General Electric Club Friday night, where TWA will pick it up in trucks and take it to the airport where it will be loaded aboard the planes early Saturday morning.

The first group will leave Baer Field in the larger of the two planes at 8 a. m., Saturday, with the second plane taking off at 9:30 a. m. The group will transfer to three planes at Idlewild Airport in New York City Saturday afternoon, with the planes departing for London between 12:35 and 4 p. m. Saturday, arriving in London Sunday morning.

PLAN BUSY SCHEDULE

Sparkplug of the trip and planner of most of its details has been Miss Irene Meyers, supervisor of women's activities for General Electric here. The trip, which will be the first look at Europe for all of the vacationers, has been planned to utilize every minute, packing in an audience with the Pope, visits to the English House of Parliament, a visit with Clare Booth Luce, United States Ambassador to Italy, a civic reception in Paris to be given by the mayor-general, and tours highlighting the scenic wonders of Holland, Germany, and Switzerland.

Most of the members of the tour will be gone for 22 days, which will include the trip into Italy. A few will be gone for 15 days.

With suitcases packed and anticipation keen, the vacationers now have got down to counting the hours until Saturday morning.

UNIVERSAL DISARMAMENT

Mr. WAINWRIGHT. 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 New York?

There was no objection.

Mr. WAINWRIGHT. Mr. Speaker, it is my privilege to take the floor in support of House Concurrent Resolution No. 132, introduced last week by the gentleman from Illinois [Mr. ARENDS]. This resolution is identical to Senate Concurrent Resolution 32, introduced by Mr. FLANDERS and a multitude of cosponsors. This sponsorship not only crosses party lines but represents divergent political philosophies, and include amongst many, Mr. BRICKER, Mr. DOUGLAS, Mr. HUMPHREY, Mr. MORSE, Mr. SALTONSTALL, Mrs. SMITH of Maine, Mr. TOBEY, and Mr. JACKSON.

This resolution would place the Congress of the United States squarely behind a program that must of itself lead to peace. The declared purpose of this country would continue to be to obtain agreements by all nations for enforceable universal disarmament. The resolution resolves that the President continue to search for a practical program along these lines. It further urges that our country's proposals and endeavors for world disarmament and, therefore, world peace, repeatedly and continuously be made known not only to the American people but to the peoples of the world. This would be evidence of our honest and sincere determination to bring harmony into this world, not only between peoples but also amongst nations.

The resolution does not suggest that our country weaken itself in a time when we should be most alert. It does not suggest that we cut our military down while others build theirs up. The proponents of this proposition recognize that we face an evil enemy who threatens both our shores, who threatens us from within. To a man, the sponsors of this proposition recognize our interests, our necessity for self-preservation.

What this resolution does do, on the other hand, is to show that we as a nation and as a government continue to reach out toward the ultimate goal of mankind—universal peace. I hope it is favorably acted upon.

COMMERCIAL EXPLORATION IN NEW CHINA

Mr. VAN PELT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a translation of a French newspaper article which appeared in the French newspaper Le Monde, of June 28, 1953.

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

There was no objection.

Mr. VAN PELT. Mr. Speaker, with all of our difficulties in Korea and France's difficulties in Indochina, it seems incomprehensible to me that the French would be considering trade agreements with Communist China at this time, particu-

larly when they are seeking our aid and assistance not only in Korea but in Indochina as well.

This is just another reason, Mr. Speaker, why I have been unable to support the mutual security program.

[Translation from Le Monde of June 28, 1953]

COMMERCIAL EXPLORATION IN NEW CHINA—"TWENTY-FIVE BILLIONS IN MERCHANDISE COULD BE EXCHANGED EACH YEAR BETWEEN CHINA AND FRANCE," MR. BERNARD DE PLAS TELLS US UPON HIS RETURN FROM PEIPING

(By Pierre Drouin)

French businessmen who left for Peiping on May 19 to study the Chinese market have just returned to France. It is understood that they have signed a general agreement with the commercial authorities of People's China which opens possibilities of trade amounting to 10 billion francs from each side.

We have asked Mr. Bernard de Plas, who led the delegation, to inform us of the objectives of this private mission and to give us his reactions on the results of the negotiations and the vistas that these negotiations can open for both countries.

"Mr. De Plas, will you please review for us the conditions under which the French businessmen undertook this voyage to China?"

"This trip is the logical followup to contacts made at the international economic conference at Moscow by French and Chinese delegations. You will recall that a reciprocal trade agreement was signed at that time and that this agreement was to be the starting point for commercial negotiations, which were continued in Berlin with the representatives of the China National Import and Export Corporation. The outcome was the signing of an exchange agreement which was approved in principle by the office of commercial agreements on October 30, 1952. The amount was almost 3 billion francs of trade both ways. It took effect in the months following the allocation of licenses for December 1952. It was also in the course of negotiations in Berlin that the plan was born for the Chinese committee to invite French industrialists and businessmen for the purpose of developing international commerce."

"How was your mission formed?"

"The mission was to reflect accurately the activities affected by the development of commerce with China: Importers of Chinese products, exporters of French products which fill the needs of China, representatives of banks which participated in the financing of the former trade agreement (French Bank of Foreign Trade, Commercial Bank of Northern Europe, Bank of Indochina), and lastly, a representative from a shipping line (Messageries maritimes) and an agricultural specialist.

"Of the 16 members of the mission who, we must state, are the first delegation from Western Europe to be received officially in People's China, 13 came from the mother country and 3 from branches of French enterprises in China. Thus all conditions for the effectiveness of the mission, which, moreover, was in all its phases a true representative of private interests, were represented."

THE MISSION DOES NOT PROPOSE TO OBTAIN A MONOPOLY

"Was the sole objective of the trip to undertake profitable business transactions?"

"No. The objective of the delegation was not so limited. This was proved when on June 5 we signed with the China National Import Export Corp., prior to final closing of special contracts, a general agreement of reciprocal trade involving 10 billion francs from each side, corresponding to the annual needs of the two economies. Of special importance among the Chinese high officials present was Mr. Nan Han-Cheng, general director of the People's Bank of China and president of the Chinese Committee for the Development of International Trade. And the delegation was to be received several days later by Mr. Lei Jen-Min, vice minister of foreign commerce. As expressed in the wording of the preamble proposed by our Chinese negotiators themselves, this agreement was concluded, 'with the view of developing trade between the French and Chinese peoples and thus to reinforce the friendship between them.'

"Moreover, the willingness of the French signers of the agreement to leave Franco-Chinese trade in all forms open to everyone has been clearly stated in article 8 of this same agreement: 'The present agreement does not prevent the China National Import and Export Corp. from making, within the limits of said agreement, business transactions with French firms which were not represented in the commercial delegation of French merchants and the manufacturers. Also, this agreement does not impede those who have signed the agreement nor those interested in Franco-Chinese commerce to trade independently of the provisions of the agreement.'"

"What commodities have the negotiations covered?"

"China has requested in particular to include in the agreement chemical and pharmaceutical products, metallurgical products, feeds or fertilizers, textiles, mechanical equipment, medical and surgical instruments, light vehicles, machine tools, engineering equipment. She has offered us in exchange green tea intended principally for Morocco, raw silk, hog bristles, soybeans, guts (or seawhip cord), vegetable oils and essential oils, etc."

"Under what conditions have the special contracts been signed?

"After some days and even nights of negotiation, thanks to the spirit of understanding which moved the members of the delegation, who were in many cases competitors, several dozen special contracts were signed. Their willingness to cooperate resulted in an arrangement for an exchange of commodities of over 4 billion francs on each side, leaving for future transactions a balance of 6 billion."

"But these contracts are not binding contracts?"

"Evidently not. It has been specified that their validity would only be established after obtaining the necessary import and export licenses. A postponement until July 31 was, nevertheless, fixed by the Chinese in order to determine the requirements of their first 5-year plan."

THE COMMODITIES REQUESTED BY CHINA ARE MEANT TO SATISFY CIVILIAN NEEDS

"Do you think it will be easy to obtain licenses?"

"Almost all Chinese orders remain within the limits of the information gathered before our departure and defined by the licenses granted last December. Besides, certain French exports, included in special contracts, benefit the industries harmed by the falling off of their sales, especially in the American market. Merchants and interested manufacturers would misunderstand a stiffening of the policies of French authorities with reference to the first months of 1953 contrary to efforts for international conciliation and to the easy terms recently granted to Sino-Japanese trade, for example.

"In the matter of exportation to China, France cannot make as subtle a move as Great Britain who uses Hong Kong as a kind of escape valve. In my opinion, our competent services must adopt an unequivocal attitude toward embargo lists, not fearing to make this clear. The mystery which surrounds the decisions made in the privacy of the COCOM, does not facilitate the work of our exporters.

"We are convinced, after having spent 3 weeks in China, that all the commodities included in the contracts signed at Peiping are really meant to satisfy only the civilian needs, and I do not think that France, a signer of the Geneva Conference, would honor them in bowing to American demands forbidding exportation to China of necessary pharmaceutical products, especially antibiotics."

"In your opinion, what are the prospects of Franco-Chinese trade?"

"After a serious examination of the question, and starting from a double hypothesis, one—from the emphasis an international relaxation making possible the weakening of decisions of the OUN and the provisions of the Battle Act, and two—from the determination of France to choose freely her suppliers, a balanced reciprocal trade agreement of 25 billion francs between China and France can be counted on. This figure could be doubled in case of re-exportation of Chinese products to other countries. Also, this estimate does not include French exports payable in foreign currency (such as sterling pounds or Swiss francs).

"Finally, Chinese needs resulting from the setting in motion of the 5-year plan, which must be incessantly publicized, could represent for French industry considerable possibilities in the areas where France can provide technical know-how and unquestionable worldwide prestige. As the plan develops, the new resources will give the Chinese supplementary means of payment whether it is a question of cotton, soya beans, or corn, for example."

"But, won't the increase in Franco-Chinese commerce present an adjustment problem?"

"We feel it would be desirable to obtain the signing of a financial arrangement between the People's Bank of China and the Bank of France with a view to resolving the question of reciprocal payments between the free zone and the monetary zone of the People's Republic of China. The transfers between the two zones could thus be carried out in French francs."

"Does not this imply a recognition of China by France?"

"Absolutely not. An agreement of this kind has already been signed by the Bank of France with the Deutsche Notenbank, central bank of East Germany which, diplomatically, is in the same situation as China in the eyes of France."

FRENCH INTERESTS IN CHINA

"At the present time, what is the standing of French firms in China?"

"I must admit that I was too absorbed by the work of the delegation and was not able to travel extensively enough in China to answer your question comprehensively. It seemed to me, however, that much of the difficulty would be spared our nationals if France were in a position to be represented at Peiping as are, at the present time, the kingdoms of Great Britain, Sweden, and Denmark and the governments of Switzerland and Finland, among others."

"You have mentioned among the members of the delegation the representative of a shipping line (Messageries maritimes). What is the standing of this enterprise in China?"

"The members of the mission have been unanimous in defending the French flag. The risks of international complication aggravated by the American pressures on the member nations of OUN had caused the Chinese to desert the French company temporarily in favor of a Polish shipping line. Thanks to the perseverance of the French line and their agent in Shanghai, its position has been reestablished today. The monthly contacts between European ports and Takubar and Shanghai have been renewed again. The adoption in the contracts signed at Peiping of the phrases cost and freight (c. f.) for French exports and f. o. b. for Chinese exports leaves to the French sellers and buyers the choice of carrier, which obviously places the shipping lines (Messageries martimes) in a privileged position."

THE COEXISTENCE OF FIVE FORMS OF ECONOMY

"You told me that you have just left Peiping. Could you tell us some of your impressions of the Chinese economy?"

"A stay of 3 weeks does not enable me to pass serious judgment on Chinese economy. I can say, however, how surprised I was, in comparison to what I have seen in the U. S. S. R., to find that the government of New China had succeeded in making secure in a coherent system the coexistence of 5 different forms of economy: the State, private capital, mixed management, the working classes and the cooperative. According to the information that I gathered from authorized sources, 60 percent of the light industry is in the hands of the national bourgeoise, 70 percent of the trading is in private hands. As for the agricultural reform, it is revealed more clearly by the allocation of the land to the farmers than by collectivism."

"I am not forgetting that I am speaking to an ex-president of the Advertising Federation. On this phase of your professional activities, what stands out in your mind?"

"My ignorance of the Chinese language did not permit me to evaluate to the fullest extent the slogans which appear on the several large billboards that are found in Peiping. On the other hand, I was struck by the method used by the Chinese advertiser to start campaigns of public interest. The Chinese, who to the satisfaction of their accountants, have invented the abacus, worship figures. That is why they have wisely scored two successive campaigns to reform their economy in favor of the movements of Sanfan (literally three against) and Woufan (five against).

"The first is for the purpose of schooling military officers and the employees of business concerns and of government departments against three evils: corruption, wastefulness and bureaucracy. The second is for the purpose of educating industrialists and businessmen against bribery, tax dodging, misuse of State property, fraud in the execution of contracts, and the theft of economic information from government sources.

"Likewise, when the system is put into operation, if it meets with success, it is intended to put a stop to a deplorable sanitary situation, by the device of 'eight cleanings' which will affect the individual, the house, and the city; the scheme of 'five destructions' (flies, mosquitoes, fleas, bugs, and lice); and finally the 'sole capture' campaign to exterminate rats. If one believes the official claims, 44 million rats, 19 billion insects, and 15 million tons of rubbish will disappear from Chinese life."

"All in all, Mr. President, were you satisfied with your trip?"

"We were all pleased with our trip. Aside from the eagerness which we noticed that people had to carry out gradually the transformation of men and things, we were able to appreciate the interest which the Chinese authorities have in the cultural development of the country and the conservation of the artistic heritage left to China by the ancient dynasties. Finally, the fine welcome we were accorded everywhere, both among economic circles as well as among the students of the University, made us think that China and France must find the opportunity to begin conversations leading to the furtherance of trade."

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following any special orders heretofore entered.

NEED FOR ORDERLY EVALUATION OF INTELLIGENCE ACTIVITIES

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, yesterday I joined my colleague from New York, Representative EDNA KELLY, in introducing a concurrent resolution which provides for the creation of a joint committee on intelligence matters. The joint committee would consist of 9 members from both bodies of Congress with no more than 5 members being selected from the same political party.

The activities of the Central Intelligence Agency and related intelligence services have been handled from a congressional standpoint in a piecemeal fashion. The importance of these activities to the national security demands at this time the creation of a joint committee, which will keep the Congress informed and bring these activities under responsible scrutiny. The proposed committee would operate in a manner which has been successfully adopted by the Joint Committee on Atomic Energy matters.

Intelligence has developed as an activity of utmost importance since World War II. The agencies in this field are entitled to a continuous, constant, and stable relationship with the Congress. The membership of the joint committee on intelligence matters, which would presumably be drawn from those charged with responsibility for military and foreign-policy matters, would supply this important link in this crucial area. At the same time, the joint committee would save the executive branch's intelligence activities from being subjected to undue interference by a number of separate congressional committees, which may consider themselves called upon to pursue inquiries into their operations.

I earnestly hope that this concurrent resolution will receive prompt and favorable consideration from the Congress before the contemplated adjournment early next month.

ADDITIONAL APPROPRIATIONS FOR THE DEPARTMENT OF AGRICULTURE, 1954

Mr. H. CARL ANDERSEN. Mr. Speaker, under the unanimous-consent agreement entered into yesterday, I call up House Joint Resolution 305, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the House joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. H. CARL ANDERSEN]?

There was no objection.

The Clerk read the House joint resolution, as follows:

Resolved, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1954, the following sums:

DEPARTMENT OF AGRICULTURE

Disaster loan revolving fund

For an additional amount for the disaster loan revolving fund established under the act of April 6, 1949, as amended (12 U. S. C. 1148a–1 to 1148a–3), $130,000,000: *Provided*, That when used for loans under section 2 (c) of said act such fund shall not be subject to the minimum loan limitation of $2,500: *Provided further*, That not more than $40,000,000 of such fund may be used for emergency feed and seed assistance under section 2 (d) of said act, including reimbursement to the President's Emergency Fund for costs incurred in furnishing assistance in the form of livestock feed in drought ares designated as disaster areas by the President, under authority of the act of September 30, 1950 (41 U. S. C. 1855), as amended, between June 25 and July 15, 1953: *Provided further*, That not more than $300,000 of the funds provided by this paragraph may be used for administrative expenses.

Farmers' Home Administration

Loan Authorization

For an additional amount for loans under title II of the Bankhead-Jones Farm Tenant Act, as amended, $20,000,000, to be borrowed in the same account as is authorized under this head in the Department of Agriculture Appropriation Act, 1954.

CALL OF THE HOUSE

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

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. 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. 104]

Ayres	Javits	Pilcher
Barrett	Kelly, N. Y.	Reece, Tenn.
Boykin	Kilday	Reed, Ill.
Brooks, La.	McCarthy	Roosevelt
Buckley	McCulloch	Schenck
Celler	McMillan	Secrest
Chatham	McVey	Shelley
Coudert	Martin	Small
Dies	Miller, N. Y.	Teague
Dingell	Morrison	Watts
Dolliver	Moulder	Whitten
Fogarty	O'Hara, Minn.	Wier
Hoffman, Ill.	Patman	Wigglesworth

The SPEAKER. Three hundred and eighty-three Members have answered to their names, a quorum.

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

FARM CREDIT ACT OF 1953

Mr. HOPE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4353) to increase farmer participation in ownership and control of the Federal Farm Credit System; to create a Federal Farm Credit Board; to abolish certain offices; to impose a franchise tax upon certain farm-credit institutions; and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kansas? [After a pause.] The Chair

hears none and appoints the following conferees: Messrs. HOPE, AUGUST H. ANDRESEN, HILL, COOLEY, and POAGE.

PERMISSION TO SIT DURING SESSION OF HOUSE

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have permission to sit this afternoon during general debate in the House.

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

There was no objection.

PERMITTING ENTRY OF CERTAIN CHILDREN INTO THE UNITED STATES

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk House Joint Resolution 228 to permit the entry of 500 children under 6 years of age, adopted by United States citizens while serving abroad in the Armed Forces of the United States, or while employed abroad by the United States Government, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the House joint resolution.

The Clerk read the Senate amendment, as follows:

Strike out all after the resolving clause and insert "That not to exceed 500 special nonquota immigrant visas may be issued, subject to all provisions of the Immigration and Nationality Act, to eligible orphans as defined in this act who are under 10 years of age at the time the visa application is filed and such eligible orphans may be admitted into the United States for permanent residence: *Provided*, That the issuance of visas under this act shall terminate not later than December 31, 1954.

"SEC. 2. When used in this act the term 'eligible orphan' shall mean an alien child (1) who has suffered the death or disappearance of, or abandonment or desertion by, or separation or loss from, both parents, or who has only one parent due to the death or disappearance of, abandonment or desertion by, or separation or loss from the other parent and the remaining parent is incapable of providing care for such child and has in writing irrevocably released him for emigration and adoption; (2) (a) who has been lawfully adopted abroad by a United States citizen and spouse while said citizen is or was serving abroad in the United States Armed Forces, or is or was employed abroad by the United States Government, or (b) concerning whom assurances, satisfactory to the consular officer to whom a visa application on behalf of such child is made, have been given by a United States citizen and spouse while said citizen is serving abroad in the United States Armed Forces, or is employed abroad by the United State Government, that if such a child is admitted into the United States such citizen and spouse will legally adopt him in the United States and will care for him properly; and (3) who is ineligible for admission into the United States solely because the nonpreference portion of the quota to which he would otherwise be chargeable is oversubscribed by applicants registered on the consular waiting list at the time his visa application is made.

"SEC. 3. No natural parent of any eligible orphan who shall be admitted into the United States pursuant to this act shall thereafter, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

"SEC. 4. Any eligible orphan granted a visa under this act shall be deemed a nonquota immigrant for the purposes of the Immigration and Nationality Act."

Mr. WALTER. Mr. Speaker, this amendment changes the age from 6 to 10 and provides that the natural parents of the adopted children would have no preference.

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

There was no objection.

The Senate amendment was concurred in.

The title was amended so as to read: "Joint resolution to permit the entry of 500 eligible orphans under 10 years of age, adopted abroad or to be adopted in the United States by United States citizens serving abroad in the United States Armed Forces or employed abroad by the United States Government."

A motion to reconsider was laid on the table.

ADDITIONAL APPROPRIATIONS FOR THE DEPARTMENT OF AGRICULTURE, 1954

Mr. H. CARL ANDERSEN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, we have before us a House joint resolution making available $130 million additional funds for the disaster-loan revolving fund and an additional $20 million in loan funds for the Farmers Home Administration regular program. The subcommittee on appropriations for agriculture felt that the disaster down through the Southwest is such that action upon this is justified and that we should attempt to push this through as soon as possible.

Mr. Speaker, without the assistance given to the livestock industry in the special livestock-loan section of this bill, we might have reverberations all the way through America driving down the price of livestock and in general doing no good whatsoever to the economy.

I will explain briefly the various sections of the bill.

In the first general section of the bill we have made available $30 million additional for the disaster-loan revolving fund under the heading of what is termed "economic-disaster loans." The Committee on Appropriations has decided that this particular section should be administered under the regular Farmers Home Administration setup. This particular $30 million in loans, because of the fact that they are in a disaster area as proclaimed by the President, will undoubtedly have an interest rate of 3 percent only. While that is not in the bill, we have had testimony to the effect that the Secretary of Agriculture intends to set an interest rate of 3 percent upon these particular loans.

In this particular section the small fellow is taken care of. If there is any one thing we have tried to do in this bill, Mr. Speaker, it is to make sure that the little man can get benefits from this as well as the big producer.

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

Mr. H. CARL ANDERSEN. I yield to the gentleman from Iowa.

Mr. GROSS. I thought there was a 5-percent interest rate on disaster loans to Texans?

Mr. H. CARL ANDERSEN. I will go into that shortly, Mr. GROSS.

The next section of the bill, Mr. Speaker, has to do with what we call the special livestock loans. Here is where you have loans for 2 or 3 years' duration. These carry 5-percent interest and these, unlike the previous section, are available anywhere in the United States to enable breeders of livestock to hold on to their cattle until the propitious moment comes to sell them.

Mind you, they must first exhaust all other avenues of credit, but it does give to the livestock men of America, with the exception of the hog producers—they are not considered here—access to these loans at 5 percent interest for a 2- or 3-year period. Remember, this particular section is applicable to any place in the United States of America. It is not just allocated to the disaster area as is the $30 million additional loan fund put in here in the previous section administered by the Farm Home Loan Association.

I want to call to your attention, Mr. Speaker, that in this particular section the Subcommittee on Agricultural Appropriations was insistent upon removing the minimum of $2,500. As you will see in our report, we said:

Removal of the minimum loan limitation of $2,500 for loans under section 2 (c) of the act with respect to the funds in this bill is proposed. The committee feels that denial of loans of less than $2,500 outside of disaster areas will work a severe hardship on small farmers and ranchers in such localities. Such persons may suffer disaster and have as much need for a loan of $2,499 or less than those located within a disaster area.

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

(Mr. H. CARL ANDERSEN asked and was given permission to proceed for 5 additional minutes.)

Mr. H. CARL ANDERSEN. Now, were it not for this particular provision there would be many injustices perpetrated under this bill.

Mr. GROSS. Mr. Speaker, if the gentleman will yield, why are hog producers excepted under the conditions the gentleman has just stated?

Mr. H. CARL ANDERSEN. I asked that question of Mr. Farrington when he was before our subcommittee, and he stated that he thought the hog producers of America were doing very nicely today, and did not need it. The subcommittee took a little exception to that. We pointed out that $24 hogs today are certainly not in line with the $30 hogs we had a few years back, especially with the increased costs that the average farmer must bear today.

Mr. GROSS. You are not writing legislation that applies only for today, are you?

Mr. H. CARL ANDERSEN. The basic law has already been written and authorized by the Congress. We have no

jurisdiction over the question as whether or not hogs should be included.

Mr. GROSS. Does this expert that the gentleman referred to know that the hog farmers lost two crops of hogs in 1951–52? The point I am trying to make and I feel sure the gentleman from Minnesota agrees, is that hog farmers should not be excluded from any measure dealing with disaster relief.

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

Mr. H. CARL ANDERSEN. I yield to the gentleman from Washington.

Mr. HORAN. In the basic law of the Drought Disaster Act just passed a few days ago, cattle, sheep, and goats were specifically enumerated in the act?

Mr. H. CARL ANDERSEN. That is correct.

Mr. GROSS. I am sure it is more wise to take care of the goat farmers than it is the hog farmers.

Mr. H. CARL ANDERSEN. I sure do not want the gentleman to feel that I had any part in this. If I had, certainly the hog producer would be included. But, we on the Committee on Appropriations are bound by the actions of legislative committees and rightly so.

The third section of the bill Mr. Speaker, has to do with an out-and-out subsidy of $40 million for feed shipped into the disaster areas and sold at a lower figure than otherwise the farmers and the cattlemen could purchase it. Eight million dollars of the $40 million, which you will notice in the bill, is allocated for return to the President's disaster fund because we have already used $8 million by transfer from the President's fund, and out of this $40 million that particular fund is being reimbursed.

As to the fourth general category, the subcommittee decided this: We wanted various areas throughout the United States where perhaps small farmers might be in need to have equal opportunity even though perhaps they might not be in the disaster declared area. Consequently, we have added $20 million to the regular loan authorization funds for the Farmers' Home Administration. This fund can be used throughout America. Of course, it is subject to 5 percent interest.

You will find in the report that the subcommittee on appropriations feel very strongly that no new committee setup should be put into existence to take care of this program. We feel that the Farmers' Home Administration setup, which has done fine work in most parts of the country, should have this authority. Let them go ahead. We do not need to enter into an expensive program to do this. Consequently, we have held down the expense limitation on the first $130 million to $300,000, feeling that a minimum of additional personnel outside of FHA is needed.

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

Mr. H. CARL ANDERSEN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. When this matter was before the Committee on Agriculture, we were assured by the Department that the regular loan facilities of the Farmers' Home Administration contained ample funds and ample authority to take care of those desiring loans of less than $2,500. That with the additional $20 million the gentleman's committee has put in the bill will, will it not, do that very thing?

Mr. H. CARL ANDERSEN. It will help. But remember, now, in the first section of this bill, economic assistance, we are putting this $30 million under the direct supervision of the Farmers' Home Administration. We want to make absolutely certain in this bill that nobody can go out of this Chamber and say this is a bill just for the big man. We want the little man also taken care of.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. JONES of Missouri. There has been some disappointment over the number of counties that have been designated as disaster drought areas subject to these loans. May I ask if the gentleman's committee knows the criteria that were used in establishing the eligibility of these counties, and also who made the final determination as to what counties would be eligible for these loans?

Mr. H. CARL ANDERSEN. I feel sure that the President will make the final determination upon the advice of the Department of Agriculture. As to the criteria, I will ask the gentleman from Washington [Mr. HORAN] to clear that up.

Mr. HORAN. That is purely administrative. That has nothing to do with the funds that we are appropriating here.

Mr. JONES of Missouri. Would they not have to rely upon information assembled by, say, the various agencies of the Government in the various States for this information?

Mr. HORAN. I assume they would.

Mr. JONES of Missouri. What I cannot understand and what others cannot understand is that after those people made the recommendation that certain counties be included in this list Washington did not agree with that and has kept out some counties; for instance, in the State of Missouri our Governor, who is a very conservative man, has recommended that all counties south of the Missouri River be included. There are 11 in my district, but I got 1.

Mr. HORAN. The gentleman will have to take that up with the Department of Agriculture.

Mr. JONES of Missouri. I am going to.

Mr. MARSHALL. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, your Subcommittee on Agricultural Appropriations held hearings on this bill and were greatly sympathetic to the people in the drought area. Our subcommittee chairman, my colleague the gentleman from Minnesota [Mr. H. CARL ANDERSEN], operated his farm in Lincoln County, Minn., during the tragic drought years of the early 1930's. He knows at first hand the suffering of rural people and his great heart makes him extremely sympathetic with their problems. He is a real champion of a farmer, because he knows the problems that confront them.

I have been greatly impressed with the knowledge, understanding, and genuine feeling that the gentleman from Washington, Congressman HORAN, shows in the problems of agriculture. The contribution that he makes to our Nation's welfare is so great it is hard to measure it fully. The gentleman from California, Congressman HUNTER, brings us a viewpoint which is highly desirable and helps to keep us in touch with problems from his area. I admire him because he is not only a hard worker but looks at the interests of the country.

It has been a real pleasure to work with the gentleman from Wisconsin, Congressman LAIRD. He is proving to be a worthy successor to Reid Murray.

Those of us in the minority party have appreciated the consideration that these committee members have shown us. We have had no partisanship displayed in our committee. All of us have felt that we were working for the interests of the people of our country.

I do not have words that can adequately express the privilege that I have had of working with JAMIE WHITTEN. I am continually amazed at the knowledge he has at his fingertips. It is a real pleasure to work with him. I regret that he is unable to be present today since he is absent on official business.

Congressman CANNON has had years of experience in the House. Yet with his years of experience, he has kept in close contact with the farmers of his district and certainly has a real appreciation of their problems.

We were privileged to have the chairman of our committee assist us in this bill. Chairman TABER, while strong for economy, recognized fully the problems of the people in the drought area and every suggestion he made was for the purpose of seeing that every dollar appropriated in the bill went for the purpose of assisting as much as possible.

Every one of these men in my estimation is interested in seeing that the assistance rendered in the drought area is done in a commonsense, practical way and that all duplication of services be avoided and that action taken by the Department will be prompt and efficient.

Mr. Speaker, your committee, which reviewed the appropriation for this particular item, was greatly sympathetic to the people in the drought area. We understand the problems they have. In many respects, drought is worse than any other natural calamities. When you have something like a tornado or a flood or a fire it is dramatized in the headlines. But when you have a drought, it comes on gradually day by day. Your soil gets drier and drier. Your feed supplies diminish. Your livestock gets thinner and thinner. You do not know if it will be tomorrow, or the next day, or next week that it will rain. You hardly know what to do. You see your livestock all getting thin, and oftentimes perishing. You see the effects in the small towns. You see the businessmen suffer because their customers have no purchasing power and you see the credit structure breaking down. And, as we have seen in the present emergency, the livestock markets break down, because they cannot handle the low grades and the poor cattle that come into the market.

Your committee spent considerable time on this measure. We tried in every way to go over all of the details of the bill which the Congress passed a week ago, H. R. 6054. We want to emphasize to you that the bill before you today is an appropriation under the authorization bill which we passed for these particular items last week. We believe we have left room in this bill for administrative determinations to meet emergencies. We believe we have provided funds so the administrator of this program can meet the present emergency. We believe we have provided the means to solve the problems that may exist in the immediate future when hay or other roughage may be required. The Department will not need to come back to the Congress to ask for additional funds. We believe we have remedied the situation that we know exists as a result of action by the Department of Agriculture setting up certain disaster areas. We believe that the farmers just outside disaster areas are provided with funds which we have provided in this bill through the Farmers' Home Administration, if they are needed. We wanted to do away with the confusion that seems to exist about where people may go to make application for these loans. We have recognized the fine work that the Farmers' Home Administration has done over the years and in recognition of that we have pointed that out very definitely in this report about the Farmers' Home Administration.

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

Mr. MARSHALL. I yield.

Mr. HORAN. I would like the Members of the House to know that our colleague, the gentleman from Minnesota who is now addressing us, has had actual field experience in the making of loans and in this administration that he is talking about now. I felt that that knowledge would add a little authority to what our colleague from Minnesota is saying.

Mr. MARSHALL. I thank my colleague the gentleman from Washington. It is always a pleasure to work with the gentleman.

Mr. HAYS of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. HAYS of Arkansas. I am glad that the gentleman from Washington made reference to the splendid experience which the gentleman from Minnesota has had in this important agency. If the gentleman will yield further, I wish to speak briefly of the service rendered by Mr. Dillard B. Lasseter, who has recently resigned as head of the Farmers' Home Administration. It is appropriate at this point to pay tribute to Mr. Lasseter for his outstanding contribution to the agency and to American agriculture. In the period in which he presided over the agency there were new problems to solve and some uncharted fields to explore. I know of the high regard for Mr. Lasseter that the gentleman from Minnesota [Mr. H. CARL ANDERSEN] and the gentleman from Washington [Mr. HORAN] have expressed. I am sure that many other Members join us in our appreciation of this distinguished Georgian who has served the farmers and the Government so well.

Mr. DEANE. Will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. DEANE. Mr. Speaker, I, too, join in expressing my great admiration of Dillard Lasseter, for his many years of patriotic service to the rural people of this country. His record, in my opinion, is unexcelled. Party made no difference. He assembled in the Farmers' Home Administration a group of civil servants who have labored long and faithfully. The record of this team speaks for itself.

Finally, Mr. Speaker, the fact that the committee report says:

> The committee feels strongly that the regular Farmers' Home Administration offices and personnel should be used to handle all loans made from funds contained in this bill. It is proud of the excellent record of this organization and has great confidence in its ability to wisely administer the type of program contemplated here. It questions the need for additional committees or other special groups, and also questions the advisability of incurring the additional administrative costs which would inevitably result from the establishment of seemingly duplicating committees. Furthermore, it feels that there are many local advantages in dealing through already established and recognized points of contact—

Is a further indication of the confidence reposed in the past record of the Farmers' Home Administration.

I am sure that the Congress will continue to give to the new Administrator its wholehearted support and wish for him and those associated in the Farmers' Home Administration long success.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. H. CARL ANDERSEN. I want to join in what the gentleman from Arkansas [Mr. HAYS] has said. This subcommittee has always had a very high opinion of Mr. Dillard Lasseter and his work.

Mr. HAYS of Arkansas. Mr. Speaker, the gentleman from Mississippi [Mr. WHITTEN] is necessarily absent today and he has asked unanimous consent that he may extend his remarks, and if the gentleman from Minnesota will yield again I ask unanimous consent, Mr. Speaker, that all Members may have permission to extend their remarks on the service of Dillard Lasseter.

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

There was no objection.

Mr. WHITTEN. Mr. Speaker, reference is made to the bill before us, making appropriations to meet the problems resulting from the disaster drought in the Southwest and elsewhere. I would like to point out that in the law for which we were requested to make appropriations there were, in my judgment, several serious defects.

First, the bill made provisions for meeting the needs through loans to people who were in an area designated by the President as a disaster area, after certification to the President by the Governor of the State. These loans were at 3 percent interest. To qualify for such loan a person had to be in the disaster area so certified and designated by the Governor and President respectively.

The legislation further provided, however, that individuals who had suffered loss of or needed to borrow $2,500 or more because of economic disaster were eligible for such loans wherever they lived in the United States and without regard to whether they were in a disaster area, though persons who needed less than $2,500 could not qualify for this loan without having their area so designated as a disaster area.

Our committee felt this was completely improper and we doubt that it was intended by the Congress that such provision should be made. We have corrected this situation in the appropriation bill before us, and make special cattle loans on a 2- or 3-year basis at 5 percent available to those that need less than $2,500, as well as those above $2,500. In this respect we have changed the basic law so that all will be treated alike where they meet disaster-relief requirements.

So far as those who have suffered individual economic disaster is concerned, we have provided additional funds by the Farmers' Home Administration under its regular production and subsistence program.

The basic legislation had one other serious defect, in the opinion of our committee, and that was when it provided for an additional committee, the members of which could be paid as much as $25 per day. Our subcommittee had, to some extent, supervised the operations of the Farmers' Home Administration through the years by passing on administrative expenses and having regular reports of the operations of that agency. This agency has handled disaster loans all the way from small amounts to individual loans totaling $500,000. It has had a wonderful record. It has an office serving each county, with clerical assistance available. There are many other reasons why this whole disaster-loan program should be handled through that agency, with regular employees already being paid.

I do not want to let this opportunity pass without paying special tribute to Mr. Dillard Lassetter, who has been Director of the Farmers' Home Administration for a number of years. He took over this agency at a time when his predecessors had gotten it into serious difficulties, so far as its operations were concerned. Mr. Lassetter cleared up all of these problems and as he so well knows how to do has brought to it a fine administrative organization. He has given it standing throughout the Nation and has not only worked wonders in bringing the benefits of the program to many hundreds of thousands of Americans, but has protected the interests of the Government by collecting principal and interest on the funds which had been advanced. Mr. Lassetter is now retired from this agency, but leaves behind personnel trained and experienced in handling the disaster program.

Our committee has urged that this disaster relief work be allocated to these regular employees, who are already trained and experienced in such work, rather than to a special committee with

extra pay which would necessitate additional office space, clerks, and other costs. Our committee has been advised that such special committee was desired because some folks did not want to use regular employees of the Federal Government. I cannot see that it would hurt such loan applicants to go to the same Government offices others use. Certainly I cannot see why the Government should spend thousands of dollars to give them a special committee separate and apart from the rest of us. I trust the department will carry out the recommendations of the committee in its report.

Mr. FERNANDEZ. Mr. Speaker, I wish to associate myself with the remarks of the gentleman from Arkansas [Mr. HAYS] in paying tribute to the retiring Administrator of the Farmers' Home Administration for the very excellent service he has rendered through the years in that agency. I am sure that all the membership of the House who have had an opportunity to observe the work of that agency under his administration will agree with us.

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

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

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

There was no objection.

Mr. MARSHALL. The gentleman from Arkansas [Mr. HAYS] and the chairman of our committee have both expressed themselves very well, and certainly appropriately, in connection with the former Administrator of the Farmers' Home Administration, Dillard Lasseter. He is held in respect by all Members of Congress for the fine work he did. That is shown particularly in the report on this bill; and if some of you are interested, you might turn to page 18 of our hearings on the bill and page 39 of the hearings, where it shows the amount of money which has been loaned and the amount of money which has been repaid. Oftentimes people have felt that the Farmers' Home Administration has been working only with small farmers. I call your attention to the revolving fund of the disaster loan that the Farmers' Home Administration administered under Dillard Lasseter and the fine program that was carried out. You will note that large loans, over and above the limit which is allowed by the production and subsistence loans under this particular fund, have been equally well administered.

I also want to call to your attention what I think was a wise decision which this committee reached. The committee felt there might be some confusion as to where people should apply for loans. We attempted to spell that out because of the fine record made by the Farmers' Home Administration and Mr. Lasseter, who left in that organization people with great experience in making loans.

So we spelled out in this report that applicants should make use of the present facilities, rather than setting up duplicating agencies. So that a person in Oklahoma, or Colorado, or wherever some disaster might be will know that he can immediately contact his country supervisor of the Farmers' Home Administration and get straight information on loans of this kind. We think we were wise in doing that.

So far as we are concerned, we think that in making these funds available we have had unanimity of agreement upon the items in this bill.

The gentleman from Mississippi [Mr. WHITTEN], unfortunately, cannot be here today. I do want to inform the Members of the House that Mr. WHITTEN sat through the hearings; he sat through the writeup of the bill, and agreed with the committee in the procedure which we have followed. He went into these things very carefully. He assisted us with the wording; he assisted us in the markup of the bill, so that I would not want any Member of the House to feel that my colleague from Mississippi, Mr. WHITTEN, was in any way opposed to the bill, because he is not.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

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

Mr. H. CARL ANDERSEN. I want to emphasize that. The gentleman from Mississippi [Mr. WHITTEN] has been definitely in favor of the bill. He has been of immeasurable assistance in working it out. He was unable to be here today. He had to go back to his own district on very important official business.

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

Mr. HORAN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I want to share with my colleagues in the admiration of a good Administrator, Dillard Lasseter. He did a good job. Irrespective of the aisle or any division of the party or any origin by State, if we have a good Administrator, we should pay homage to him.

Mr. Speaker, I take this time to ask unanimous consent that the report on this bill, which I think covers the subject very fully and which I think is very explanatory, be printed in the RECORD at this point.

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

There was no objection.

The matter referred to follows:

MAKING AN EMERGENCY APPROPRIATION FOR THE FISCAL YEAR 1954

Mr. H. CARL ANDERSEN, from the Committee on Appropriations, submitted the following report:

The Committee on Appropriations reports the accompanying joint resolution to the House with the recommendation that it be passed.

The purpose of the resolution is to provide emergency assistance to farmers and stockmen, particularly those in counties and States in the Southwest which have been designated as disaster areas by the President. The accumulative effect of continued drought in this area during the past 4 years has created an unprecedented need for emergency credit and livestock feed.

In House Document No. 208, dated July 15, the President requested an additional $150 million for the Disaster Loan Revolving Fund of the Department of Agriculture, based on the recently enacted legislation (Public Law 115, 83d Cong.) authorizing two new types of loans, economic disaster loans and special livestock loans, and providing for emergency assistance through the furnishing of feed and seed in the disaster area.

The committee recommends the full estimate of $150 million, of which $130 million is added to the Disaster Loan Revolving Fund, and $20 million is authorized for regular production and subsistence loans under the Farmers' Home Administration. Of the funds proposed for the Disaster Loan Revolving Fund, $30 million is provided for economic disaster loans under section 2 (b) of the act, $60 million is allowed for special livestock loans under section 2 (c) of the act, and $40 million is recommended to cover costs incurred in furnishing emergency feed and seed assistance to farmers under section 2 (d) of the act.

The additional funds authorized for the regular production and subsistence loan program of the Farmers' Home Administration are provided to meet emergency needs of farmers and stockmen for this type of loan throughout the United States. While these funds are made available for use primarily in disaster areas, they can and should also be used in other States and areas to make loans to applicants requiring this kind of credit assistance where emergency needs develop.

Removal of the minimum-loan limitation of $2,500 for loans under section 2 (c) of the act with respect to the funds in this bill is proposed. The committee feels that denial of loans of less than $2,500 outside of disaster areas will work a severe hardship on small farmers and ranchers in such localities. Such persons may suffer disaster and have as much need for a loan of $2,499 or less than those located within a disaster area.

The committee feels strongly that the regular Farmers' Home Administration offices and personnel should be used to handle all loans made from funds contained in this bill. It is proud of the excellent record of this organization and has great confidence in its ability to wisely administer the type of program contemplated here. It questions the need for additional committees or other special groups, and also questions the advisability of incurring the additional administrative costs which would inevitably result from the establishment of seemingly duplicating committees. Furthermore, it feels that there are many local advantages in dealing through already established and recognized points of contract.

The committee also wishes to direct attention to the matter of interest rates for the various types of loans involved in this program. Both the regular production and subsistence loans under the Farmers' Home Administration and the special livestock loans provided for under section 2 (c) of the new act carry an interest rate of 5 percent. Loans under both of these categories may be made in any area of the country, whether or not designated as a disaster area by the President. In connection with the economic disaster loans provided for by section 2 (b) of the new act, the interest rates are left to the determination of the Secretary. Testimony received from witnesses from the Department of Agriculture indicates that the rate for this latter category of loans will be 3 percent, the prevailing rate for other disaster loans of the Department. It is understood that loans at this lower rate of interest will be made only in localities designated as disaster areas by the President.

The committee feels that all emergency feed programs, including the furnishing of hay, in which the Government is to participate should be financed from funds included in this bill for "emergency feed and seed assistance."

Mr. MAHON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAHON: On page 2, lines 18 and 19, strike out "$20,000,000" and insert "$40,000,000."

Mr. MAHON. Mr. Speaker, I wish to join in the tribute which has been paid to the former Administrator of the Farmers' Home Administration, Mr. Lasseter. He did a magnificent job. His successor, Mr. Robert B. McLeaish, of Texas, is tackling this difficult job with intelligence and energy and we wish him good luck. The agency on the whole has done an excellent job and I think it will continue to do an excellent job.

I know it must seem strange to some people who live in city areas that there should be so much talk about drought relief. The people in the Southwest do not complain about a year of drought; droughts happen from time to time, they are inevitable. But when we have a drought 2 years in succession it becomes somewhat difficult, and if you have 3 years of drought in succession, as we have in some places, and in some instances even 4 years, you get into a difficult situation. If people who are on salaries should be denied their salaries over a period of 3 years they would be in some difficulty. Well, the farmers and ranchers of the drought-stricken areas have had a long season of capital losses and income reductions and their critical needs are readily evident to anyone familiar with the situation.

I do not think anyone can tell with complete accuracy precisely the number of dollars we should appropriate. I would rather be on the high side than on the low side, because I think we should meet this emergency in a forthright and bold manner, for I believe that only through that approach can the program succeed. If I should have my way about the matter I would provide funds, particularly for loans, far beyond the figures proposed in this bill. I have reference both to disaster loans and to production and subsistence loans.

I have offered an amendment which would provide a $20 million increase in the funds for the production and subsistence program of the Farmers' Home Administration above the committee bill; in other words, the figure would be $40 million rather than $20 million. This money would be handled in connection with the regular program of the Farmers' Home Administration, and I think the additional funds would make it more certain that row-crop farmers in the drought-stricken areas would be able to get more adequate financing to carry on their operations until the fall of 1954 when many of them will get their first money from a new crop, having lost substantially all the income they could have hoped to get in this year 1953.

Mr. Speaker, I realize that the Congress has already appropriated $120 million for this particular production and subsistence program and the producers in the drought area will get their pro rata part of that. The people in the drought area will also get their part of the $20 million in the current bill. I simply add by my amendment an additional sum of $20 million. It would apply to all the States but would, of course, principally be used in the drought area. It would simply give the Farmers' Home Administration $160 million instead of $140 million for their production and subsistence loans. I think I am correct in saying that these loans have been repaid in the past to the extent of almost 99 percent; so it is not dipping into the Federal Treasury for a subsidy. The real subsidy in this bill is in connection with feed for cattle. My amendment has no reference to that, and I merely offer it with the hope that we can be sure to provide more money for these subsistence loans. Congress is considering adjournment in the near future, and while I am quite doubtful of the adequacy of other funds in the pending bill I feel most certain we could make an increase here which would be of great benefit to the program. Even with my amendment I think the funds provided would be far below the sums actually needed. I trust the amendment will be adopted.

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the RECORD on this amendment.

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

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, I rise in opposition to the amendment.

I want to call the attention of the House that in addition to the $120 million in the regular FHA appropriations we have here put in $20 million; and remember that there is $17,321,743 additional in this disaster loan revolving fund which is available for this very work if the President so decides. So, Mr. Speaker, much as I regret to do so, I must oppose this amendment. Let me assure the gentleman from Texas, however, that if things look bad next spring this subcommittee will always be in position to try to extend these funds if the Congress considers it best to do so.

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

Mr. H. CARL ANDERSEN. I yield to the gentleman from Washington.

Mr. HORAN. I want to say that there is a total of $287 million, if this bill passes, available for distress areas if the Administrator so desires. I hope the pending amendment will be defeated.

The SPEAKER. The question is on the amendment offered by the gentleman from Texas [Mr. MAHON].

The amendment was rejected.

Mr. HESELTON. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, may I ask the committee to advise me as to the contents of section 2 (d), referred to on page 2. The proviso is as follows:

That not more than $40 million of such fund may be used for emergency feed and seed assistance under section 2 (d) of said act, including reimbursement to the President's emergency fund for costs incurred in furnishing assistance in the form of livestock feed in drought areas.

I recall some years ago we had a situation in New England caused by a drought which was very injurious so far as poultry was concerned. In fact, emergency measures were taken to try to relieve conditions at that time.

I have discussed this matter with the chairman of the Agricultural Committee, but I am not clear as to whether the limitation with reference to livestock feed, read with the general provisions of section 2 (d), would make it impossible to furnish any assistance if that becomes necessary. We have had in New England, as we have had along the Atlantic seaboard, drought conditions. That situation has now partially been broken. I am not informed that there has been any actual damage to the poultry flocks, but, having in mind the damage that was caused at another time, I would like to be certain whether or not this provision of section 2 (d) would be broad enough to permit relief if it should become necessary. Also, I would appreciate it if the gentleman would restate briefly what this money is for.

Mr. H. CARL ANDERSEN. It would only in the event the President proclaimed that particular area a disaster area upon the recommendation of the Secretary of Agriculture; otherwise not.

The gentleman asked me what this money is for. In the first place, out of the $40 million we will reimburse the President's disaster fund to the extent of $8 million which has already been transferred from that fund to the Secretary of Agriculture for present work. The balance of the $32 million will be used mainly to reimburse the Commodity Credit Corporation for shipping in and selling at reduced rates feeds now in the possession of that Corporation, and, in addition, perhaps quantities of hay that will be purchased and sent in at a reduced rate into the area.

This particular section of the bill, Mr. Speaker, is purely a subsidy. I want that understood. The balance of the bill, $110 million, is entirely in the loan area. Does that answer the gentleman's question?

Mr. HESELTON. I believe so, but I want the RECORD as clear as possible at this point. I take it if, because of conditions that might develop in New England or elsewhere, the President should declare any other area than the Southwest a drought area, some of these funds might be available?

Mr. H. CARL ANDERSEN. I would say so, yes. In such case undoubtedly the Congress would have to supply more funds for the particular section.

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

Mr. H. CARL ANDERSEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the House joint resolution.

The House joint resolution 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 House joint resolution.

The House joint resolution was passed, and a motion to reconsider was laid on the table.

SPENCER, MASS., BICENTENNIAL—A TRIBUTE

Mr. PHILBIN. 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 Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, it is with a sense of great honor and privilege that I extend my heartiest congratulations and felicitations to the people of the town of Spencer, Mass., who are presently celebrating the bicentennial anniversary of their beautiful town.

Situated in Worcester County in the central part of Massachusetts, Spencer is a town of beautifully wooded hills and fertile valleys. It is a town of great physical attractiveness, populated by a people inspired by rich and deep-seated traditions of American patriotism.

While the town was officially established in the year 1753, it was first settled in 1717, more than 50 years before the American Revolution.

The early settlers, like all those of early New England, virtually conquered a wilderness that was inhabited by savage Indian tribes and wild animal life. They were of the rugged old American stock which set up the first outposts and frontiers of civilization in the New World. The passing years have seen these frontiers gradually expanded westward to cover the entire North American Continent.

The contributions which these early settlers made to the building of our free America are truly incalculable but a fair appraisal of the way of life which they established clearly emphasizes that these pioneers were the trail blazers of American liberty and the architects, as well as the builders, who fashioned the foundations of our present political and economic structures.

It is difficult for our contemporary citizens to appreciate fully the great struggles which they exerted, the tremendous problems which they solved, and the bitter sacrifices they made in order to convert a natural, unexplored wilderness into law-abiding, orderly, free settlements where liberty and justice, rather than the rule of the jungle, underlie human relationships and dictate institutions of government and economic activity. This immortal band of men and women were infused with a deeply religious spirit, a strongly ordained, spiritual direction and a love of freedom and liberty that was second to none. They practiced the humble homely virtues that were laid down in the Sermon on the Mount and Christian teachings. They not only developed their churches and places of worship, but they democratically implemented local self-government, entrenched the dignity of the individual, and the sanctity of the home and the family unit. Inspired by their devotion to God Almighty which gave them courage and strength to overcome apparently insuperable obstacles, they devoutly practiced the virtues of humility, frugality, industry, rugged labor, and unremitting allegiance in their private and public lives to the fundamental American principles of liberty and justice.

No student of history, government, or sociology would deny that these virtues and principles formed the very basis of the glorious edifice of American civilization with its emphasis upon freedom of the spirit, freedom of conscience and freedom of men and women in their political, social and economic activities to a greater degree than ever before enjoyed by the subjects or citizens of any land. These pioneers started out as subjects of the King, but so fierce was their passion for liberty that it was not long before they threw off the shackles that bound them to cruel dictatorial power and ordained a government of their own choice where they could pursue and enjoy all the blessings which emanate from ordered freedom and devout respect for law and order and duly constituted authority derived from the sovereign will of all the people.

We of the United States of America, their descendants and successors, owe a tremendous debt to these early settlers who created and ordained our American liberties. It is not the debt of our generation alone, though we should at all times be deeply conscious of it. It is the debt of every American generation. It will be the debt of our posterity and every American generation yet to come, for so long as we adhere to the solid, fundamental principles which they embraced, this Nation will live in freedom and when for any reason we abandon those principles, we will by the same token dissipate and lose our honored and blessed birthright.

Great philosophers have asserted that change is progress and that progress is change, though this is purely speculation. One of the outstanding features of this great free Nation is that it has been built in such a way that it is naturally progressive in spirit and action. We have achieved both change and progress even though the change has not always been beneficial. To seek to turn back the wheels of progress at this or any time upon any pretext, however, would be a tragic negation of the true American ideal. The American Constitution is a flexible document. It rests upon sure foundations. It is predicated upon fundamentals. But it vests all sovereignty in the people and under its wise provisions there is ample flexibility for the adaptation of our basic institutions to changing conditions in the Nation and the world. As the early settlers and founders intended, the Constitution is not static and moribund. It is dynamic and progressive. But it rejects disorderly and rebellious change. It provides the instruments and machinery for peaceful and orderly change and so long as America solemnly abides by its principles and provisions our freedom will be protected and our opportunities constantly enlarged to meet our demonstrated requirements in a changing world, whatever they may be. Our Constitution can meet every need, every contingency.

Liberty is an abstract idea which must be implemented by men and women to serve the purposes of free government. Moreover, in every generation it must be zealously guarded, for "eternal vigilance is the price of liberty." The people of Spencer, in war and in peace, have unselfishly given their allegiance to this guiding principle of American democracy. In time of peril their sons and daughters have gallantly defended the Nation. In time of peace their people as a whole by their loyalty, diligence, and initiative, and by the use of their God-given talents, have contributed greatly to the common good. Communism and subversion find no place of shelter in the Spencer community, which is noted for its devotion to American principles, and which as a dominant part of its creed and culture sternly rejects such evil forces as being hostile to the fundamentals and perpetuity of this Republic.

Spencer is rich in famous sons—in government, in education, in religion, in science, in business, and every other form of human endeavor. Elias Howe, the inventor of the sewing machine, was a distinguished native of Spencer, and other members of his family, William and Tyler Howe, also achieved greatness in the field of invention and enterprise.

The church has been greatly enriched by the sons of Spencer. Rev. Michael A. O'Kane, S. J., outstanding former president of Holy Cross College; Very Rev. Wilfred J. Dufault, A. A., now superior general of the Assumptionist Order throughout the world; and the Most Reverend Thomas B. Beaven, D. D., former bishop of Springfield, were some of the distinguished personages of Spencer who graced our religious life. Father Dufault, born in Spencer, not only heads the Assumptionist Order but is presently exerting his great ability, zeal, and purpose to the rebuilding of Assumption College at Worcester, so tragically damaged in the recent tornado which visited that city and left a trail of death and destruction in its wake. In this noble endeavor, Father Dufault, a recognized and brilliant leader, is receiving tremendous response from the people of every faith, and his goal of complete reconstruction of Assumption College is well on its way to early realization.

Another noteworthy personage of Spencer birth was Samuel Fletcher Drury, one of the founders of Drury College in Springfield, Mo., and the founder of the town's Drury fund for relief of the aged which long and commendably antedated social security.

Gov. John Davis, known as "Honest John," another Spencerian, was not only Governor of Massachusetts but also a distinguished United States Senator from our State and practiced law in Spencer prior to his meritorious public service.

There are many other outstanding men and women of every race and creed in every field who claim Spencer as their birthplace, or the place where they shaped their careers. The businessmen and merchants of Spencer are enterprising, successful, and civic-minded, as well as possessed of a commendable, forward-looking, and progressive spirit. And you will find nowhere more devoted or loyal citizens of the rank and file, faithful workers, diligent, successful farmers, and

craftsmen of great talent and ability than the fine people of Spencer.

As I listen to the proceedings of this great House while it is considering current legislation affecting not only this country but the world as well, my mind frequently turns to the contributions of the millions and millions of people like those of Spencer all over this Nation who in the past conceived so brilliantly and labored so unselfishly to fashion our great democracy. In the midst of the confusion of our present work and in the presence of the tremendously complex problems of every kind which now confront us, it is my sincere conviction that there are few things that we, the representatives of the people, in this day and age can do, as we grapple with these great problems, that would in the long run be more beneficial than to seek strength, courage, and guidance from the experiences and lessons of the past as the history of its trials and achievements reveal them to us. Particularly, would I commend for our careful study and scrupulous attachment, the solid changeless and unchangeable fundamental concepts which form the basis of this great Government, because heeding them and learning well the experiences and lessons of history, we will have a much better understanding of the fact that, in general, most lasting progress must be based upon order and stability, and that freedom can only be guaranteed by eternal vigilance, by character, by strength of purpose, and by undeviating allegiance to the precepts of the Almighty and the sound, forward-looking principles of our American heritage.

If we embrace the spirit of dauntlessness that moved the founders of Spencer and their contemporaries, if we adhere closely to the tenets of popular democracy, if we pursue those spiritual truths which promote discipline and liberty and reliance on the Almighty, if we courageously and wisely mobilize and conserve our national strength, we shall have nothing to fear.

Spencer has had a great past and I am convinced that it will have an even greater future. As in the past, it will defend our liberties and it will nourish those virtues and qualities which make individuals and nations great, successful, and happy. May its tricentennial anniversary shine upon a happy, united, and free people, a people which has retained its freedom because it has been willing to make the sacrifices necessary to preserve it.

AMEND THE PUBLIC BUILDINGS ACT OF 1949

Mr. LATHAM. Mr. Speaker, I call up House Resolution 344 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately 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. 6342) to amend the Public Buildings Act of 1949 to authorize the Administrator of General Services to acquire title to real property and to provide for the construction of certain public buildings thereon by executing purchase contracts; to extend the authority of the Postmaster General to lease quarters for post-office purposes; and for other purposes, and all points of order against said bill or any provisions contained in said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LATHAM. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH] and yield myself such time as I may desire.

Mr. Speaker, this is an open rule providing for 1 hour of general debate. It makes in order the consideration of H. R. 6342. That bill has to do with amending the Public Buildings Act of 1949 to authorize the Administrator of General Services to acquire title to real property and to provide for the construction of certain public buildings. It is the lease-purchase bill.

Mr. Speaker, I do not think there is too much disagreement in regard to this measure. I see no need to take additional time on this subject.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Speaker, I rise in favor of this rule.

This legislation deals with lease-purchase agreements. As I understand, it authorizes the General Services Administration in one section of the bill to enter into lease-purchase agreements where necessary in the performance of Federal functions. Another section authorizes the Postmaster General to enter into lease-purchase agreements with individuals who may construct or lease property to the Federal Government.

It is my understanding this gives to the Postmaster General and the Administrator of General Services an opportunity to provide necessary facilities to perform Government work. I am particularly interested in that section that deals with the right of the Postmaster General to enter into these lease-purchase contracts.

I direct the attention of the House to the fact that in 1949 this body authorized the General Services Administration to purchase certain land and property throughout the United States that could be used for post office and other construction. Pursuant to this authority and the money appropriated thereunder, the General Services Administration did acquire approximately a block of land near the Union Station in the city and county of Denver. They have expended approximately $750,000 in the acquisition of this land. They have had possession of it for more than 1 year. Throughout this time we have not been able to get sufficient funds to carry out the intended purpose of constructing postal facilities at that place.

This legislation would authorize the Postmaster General in those congested areas, as my area is, in dealing with postal facilities to enter into lease-purchase contracts, which would repay those who constructed the property and give them a reasonable rate of interest on their investment. At the end of the time the Government would be the owner of the building. At the present time the Post Office Department is leasing certain lands and paying a substantial sum for the use of the land. Under this legislation, if adopted, the rent that is paid for these properties would eventually result in the purchase of the land and ownership in the Federal Government. We will have something other than rent receipts.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Colorado. I yield.

Mr. REES of Kansas. I believe the gentleman from Colorado who presently has the floor introduced legislation quite similar to part 2 of the bill now pending.

Mr. ROGERS of Colorado. That is correct. I thank the gentleman. I did introduce legislation similar to part 2 of this bill.

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

Mr. ROGERS of Colorado. I yield to the gentleman from Ohio.

Mr. McGREGOR. As the author of the present bill, I pay my respects to the gentleman and recognize the fact that he did have a bill similar to part 2 of the bill now before us.

Mr. SMITH of Virginia. Mr. Speaker, I have no objection to the rule. I have no further requests for time.

Mr. LATHAM. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. DONDERO. 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. 6342) to amend the Public Buildings Act of 1949 to authorize the Administrator of General Services to acquire title to real property and to provide for the construction of certain public buildings thereon by executing purchase contracts; to extend the authority of the Postmaster General to lease quarters for post-office purposes; 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. 6342, with Mr. VAN ZANDT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. DONDERO. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill seeks to place in the hands of the Government of the United States one more instrument for the acquiring of title to property for public use. There are two ways in which our Government can acquire space for the use of the Government today. One is by constructing the buildings itself, and the other is by renting buildings.

This bill provides a third way. It provides authority to enter into what is known as lease-purchase contracts for space for public use, the contract providing that it shall not be for less than 10 years nor more than 25 years, and at the end of which time the title to the property passes to the Government of the United States. In the meantime, this property remains upon the tax rolls. The annual payments include taxes, interest on the money invested, depreciation, and so forth.

There are two titles to the bill. Title I comes from the Committee on Public Works and deals with the functions of the General Services Corporation. Title II comes from the Committee on Post Office and Civil Service. The 2 titles come to you at this time in 1 bill rather than have the 2 committees come before you with separate bills, since the subject matter is very similar.

Mr. Chairman, the contents of the bill represents the thinking of every agency of the Government involved in the subjects. Many conferences were held with representatives of the agencies, the Bureau of the Budget, the General Services Corporation, the Post Office Department, and others. We have conferred from time to time at great length in order to come to a common understanding as to the needs of the Government in acquiring space for public use. We think this bill presents the results of those long, arduous debates and conferences. It represents the unanimous thinking and decision of the committees having jurisdiction of the subjects and the governmental agencies of the Government involved.

There are 2 or 3 restrictions in the bill which I am sure are very plain to all Members of the House. The Committee on Public Works will devote its time and attention primarily to title I. The Committee on Post Office and Civil Service will devote its time on title II because that is the section which comes from that committee.

Mr. Chairman, we think this is a good bill. It comes to the House unanimously on the part of the Committee on Public Works and represents the best thinking and the best judgment of those who have to deal with this subject.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. SMITH of Virginia. Does this arrangement only apply to the land; or does the Government erect the building or the owner of the building erect the building?

Mr. DONDERO. It applies where the Government desires to enter into a contract with any person who owns the building or land and desires to enter into a lease contract for the purchase.

Mr. SMITH of Virginia. Then this really applies to cases where the real estate is owned privately by an individual and the building is already erected or is to be erected by the individual?

Mr. DONDERO. Under lease-purchase contract with the Government; yes.

Mr. SMITH of Virginia. The Government in no instance erects the building.

Mr. DONDERO. That is correct.

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

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

Mr. McGREGOR. It will apply in any instance where the Government owns the land, or where the land is privately owned. It will be operative under both clauses.

Mr. DONDERO. That is, the Government could go ahead and construct the building upon its own land and the lease-purchase agreement would not obtain in such case?

Mr. McGREGOR. If the Government owned the land, they could sell it back to an individual and that individual construct the building and under a rental-purchase basis it can be leased 10 years and not to exceed 25 years, and that property then would become the property of the Government. In the meanwhile, it would remain on the tax roll.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. JONES of Alabama. Under Public Law 105 passed in the 81st Congress, the Post Office Department acquired parcels of land for the purposes of ultimately constructing post-office buildings. Those are in Federal ownership. Under the provisions of this bill, a contract could be executed and construction started immediately to construct post-office buildings on those sites.

Mr. DONDERO. That is correct.

Mr. TRIMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. LUCAS].

Mr. LUCAS. Mr. Chairman, I take the floor to voice two very firm convictions which I have held about public buildings, and all buildings for a long time. One is that it is improper for the United States Government to build any building without providing parking space for the employees who will be working there. On too many occasions I have seen Government employees compelled to pay unreasonable parking fees because of the fact that, having to work in a Government building, there were absolutely no parking facilities. I think the committee might well give serious consideration in all future legislation of this character to provide that no public buildings shall be erected without additional space for parking purposes for the employees who work in such buildings. I hope that the committee will make its views known to the Administrator so that in the acquisition of future Government buildings this need may be met.

The second matter to which I want to call the attention of the committee is that the Government is acquiring new properties and making no provision at all for the comfort of employees. In the South we have great extremes of weather, and in some of our public buildings in the southern States it becomes so hot that the efficiency of the employees is definitely impaired.

I refer particularly to two very beautiful, splendid public buildings in my own home town of Fort Worth, Tex., The Government, during the last 20 years, constructed a great post office building, one of the finest in the United States, and a Federal court building, used also for Government offices. Neither one of those buildings is air conditioned. During this summer when we have had about a month of straight 100-degree weather, and some days as high as 107, we have had a series of heat prostrations of Government employees in the United States court building. If one has to go back into the letter files, the letter cases, in the post office building, where the postal employees are required to work, and where they are really performing manual labor, it is actually stifling. It makes one ashamed of his Government that it does not provide a better place for its employees. It is no wonder we are having trouble keeping high-type people working for the Government.

Mr. Chairman, I think we ought to require that no more Government buildings be acquired or built by the Federal Government in the South and Southwest that do not include air conditioning, for the efficiency of the employees who will work there and for the comfort of those who are required to come in to conduct Government business. We have for instance, in our post-office building in Fort Worth, Tex., which, as I have said, is a very beautiful structure and a fine, splendid, up-to-date building, all the air-conditioning ducts required to air-condition it, yet the General Services Administrator tells me he has no authority to put in the machinery to give us the air-conditioning. This summer there have been several heat prostrations in the post-office building and a series of heat prostrations among the Internal Revenue employees in the United States Court Building in Fort Worth, Tex.

If we are going to acquire more Government property, build new buildings, we should see to it that the employees are protected in their health.

I should like to ask the chairman of the committee if there is anything in this bill which forbids the Administrator from air-conditioning buildings where heat is extreme for long periods of time?

Mr. DONDERO. I do not think so. The gentleman said that General Services does not have authority. The chances are they lack two things; the authority and the money with which to do it. I am greatly in sympathy with the statements the gentleman has made. I can well imagine what the condition must be in the State of Texas at this time of the year.

Mr. LUCAS. I appreciate the gentleman's sympathy. May I ask the gentleman if his committee has taken any steps to alleviate this situation?

Mr. DONDERO. The subject was not brought before us.

Mr. LUCAS. I confess my negligence in the matter. I did not know this legislation was under consideration or I would have appeared before the gentleman's committee, but I am availing myself of my first opportunity to ask about it, which is now.

Mr. McGREGOR. I am sure we appreciate the gentleman's position, but there is nothing in this legislation which would change the basic law relative to specifications or construction in any way.

I recognize, and I am sure the agencies in charge recognize, that we are going to have to make some changes in our specifications. This bill does not include air-conditioning, as the capable chairman has said; we have been short of money and we are not able to put in some of the Federal buildings the things that are really a necessity, but this will start things going and I am sure that if the gentleman will help us specifications will be drafted to take care of some emergencies.

Mr. LUCAS. I thank the gentleman. I want to commend the committee for bringing out this legislation and I hope the Committee will keep in mind the subject matter I have brought up.

Mr. TRIMBLE. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I want to concur in what my chairman said in reference to the merits of this bill. If enacted it will be only a complement to already existing law and does not supersede existing law. Last year during our hearings on the dispersal plan for the Government asked by the President, I was amazed to learn during those hearings the amount of money we spend on rent each year. In those hearings we had evidence that had we had legislation like this and the departments could have entered into a lease-purchase or purchase agreement we would have owned those buildings instead of having to pay continuous rent through the years.

I hope the legislation is approved. Title I was introduced last year, went through the House, but failed to pass the other body, provision No. 2 did get through both Houses but was vetoed by the President.

Mr. DONDERO. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. AUCHINCLOSS], chairman of the Subcommittee on Public Buildings and Grounds of the Public Works Committee of the House.

Mr. AUCHINCLOSS. Mr. Chairman, I want to express my keen appreciation and gratitude for the support that has been given this legislation by the chairman of the Committee on Post Office and Civil Service and the staff, and particularly for the work that was done in our conference with the General Services Administration and the representatives of the Post Office Department.

We held many hearings and had many meetings on this legislation, which was first introduced by the gentleman from Ohio [Mr. MCGREGOR] some time ago. I may say that the first bill reached the Rules Committee, but we recalled that bill with the permission of the House, and went into further huddles and consultations in order to perfect it.

We have here a fine piece of legislation, a constructive piece of legislation. It will meet the criticism of the President's veto of a similar bill last year in accordance with an opinion expressed by the Department of Justice.

I want to thank particularly the author of the bill, the gentleman from Ohio [Mr. MCGREGOR], who is highly competent to discuss the details of it, and I appreciate this opportunity to congratulate him.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. MCGREGOR], author of this bill.

Mr. TRIMBLE. Mr. Chairman, I yield the gentleman from Ohio an additional 5 minutes.

Mr. MCGREGOR. Mr. Chairman, I thank the distinguished former chairman of the Public Buildings and Grounds Committee, Judge TRIMBLE, for the extra time. He is as always very considerate.

I want to join in the statement made by the gentleman from New Jersey [Mr. AUCHINCLOSS] relative to the splendid help that has been given us by the various Government agencies, the Post Office Department, the General Services Administration, the Bureau of the Budget, the leadership of this body, and others; and especially do I want to concur in his statement and pay respect to the distinguished chairman of the Committee on Post Office and Civil Service, the gentleman from Kansas [Mr. REES] and his staff. They worked many hours with us on this legislation. Also do I say many thanks to the staff of the Public Works Committee—they too have done a fine job—and as the author of the bill, I assure them their efforts are appreciated.

Mr. Chairman, this is a compromise bill. It will be recalled that last year we had two bills. This bill has two titles, title I, that has to do with the General Services agency, and title II, which has to do with the Post Office Department. The gentleman from Kansas [Mr. REES] will explain title II, I am sure, in a very, very capable manner.

Under existing law we have only two ways by which we can construct or operate a Federal building. One is by outright purchase and the other is by rental.

This particular legislation will create a third way. You are going to put modern tools in the hands of the Federal agencies, both in the Post Office Department covered in title II, and the General Services agency which in title I handles the Government offices generally.

The question may arise, should we have this legislation? I say yes for many reasons. I am sure all of us recognize the tremendous rents we have been paying throughout the country for our various Federal agencies, including post offices. This legislation will save millions and millions of dollars because in time we will do away, in many, many instances, with the renting of these buildings.

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

Mr. MCGREGOR. I yield to the gentleman from Iowa [Mr. JENSEN], who has a very serious problem which he has discussed with me a number of times.

Mr. JENSEN. I thank the gentleman for yielding. I want to express my deep appreciation to the Committee on Public Works and also for the fine cooperation that has been given by the Committee on Post Office and Civil Service in this matter.

I have been greatly interested because of the fact, as the gentleman knows, that about 3 years ago the post office and Federal court building at Council Bluffs, Iowa, was declared unsafe. It was torn down. Since that time the Government has been renting the old Moose Lodge hall, paying $1,000 a month, then renting rooms all over town for Federal offices costing over $800 a month additional. It is really pennywise and pound-foolish business practice. So, this bill will take care of such a problem. The gentlewoman from West Virginia [Mrs. KEE] has a similar situation, as does the gentleman from Louisiana [Mr. THOMPSON]. Those three projects are a fair example of why this bill is so necessary. There are similar situations all over the United States. Again I want to compliment the committee for bringing this very necessary legislation to the floor of the House.

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

Mr. MCGREGOR. I yield to the gentleman from New Jersey.

Mr. AUCHINCLOSS. I would like to reply to what the gentleman from Iowa has said. I am familiar with the problem of which he speaks, and the committee is also very familiar with it. He has spoken to us about it, and so have the other Members who are interested. It is our determination, if this legislation becomes law, to remedy this situation. Your problems are very high on the agenda of this committee, and we will give it immediate attention.

Mr. JENSEN. I appreciate that very much.

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

Mr. MCGREGOR. I yield to the gentleman from Tennessee.

Mr. EVINS. I would also like to commend the chairman of the subcommittee for the very excellent work he has done, as well as that of the full committee. This, I consider, is a very important piece of legislation, legislation that is much needed. During the time I have served in the Congress it has been a matter which I have been tremendously interested in. I have taken occasion, as the gentleman knows, to appear before his committee. I have also talked to the former Assistant Postmaster as well as recently, Mr. Ormond Kieb, Fourth Assistant Postmaster General. I think something needs to be done and the committee is to be commended for the action which it has taken. I wanted to ask the gentleman whether or not this legislation will, in effect, take care of all situations where sites have already been acquired, or will it be limited?

Mr. MCGREGOR. In answer to the gentleman from Tennessee, first let me say that I acknowledge his interest, he talked to me a number of times on the subject. We are not going to say that it is going to take care of all of the needs, but certainly it is going to take care of a great many of them. First, you must qualify under the $10,000 a year receipt basis. If you have local people who have funds who want to invest in the construction of these buildings, this legislation will give them the opportunity to enter into a contract with the Government over a period of from 10 to 25 years on what is known as a rental contract and ownership program. They construct the building, and it finally becomes the property of the Federal Government being paid for in the form of

rent. That expiration term is from 10 to 25 years.

Mr. EVINS. Certainly it is a forward and constructive piece of legislation and should go far to alleviate many critical situations, as well as the pressing need for post offices.

Mr. McGREGOR. I thank the gentleman. We all realize that we cannot come on the floor of this House with a piece of legislation promising to put post offices or Federal buildings in every congressional district. It just cannot be done. So, this gives you a third way in which you can get post offices if they are necessary and meet certain requirements.

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

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

Mr. HARVEY. I thank the gentleman from Ohio and congratulate not only him but the committee for bringing out this very excellent piece of legislation. I also wish to commend them particularly for the fine manner in which they have treated this very troublesome problem in being able to satisfy the various parties concerned. The gentleman knows I was a member of the subcommittee that originally drafted the legislation inaugurating the General Services Administration, and naturally have had a very deep and abiding interest in the welfare of this agency. I think this will give the General Services Administration even greater authority to solve many of the perplexing problems with regard to housing of not only post offices but other Federal agencies.

Mr. McGREGOR. I thank the gentleman. I recognize his interest in this because he was one of the members of a committee who considered this legislation at great length, and he certainly has given me wise counsel and advice on this legislation.

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

Mr. McGREGOR. I yield to the gentleman from Michigan.

Mr. DONDERO. May I say that it was shown before our committee that no type of public building had been constructed in the United States, particularly post offices, in the last 14 years.

Mr. THOMPSON of Louisiana. Mr. Chairman, will the gentleman yield?

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

Mr. THOMPSON of Louisiana. I want to associate myself with the comments made in commending the gentleman from Ohio, and I must congratulate the entire membership of the committee on bringing out this marvelous piece of legislation. Certainly you have been patient in listening to my repeated pleas for relief to my people in Lake Charles, La., and I feel certain that you have gained their undying gratitude as you have mine.

Mr. McGREGOR. I thank the gentleman for his kind remarks. He, too, has contacted me many times relative to his problem in Louisiana.

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

Mr. McGREGOR. I yield to the gentleman from Virginia.

Mr. WAMPLER. I commend the gentleman and the committee on their fine work in this piece of legislation. I am deeply interested in it.

Mr. Chairman, I want to take this opportunity to commend the author of this legislation, the gentleman from Ohio [Mr. McGREGOR] and the Committee on Public Works.

On June 17, I introduced H. R. 5803, which would authorize an emergency appropriation for the purpose of erecting in Abingdon, Va., a post office and courthouse building.

This bill—H. R. 5803—provides that the General Services Administrator is authorized and directed as an emergency to prepare drawings and specifications and to construct a post office and courthouse building on the site of the present Federal building in Abingdon, Va., at a cost not to exceed $745,000.

Before assuming my duties as a Member of the 83d Congress, I made a personal inspection of the present post office and courthouse building in Abingdon, Va. This inspection indicated to me beyond a doubt that present facilities are inadequate and antiquated.

In July 1949 there was virtual abandonment of Federal court proceedings at Big Stone Gap, Va. This has meant that all of the Federal litigation arising in that area must be taken care of at Abingdon, thereby creating an almost intolerable situation.

The Honorable A. D. Barksdale, judge of the western district of Virginia, has indicated to me that the situation at Abingdon is extremely difficult for the court.

In fact, Judge Barksdale has expressed the opinion that there is real danger that someone may be injured by the collapse of the building or some part of it sometime in the near future when it is crowded beyond capacity.

House Document No. 224, 82d Congress, first session, is a list of approved public building projects outside the District of Columbia eligible for construction. Under it Abingdon is listed for demolition of the present structure and the erection of a new building.

I submit that a real emergency exists at the post office and courthouse in Abingdon, and I rise in support of H. R. 6342 for two reasons:

First, it does not take funds out of the Federal Treasury.

Second, it is the means for providing much needed Federal space on a pay-as-you-go basis, according to amortization plan.

Mr. McGREGOR. I appreciate all the support that has been given to me. Really, there was a lot of work done, not just by the author of this bill but by all of us.

The Government in this legislation is doing just exactly what lots of people are doing and saying: "Why rent? Pay for your home in the way of rent." If it is good for the individual it is certainly good for the Government.

This legislation will allow you to enter into contracts whereby you amortize a building in 10 to 25 years, and then it becomes the property of the Government.

May I give a brief summary of the contents of legislation I hope I will be forgiven for repeating.

Mr. Chairman, in considering the bill H. R. 6342 before us today it is important to understand and keep in mind that historically, the Federal Government has obtained its space needs, by two methods:

First. Construction through outright appropriation; and

Second. Rental of privately owned property.

The purpose of this bill is to provide a third method by which the Federal Government may obtain much needed space and modern facilities by entering into purchase contracts by the terms of which title to the property will ultimately vest in the United States. It is essentially a money saving measure.

The authority for carrying out the objectives of this legislation is given to the Administrator of General Services in title I for all Federal agencies other than the Post Office Department, and the authority for the Post Office Department is given to the Postmaster General in title II of the bill. In the second phase of title II, the Postmaster General is also granted much greater latitude with respect to his leasing authority than is presently permitted by existing law.

This measure has grown out of recommendations made from many viewpoints. The provisions contained in the bill are the result of extended studying, discussions and conferences among the members of the Post Office and Civil Service and the Public Works Committees and their respective staffs, as well as the representatives of General Services Administration, Post Office Department, General Accounting Office, and the Bureau of the Budget. I believe all are now in accord and fully support this bill.

It has been the regular practice of the Federal Government to rent space from private industry and occupy leased premises for which it has paid considerable sums annually. These payments have been substantial and, in some cases, may have exceeded the fair market value of the property leased. In the past no procedure has been available by means of which title to such property could have been acquired by the Government through installment payments in lieu of rent.

The purpose of the proposed legislation is to remedy the situation as outlined, and render more economical and efficient the Government operations with respect to properties occupied by it.

By the provisions of title I, the Administrator of General Services is authorized to enter into purchase contracts for any Federal Government activity, other than those under the jurisdiction of the Postmaster General, under the following conditions:

First. When the needs for space in any particular area cannot be satisfied by utilization of existing property owned by the Government.

Second. The best interests of the United States will be served.

Third. The facility is to be located in the several States, the District of Columbia and the territories and posses-

sions of the United States including Guam.

The term of the purchase contracts shall be not less than 10 nor more than 25 years, at the end of which term title shall vest in the United States.

The Administrator of General Services can purchase a building presently leased to the Government and arrange for it to be converted and remodeled and made more suitable for the purposes desired. He may also contract for the construction of buildings to be occupied by any of the Federal agencies.

The payments to be made on the purchase price by the Administrator of General Services shall not in any case exceed 15 percent per annum of the fair market value of the property at the date of the purchase contract, and in the case of property where construction shall not have been completed, 15 percent of the fair market value at the date of completion of such construction.

Only those purchase contracts calling for the expenditure of more than $50,000 per annum shall be submitted by the Administrator of General Services, 30 days prior to their effective date, to the President of the Senate and to the Speaker of the House of Representatives for appropriate reference to committees. This provision will provide the respective appropriate committees of the Congress with an opportunity to inspect and review those contracts and to object or seek additional information concerning them if desired. This provision, however, will not unduly restrict the operations of the Administrator in his efforts to take full advantage of this forward-looking and businesslike legislation.

Funds to be used in this program will be those which are now appropriated to Federal agencies for rent and related charges and, through the Administrator of General Services, will be applied as installment payments on purchase contracts. Therefore, the Appropriations Committee will be in control of the funds to be utilized hereunder.

The Administrator of the General Services Administration is also authorized to exchange property presently owned and occupied by the Government, such as a hotel which is wholly inadequate for business offices, for other properties under private ownership and credit the value of the Government-owned property against the purchase price. If it exceeds the value, the excess will be recovered into the Treasury of the United States. If it is less, the balance will be paid by the Government in installment payments. There is one exception, however, with respect to post-office property, for if a credit is obtained in behalf of that Department the funds shall be credited to the current applicable appropriation of the Post Office Department.

The only time the Administrator of General Services will execute a lease-purchase contract for post-office purposes under title I will be when requested by the Postmaster General to, first, acquire property for postal purposes; or, second, to provide space for postal purposes in a building to be constructed for some agency other than the Post Office Department.

During the term of these purchase contracts, the property shall be subject to State and local taxes and not be taken off the tax rolls until the end of the term of the contract.

This measure is not intended to be a substitute or a replacement of any program for the construction by the United States of structures which may be required by the Federal Government from time to time.

Under title II, the Postmaster General may carry out his program for the purposes of the Post Office Department in similar fashion as the Administrator of General Services can do for all of the other Federal agencies involved. However, first, there must be a need for space for postal purposes which cannot be satisfied by existing property owned by the Government; second, the receipts of the post office serving the area must exceed $10,000 per year; third, the best interests of the United States will be served by taking the desired action; fourth, the facility is to be located in the several States, the District of Columbia, territories and possessions, including Guam; fifth, the contracts shall not be less than 10 nor more than 25 years and title shall vest in the Government at the end of the term; and sixth, rental appropriations will be applied and paid in amortizing the cost of the property.

The financial transactions of the post office with respect to these agreements shall be subject to the accounting and auditing requirements of the Post Office Department Financial Control Division.

The Postmaster General may enter into these purchase agreements in connection with properties which are presently occupied under a lease, and convert and remodel the premises under a purchase agreement which will vest title in the Government at the end of the term.

Pursuant to the provisions of section 203 of title II of this bill, the Postmaster General is authorized to enter into more desirable leases which will exceed the 20 years now permitted by law. It is believed that the extension of the lease period will enable the Department to take advantage of competitive open-market construction of buildings for postal purposes over a long-term amortization period by using private capital and obtaining control of the best sites available for the purpose desired, thus eliminating option speculation. Although the terms of the leases are not restricted to any number of years, the authority to enter into such leases is restricted for a period of 10 years after the date of enactment of this legislation.

It is the belief of the members and of the representatives of the departments involved that this legislation will eliminate duplication and conflict in operation and will provide flexibility for cooperation between the Federal agencies concerned.

It is not possible to estimate the savings that will result from the enactment of this measure; however, it is believed that substantial savings to the Government will be obtained.

Mr. DONDERO. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. GEORGE].

Mr. GEORGE. Mr. Chairman, the evidence before our committee shows that this proposal we have before us is the best possible way we can now get out of an awkward situation. Actually, the ideal way to handle this program would be to go ahead and appropriate money, as the Congress used to do. If we represented a solvent and sound Government, which unfortunately we do not at this time, we could put up the exact amount of cash to do all this public building program throughout the United States. From the fact that we are not sound and solvent, we have to do the next best thing and make lease-purchase agreements and make deferred payments.

For that reason, I am supporting this program, in the hope that we will finally become solvent and the Congress can go ahead and make appropriations to take care of all our building needs throughout the country, as they used to do in former years.

Mr. TRIMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I am going to vote in favor of this bill but I cannot resist making a few remarks about what happened last year. Practically the same bill, that is, title I of this bill, was up before the Committee of the Whole House. It was passed in this House as an amendment to the General Services Act. It was handled by the Committee on Government Operations. The gentleman from Ohio [Mr. MCGREGOR] and some of his friends on the Committee on Public Works made a valiant effort to capture the jurisdiction of this matter for their committee. They have written here a bill which purports to amend the Public Buildings Act, yet all of title I refers to the duties of the Administrator of General Services or to the function of the General Services Administration. By this clever legislative drafting maneuver they have taken unto themselves an amendment of a basic act, Public Law 152, which bore my name, and which was reported out of what was then known as the Committee on Expenditures in the Executive Departments and is now known as the Committee on Government Operations. By that maneuver they have taken away from the Committee on Government Operations an amendment to a basic act passed by that committee.

The gentleman from Arkansas [Mr. TRIMBLE] was the author of the bill we passed on April 28, 1952, and he deserves the credit for the original idea of lease-purchase as outlined in title I of H. R. 6342, which is now before us.

In title II they have also encroached upon the jurisdiction of the Committee on the Post Office and Civil Service. I understand that the chairman of that committee has gracefully surrendered and I shall do likewise, in the interest of passing meritorious legislation.

In all sincerity, I think it is a good bill. It provides for something that should have been done last year, and would have been done if the other body had acted upon the bill passed by the House. Because of the merits of the

legislation, and because of my high regard of the gentleman's legislative ability, and draftsmanship, let me say, I am going to gracefully step aside in this particular instance on the question of jurisdiction rather than to risk charging against the gentleman's forces and being decisively defeated.

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

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

Mr. McGREGOR. I really do appreciate very much receiving such a compliment from my friend the gentleman from California. I would like to call your attention to the jurisdictional dispute. There was—and the gentleman is absolutely right—some jurisdictional dispute last year, and I served on the committee that the gentleman referred to under guidance of Judge TRIMBLE. That was the reason we tried in this bill to strike that jurisdictional clause out. I might refer you to page 4, lines 11 to 16, which I will read:

(e) No proposed purchase contract agreement calling for the expenditure of more than $50,000 per annum shall be executed under this section unless it has been submitted, 30 days prior to its effective date, to the President of the Senate and to the Speaker of the House of Representatives for appropriate reference to committees.

We are not saying that our committee is the one that legislation of this type should go to, nor are we saying that it should go to the House Committee on Government Operations that my friend from California wants it to go to. We are leaving it to the rules and to the Congress. It goes to the President of the Senate and to the Speaker of the House of Representatives and they refer it to whichever committee they deem it advisable. That is in conformity with the rules of the House.

Mr. HOLIFIELD. I appreciate the gentleman putting that language in. I have even gone so far as to underline it for future reference in case additional amendments come up which are amendments to Public Law 152, commonly known as the General Services Act, the Federal Property and Administrative Act. In view of the wide function which has been conferred by Public Law 152 on the Administrator of General Services, I recognize in this language that the gentleman is in doubt as to his jurisdictional area, and I, too, shall be willing to abide by the decision of the Speaker of the House as to where future amendments shall be referred. I do say in all sincerity the legislative purpose of the bill is worthwhile. Its purpose is for the best interest of the Government. It will enable the Government to acquire buildings which heretofore we have rented for many, many years and spent a great deal of money without obtaining ownership of any tangible property at the end of that time. Now, the Government can make these leases and the leases will apply on the purchase price, and in many instances the Government will have title to a building to which it otherwise would not have title.

The House in voting on the merits of H. R. 6342, which would amend the Public Buildings Act of 1926, as amended, will be substantially repeating an action of the 82d Congress. Title I of this measure would authorize the Administrator of General Services to enter into lease-purchase agreements to provide for the lease to the United States of real property and structures for terms of not less than 8 or more than 25 years, with acquisition of title vesting in the United States, at or before the expiration of the lease terms. I am addressing my remarks to this legislation because it is posed as an amendment to the Public Buildings Act of 1926, as amended, rather than to the Federal Property Act of 1949, as amended. The latter act which created the General Services Administration serves as the basic charter of the activities of that entire governmental entity. What is proposed here today would amend a law which governs but a part of the activities of the General Services Administration. In principle then we are not adhering to a basic precept of the Hoover Commission, in that we would be magnifying subordinate features of an organization instead of emphasizing the comprehensive mission of the General Services Administration.

The Federal Property Act is the proper basic legislation to which an amendment of the nature proposed should be attached. But let no one mistake the reasons for the proposed bill as we have it here today. This is a result of the tortured legislative draft of H. R. 6342 which has forced referral to the Public Works Committee of the House.

Its clear intent is to place this legislative grant in the Public Works Committees. It is but another step in the direction for those who are eager to dismantle the General Services Administration and undo one of the major accomplishments of the Hoover Commission.

H. R. 6342 contains language which would require the Administrator of General Services to submit such lease-purchase contracts to the Congress for scrutiny. The measure then calls for the Speaker and President of the Senate to refer these contracts to appropriate committees of the Congress. Let no one be mistaken. Although it does not spell out Public Works Committees, that is the purpose and intent of such language. I should like to state that this language was offered and rejected during the debate on an identical measure in the 82d Congress. I refer you to the CONGRESSIONAL RECORD, volume 98, part 4, page 4528. I at this time therefore should like the record to show that the jurisdiction of the Committee on Government Operations must be preserved and that if appropriateness is the quality which will determine the destination of these lease-purchase contracts: then their proper depository is in the Committee on Government Operations. The Committee on Government Operations drafted the Federal Property Act in 1949 and according to the rules of the House, any amendment to that basic law should be referred to the Committee on Government Operations. Affecting this legislation with a public-buildings concept should not hoodwink us when it is considered that the entire subject matter is within the province of the Committee on Government Operations. That committee has the legislative history. It has played a great part and a key role in the development of the underlying ideas which fostered this proposed legislation. It steered an identical bill through the House of Representatives in the 82d Congress. On April 28, 1952, it successfully revealed the fallacious concept of Public Works Committee jurisdiction on which any bill of the type represented by H. R. 6342 is predicated. I hereby serve notice that referrals under this bill in the future should be made to the Committee on Government Operations which produced Public Law 152.

Public Law 152, the Federal Property and Administrative Act of 1949 is the basic act to which title 1 of H. R. 6342 actually applies and actually amends.

There are pending before the Committee on Government Operations bills which would amend the Federal Property Act so as to permit General Services entering lease-purchase contracts. This is the proper method of enacting this measure on the statute books.

In observing and evaluating the operations of the General Services Administration as a result of the Federal Property Act, our committee takes into account various operating services within GSA. We in Congress should not now by legislative effect raise the Public Buildings Service on a par with the parent organization.

I realize that this bill (H. R. 6342) will be passed. Its context and purpose is meritorious and I therefore will not oppose the passage of the bill. But I strongly resent the encroachment of the Public Works Committee on the jurisdiction of the Committee on Government Operations in presenting a carefully drafted bill which by purporting to be an amendment of the Public Buildings Act of 1949, actually amends Public Law 152 which originated in the Government Operations Committee.

Mr. McGREGOR. The gentleman from California is again trying to insert the old argument and jurisdictional dispute—if his position prevails we will again be as of last year—no legislation, no buildings, and we will be asking our people to work under poor conditions and be unable to give the service that rightfully belongs to the patrons of the Post Office Department and we will continue to waste annually millions and millions of dollars.

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

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES], chairman of the Committee on Post Office and Civil Service.

Mr. REES of Kansas. Mr. Chairman, I would like to say for the benefit of the gentleman from California there is no intent of any surrender with respect to this proposed legislation. I want that made clear.

Mr. HOLIFIELD. Does the gentleman mean then that he is just abdicating his jurisdiction.

Mr. REES of Kansas. It is not even that, sir. It is rather, an effort to proceed in an orderly way to secure important legislation through the House with-

out argument over the question of committee jurisdiction even though I am the author of what is now part 2 of this bill. I want to say to the gentleman that title II is the legislation in which our committee is particularly interested, but the committee in charge of the legislation today and brought the bill to the floor of the House called attention to the fact that there might be some question of jurisdiction in handling the problem involved so for that reason it was deemed proper that we go along, and permit if you will, or agree, that title II be included in this bill.

We are interested in approval of the legislation rather than in personalities or jurisdictional disputes.

I want to say also that a bill containing the provisions of title II of this bill was introduced by the gentleman from Tennessee [Mr. MURRAY], as chairman of the Committee on Post Office and Civil Service last year. That bill passed the House without serious objection. It also passed the other body, except it was amended in a manner that made it appear unworkable to the President, and he vetoed the bill. He did not veto it because he deemed it bad legislation, but because he thought it to be unworkable on account of those amendments.

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

Mr. REES of Kansas. I yield to the gentleman from California.

Mr. HOLIFIELD. I know that the gentleman is a valued Member of this House, and he does a fine job as chairman of this particular committee and he is anxious to maintain the jurisdiction of his committee, but I, like him, feel in this case that in order to get legislation we should go along with those fine gentlemen on the Public Works Committee.

Mr. REES of Kansas. That is what we agreed to do. I appreciate the gentleman's statement.

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

Mr. REES of Kansas. I yield to the distinguished gentleman from Michigan, chairman of the Committee on Public Works.

Mr. DONDERO. I do not want this opportunity to pass without saying a word of appreciation of the fine cooperation that you extended in all the deliberations on this most troublesome and controversial subject. The gentleman and his staff worked admirably with the staff of the committee which I have the honor to represent. I want the RECORD to show what a fine contribution the gentleman made toward the result obtained.

Mr. REES of Kansas. The gentleman is more than kind.

I want to pay tribute to the gentleman from Tennessee [Mr. MURRAY], who originated the legislation that you find in title II of this bill. Title II of this legislation is practically a copy of the proposal that he submitted in the 82d Congress, and which was reintroduced by me in the 83d Congress. We held hearings on it, and then, because of the lengthy hearings held by the committee in charge of the legislation, I agreed, and the gentleman from Tennessee [Mr. MURRAY] agreed to concede to our bill being included as part II of this bill, so there is no further misunderstanding on that question.

As the chairman suggested a moment ago, it gives the Post Office Department one more tool by which to carry on its operations. It deals only with buildings used exclusively by the Post Office Department.

Mr. Chairman, title II of this legislation gives the Postmaster General temporary authority to enter into two types of agreements not now authorized for the procurement of space to be used exclusively by the Post Office Department.

The first is the lease purchase agreement which will serve the same purpose for postal space as title I serves for the procurement of space by the General Services Administration.

These lease purchase agreements will be made by the Postmaster General on substantially the same terms and conditions as apply to the purchase contracts which will be made by the General Services Administrator under title I, with technical changes to adapt them to the special problems of the postal establishment.

The Postmaster General's authority to enter into lease purchase agreements is limited to a period of 10 years and will not extend to exchanges of Government property. He must include in his annual report an account of his transactions, and they are subject to the accounting and auditing requirements of the Post Office Department Financial Control Act of 1950.

The second of these new agreements is called the term-lease agreement. Authority to make these agreements also is limited to a period of 10 years. Term-lease agreements will provide for the erection by lessors of buildings for postal purposes on lands acquired by such lessors for either the Postmaster General or other sources. For these term leases the Postmaster General is authorized to acquire real property for postal purposes by purchase, condemnation, lease, donation, or otherwise, and to dispose of this real property by sale, lease or otherwise.

This authority with respect to acquisition and disposal of real property for the purpose of entering into term-lease agreements will help the Postmaster General to eliminate speculation in options which has tended to make land prices exorbitant under existing leasing procedures.

Post Office Department rental funds will be used to carry out the purposes of this legislation.

Historically, the Post Office Department has obtained its space through Government construction or by rental of privately owned space. Buildings which are constructed by the Government, as well as buildings for general purposes which may be leased by the Government, are furnished by the General Services Administration under existing laws, and no change will be made in these laws. However, all leases for space for the special purposes of the Post Office Department are presently made by the Postmaster General.

There has been no Federal construction of postal space since 1941. The ever-expanding need for the several types of modern postal facilities has been met through renting or leasing from private ownership. Moreover, since no appropriations for the construction of Government post offices appear probable in the foreseeable future, the necessity for leasing of postal facilities will continue and increase.

In the interest of better and more efficient leasing and rental economy, it is imperative that the Postmaster General be given every modern device and technique commonly in present use by private business, and suitable to Government needs, whereby he may negotiate the most advantageous leaseholds for the United States.

This legislation will provide the Postmaster General with these essential tools of good management. It is emphasized that this authority is confined to term-lease agreements and lease-purchase agreements, and will not authorize the Postmaster General to erect any new buildings. Exclusive authority for the construction by the Government of public buildings, including those for postal purposes, will remain in the General Services Administration.

This legislation is the result of extended study and discussion between representatives of the Post Office Department, the General Services Administration, the General Accounting Office, and the Bureau of the Budget.

The Postmaster General is responsible for efficient and economical operation of the mail service of the United States, and is in the best position to determine when and to what extent there is need for additional space to carry on this operation.

This legislation will place the Post Office Department in a position to obtain urgently needed space and modern facilities either by lease-purchase agreements, whereby title to the property will vest in the United States at the end of the lease term, or by term-lease agreements, whichever is more advantageous to the Government in individual cases.

This arrangement will secure for the Department many of the advantages not now available to it, but which have proved of great value in private business where immediate capital investment in space for commercial or industrial operations is not practicable but such space is needed on a relatively long-time basis.

There will be competitive open-market construction of buildings for postal purposes. The Government's investment in lease-purchased space or leased space will be amortized over long terms. Private capital—instead of money from the Public Treasury—will be utilized for construction of the space occupied by postal services, with attendant advantages to private investors and local economy throughout the Nation.

Also, as I have pointed out, the Post Office Department will be able to obtain control of the best sites available for postal purposes, and thus eliminate option speculation which has been a highly undesirable feature of the present system of leasing space for postal

purposes when there is no suitable Government space available.

Title II of this act is entirely compatible with title I. Each title complements the other; together they present the complete authority which is necessary for a well-rounded program of procuring space for carrying on the official business of the Government.

This legislation will eliminate duplication and conflict in operation, and provide flexibility for a cooperative, joint approach by the two Federal agencies which are primarily responsible for procuring space for Government activities—the General Services Administration and the Post Office Department—to the problem of improving Government operations through furnishing of adequate space.

Mr. DONDERO. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. ANGELL], a member of our committee.

Mr. ANGELL. Mr. Chairman, as a member of the Public Works Committee, I sat in on the hearings on this legislation. In my judgment, H. R. 6342 is a good bill. It is good for these reasons: First, it does not take any money out of the National Treasury. The national debt is $272 billion-plus. We have no money to use for construction of much-needed public buildings.

The second reason is that it gives a means for the Federal Government to acquire much needed office space and pay for it as we go. At the end of 10 years or 20 years, the amortization period, the property will become the property of the Federal Government without further payment.

The third reason is that in the meantime the property will not be taken off of the tax rolls. It helps the local communities in providing the ordinary revenues for carrying on local activities. Many of them are suffering by reason of the Federal Government owning so much property in their area. In my own State the Federal Government owns more than 50 percent of the real estate area in the State.

In some of the Western States Government ownership is as high as 75 percent or more, but this bill will not take the property off the tax roll during the amortization period.

The purpose of the bill, as amended, is to provide for the acquisition of title to real property and the construction of public buildings by the Administrator of General Services and the Postmaster General by means of purchase-contract agreements and term-lease agreements for the accommodations of activities of the Federal Government.

The committee now has before it a number of individual bills calling for the construction of post offices and other Federal buildings in various localities. Many of these projects will be covered by the terms of H. R. 6342.

For a number of years public-buildings construction has been practically at a standstill. During this period the activities of the Government have expanded tremendously, paralleling the tremendous increase in the Nation's business activity coupled with an above-normal increase in population during the war and postwar years. Now the Federal Government finds itself with a highly inadequate physical establishment to carry on its multitude of activities in an efficient and businesslike manner.

Historically, the Government has obtained the space it needs either through construction, or by rental of privately owned space. The result has been that the Government, in many cases, has rented the same buldings for periods as long as 40 to 50 years. H. R. 6342 would remedy the situation by allowing contracts to be entered into with private parties, whereunder ownership of the property would ultimately vest in the Government. It authorizes an orderly program for acquisition of Federal public-building projects considered necessary and desirable. It also authorizes the Postmaster General to negotiate term-lease agreements with greater latitude than present law permits.

The Public Buildings Act of 1949, reported from this committee, authorized a program for site acquisition and for the design of Federal building projects. However, there has been no authorization for the actual construction of public buildings. Sites acquired, and plans and specifications prepared as a result of the Public Buildings Act of 1949 could be utilized under the provisions of H. R. 6342.

The program contemplated by the subject bill will go a long way toward alleviating deplorable conditions in post offices and other Federal buildings in municipalities where, because of delayed maintenance and the cessation of public improvements during the war years, the demand for up-to-date conveniences is very urgent.

Extensive hearings and studies were conducted by the committee on H. R. 3702, H. R. 5406, and H. R. 6342, the bill here reported. Officials of the General Services Administration and the Post Office Department appeared or presented their statements favoring the major objectives of the legislation. There was no opposition from the Federal agencies, but a spokesman for the Post Office Department recommended certain amendments. The provisions contained in H. R. 6342 are the result of extended study and discussion between representatives of the General Services Administration, General Accounting Office, Bureau of the Budget, and the Post Office Department. This measure has grown out of recommendations made from many viewpoints.

No opposition to the bill appeared in our committee. I think it is a bill that is worthy of the vote of every Member of the House.

Mr. DONDERO. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. NEAL], a member of the committee.

Mr. NEAL. Mr. Chairman, I am a little too new in this body to be well enough acquainted with the personnel of the committee in the past to be able to extend the compliments usually extended in events of this kind, but I do know from the situation which we have in my home town, and having heard of many similar situations throughout the country, that this bill will provide relief for those communities without entailing any unusual tax obligation.

In my own town we are paying exorbitant rents, not for the post office but for the usual agencies that operate in that area. Plans have been paid for, the lot on which our building is supposed to be built has been bought and paid for out of Government funds appropriated 3 or 4 years ago, and we are ready to proceed; but under present economic conditions we would feel it a great imposition on the public if we were to ask for funds to build the type of structure we want. Our situation, therefore, is similar to that which exists everywhere. I know it will be a relief to our own people, and I feel that other areas of the country which are seeking such relief will be entitled to it. I think this is a good bill, and I am happy to have had the privilege of sitting in with the committee during its preparation.

Mr. DONDERO. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, not being one of the committee I just wanted to express my compliments to the committee for bringing out this legislation. It just so happens that I had an example in my home community and city of Seattle which I think proves the real value of this particular bill. We have in process now plans and specifications for a new post office. The situation is so bad that the post office has decided to go ahead regardless of whether this legislation is passed or not. We are going to have a post office. Instead of renting space for 10 or 20 years and then having nothing, if this legislation goes through the Government will have that building. It will make a remarkable saving, because in this instance, the cost of building a terminal post office is somewhere between $10 million and $15 million. So I want to compliment the committee and say I am so happy to learn that neither jurisdictional disputes, pride, nor anything else affect this legislation. I compliment you, Mr. Chairman.

Mr. TRIMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, the bill, H. R. 6342, which is now being considered by the House should be supported for the reason that it authorizes the Administrator of General Services and the Postmaster General to enter into purchase contracts for periods not less than 10 years or more than 25 years for acquisition of real property for permanent space requirements of departments and agencies of the Federal Government including the Post Office Department.

Under the provisions of the bill, the Government would be authorized to apply funds appropriated for rent payments as installment payments toward the ultimate purchase of the real property or structures concerned. Existing statutory limitations on annual rental payments of 15 percent of the fair-market value would be maintained. Title would be acquired by the Government at the expiration of the designated contract period with the annual install-

ments including interest, taxes, and so forth, constituting the total purchase price.

The objective of the bill is to permit the Government to procure space for permanent agencies in communities throughout the United States where it is clearly established that due to continuing Federal activities in such areas the space will be fully utilized in the conduct of Government business.

The provisions of the bill would provide an additional means by which the purposes of the Public Buildings Act of 1949 may be implemented and accelerated and this legislation would enable the Federal Government to acquire office and other space under private construction programs at low rates of interest over an extended period within appropriations to Federal agencies now provided for the payment of rent. Its enactment would tend to eliminate high recurring rents necessary under present short-term leases. Private investment firms, insurance companies, and local banking institutions would be encouraged to provide necessary construction funds under such a guarantee against loss and assurance of a fair return on investments over an extended period of years. Another advantage is that properties involved would continue to be subject to local taxes during the entire term of the purchase contracts. The Government would recover much of these investments through acquisition of title to the properties under contract at the expiration of the contract period.

At the present time the Administrator of General Services, for the housing of Federal agencies, is restricted to the making of leases not in excess of 5 years outside the District of Columbia, and to periods not in excess of 1 year within the District of Columbia.

Historically the Government has obtained the space it needs either through construction or by rental of privately owned space. The result has been that the Government, in many cases, has rented the same buildings for periods of from 40 to 50 years. This proposed legislation would remedy the situation by allowing contracts to be entered into with private industry whereunder ownership of the property would ultimately vest in the Government.

The Government finds itself at present competing with private enterprise for space at increasingly high rentals. These rentals, in many cases, have reached a point where if applied to contracts entered into in accordance with the proposed bill, they would be sufficient to permit transfer of title to the Government in 25 years. It is apparent therefore that considerable money could be saved to the Government by virtue of the proposed legislation as contrasted to straight leases to the Government at the termination of which it would have nothing by way of title to the properties.

The provisions of the bill would also authorize the Federal Government to enter into purchase contracts with respect to existing properties including those for which conversions, additions, extensions or remodeling may be required and properties upon which construction is to be subsequently effected.

The provisions of the proposed legislation would also authorize the exchange of any Government-owned real property for privately owned real property and the value of the former would be credited at the time of exchange to the payments to be made by the Government to the private owner in accordance with the provisions of a purchase contract, the balance to be liquidated by installment payments.

The bill, if enacted into law, would provide the Federal Government with authority to initiate necessary building programs to meet its increased requirements for office space in the various sections of the country. It would provide a medium for partial alleviation of unemployment incident to any recession that may follow possible cutbacks in the national defense program. Its full implementation over an extended period of years would promote the housing of the principal Federal services in conveniently located areas and tend to relieve the conditions presently existing which cause great inconvenience to the public.

In the interest of better purchasing as well as leasing and rental economy it is imperatively important that the Administrator of the General Services Administration and the Postmaster General be given every device, tool, and technique commonly in present use by private business whereby there may be negotiated the most advantageous purchase and leasehold agreements for the United States Government.

Mr. TRIMBLE. Mr. Chairman, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD.

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

There was no objection.

Mr. ELLIOTT. Mr. Chairman, I am for the pending bill, H. R. 6342. I had the privilege in 1949 of helping to pass the Public Buildings Act. At that time no construction of Government-owned post-office buildings had been made since 1941. The purpose of the act of 1949, as I remember, was to provide eventually for the construction of at least one post-office building in each congressional district, the building to be constructed for a post office that had receipts of more than $10,000 per year.

After the Public Buildings Act of 1949 was enacted, some sites were acquired by the Post Office Department, but to date no buildings have been built and with the present large deficits, and the huge cost of a military machine strong enough to reasonably guarantee our safety, I think it is fair to say that there is no immediate prospect of the Federal Government having enough money to construct federally owned post-office buildings.

The congressional district which I have the honor to represent has many towns in which post office buildings are badly needed. It has several towns that are eligible for construction under all the formulas that were used prior to the cessation of construction in 1941.

The bill before us will allow the Post Office Department to construct post office buildings on a lease-sale basis under a contract to be negotiated between the owner of the building and the United States Government. As I understand the bill, when the lease-sale payments stipulated in the contract have been paid by the Federal Government to the owner of the building, title to the building automatically vests in the Federal Government.

In general terms, this bill simply transfers the credit system for the construction of homes to the construction of Federal buildings. The United States will buy a postal building and pay for it on an annual basis, very similar to a rental basis. When the rental payments have been sufficient to pay the cost involved, title to the building will vest in the United States Government.

This is very beneficial legislation:

In the first place, it will enable local communities to arrange for the construction of buildings for lease-sale to the Federal Government and thereby acquire for themselves modern, efficient post office quarters.

In the second place, the construction of the building will be done by private interests in the best free enterprise traditions.

There is a great need for this type of legislation and I see in it the fulfillment of several objectives. Members of Congress from Alabama have been interested in public buildings construction legislation since I came to Congress. In the 81st Congress, our colleagues, the gentleman from Alabama [Mr. ANDREWS], of the Third Alabama District, and the gentleman from Alabama, Mr. Hobbs, of the Fourth Alabama District, pioneered in this type legislation. The gentleman from Alabama [Mr. JONES], of the Eighth District, is an able, energetic, and active member of the House Committee on Public Works which brings this bill here for debate today.

Early in this session of Congress, I had the privilege of sponsoring a bill which broadly aimed at the result which I think this bill attains.

I believe this bill, when enacted into law, will have the effect of providing for hundreds of additional, badly needed post office buildings throughout the United States.

The postal service is that branch of the Federal Government that more intimately and regularly touches the lives of all the people of the United States, than does any other. The post office in thousands of communities throughout the country is the symbol of the United States. I do not contend that postal buildings should be ornate or expensive beyond the requirements of practical utility, but I do feel that they should be substantial and constructed in such a way as to promote the greatest possible efficiency in the postal service at the local level.

I hope this bill passes.

Mr. EVINS. Mr. Chairman, earlier today I spoke of the need and importance of the passage of legislation to provide for the building of needed post office buildings. The committee in reporting

this bill has certainly made a step in the right direction. Certainly I am supporting this bill—I would have much preferred a real construction bill rather than legislation authorizing the Department to enter into lease-purchase arrangements. We have all found that it is not always possible to achieve the maximum in legislation, so I welcome the opportunity to support the pending bill because it will give a measure of relief and serve to bring about the construction of some new post office buildings throughout the Nation which are greatly needed.

As I indicated earlier, this is a subject concerning which I have been tremendously interested during my period of service in the Congress. I have had numerous conferences with members of the House Public Works Committee and also representatives of the Post Office Department urging that the Department sponsor a post office building program and that the committee enact legislation to achieve this purpose. On one occasion I talked at length with former President Truman asking him to include a recommendation in his state of the Union message to the Congress for a Federal public buildings program.

Because of World War II and the emergencies that have developed since the war there has been no public-building program for the past several years. The time has arrived, certainly, when the Federal Government should enter upon a program of Federal building construction. The shortage of material has eased. There are more than 2 million unemployed persons in the United States at this time and there is thus an ample available labor supply. In addition to this fact, there is the ever-growing and pressing need for Federal post-office buildings—especially in our smaller towns—and the communities that were considered small several years ago but which have now grown into thriving, enterprising cities.

There are 10 towns within the district which I have the honor to represent that are eligible on the basis of annual revenue for a post-office building. The Post Office Department has previously acquired building sites in some of these towns and in instances where sites have been acquired, these lots have been vacant for a number of years. The postal receipts of many offices far exceed the minimum $10-thousand-per-annum postal-revenue receipts set by the statute to qualify for a building under the act.

Another factor, Mr. Chairman, which I believe should be considered in connection with this legislation is the amount of rent annually being paid by the Federal Government for the use of post-office buildings. Last year alone the Post Office Department paid rents in excess of $30 million. By the plan here proposed a great savings in rental ultimately will be effected inasmuch as the Federal Government, after the period of the lease-rental arrangement, will own the post offices and further rental payments, of course, will not be required. The Government will be acquiring physical assets in the form of Government property. Local building will be stimulated and the building of new post-office buildings in many towns and communities throughout the Nation will satisfy a community need and community pride while also serving to greatly improve the efficiency of the postal service to the people of the Nation. I certainly favor legislation benefiting the people of our own towns and communities and the districts which we represent. So I am pleased to support this bill and I trust that following its enactment, the Post Office Department will proceed speedily toward the bringing into being of post-office buildings within all of the towns and cities of the district which I have the honor to represent as well as elsewhere throughout the Nation.

Mr. HAYS of Arkansas. Mr. Chairman, I believe that this measure will enable the Federal Government to inaugurate a sound program to meet our expanded building requirements. I wish to present a related problem. There is pending before the Committee on Agriculture a measure providing authority for the construction of county agricultural buildings, H. R. 3918, a program which is not adaptable to the procedures outlined in the bill now before the committee. I first presented this proposal during the 79th Congress and have reintroduced the bill in succeeding Congresses, but have not urged action upon it since there has hardly been a time during this period when it seemed appropriate for the Federal Government to inaugurate a building program. But, Mr. Speaker, provision should be made for agricultural buildings in separate legislation. The Federal Government is spending close to $3 million a year in rental upon private buildings for the use of Federal agricultural agencies. Under an amortization plan this sum would provide a beginning and ultimately there could be built either separate structures or annexes to existing buildings in all agricultural counties.

Under the terms of my proposal, the Secretary of Agriculture is authorized to develop a program for county buildings to be constructed by the counties in which agriculture is a predominant industry. Financial assistance on the part of the Federal Government should not exceed 30 percent of the construction cost of the project, exclusive of the land, except in those counties where county authorities certify that their financial income is not sufficient to meet the percentage requirement. But in no case should more than 50 percent of the building cost be supplied by the Federal Government.

In view of the suggestions from various parts of the country that at the appropriate time a county agricultural building program be undertaken, I trust that the Committee on Agriculture will be able to take notice of proposals of this character during the next session of the Congress. My own proposal includes the essential principles of ownership by the counties and provision for an auditorium for farm meetings.

Mr. TRIMBLE. Mr. Chairman, we have no further requests for time.

Mr. DONDERO. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. There being no further requests for time the Clerk will read.

The Clerk read as follows:

Be it enacted, etc.—

TITLE I—GENERAL SERVICES ADMINISTRATION

SEC. 101. The Public Buildings Act of 1949 is amended by (1) redesignating section 411 therof as section 412, and (2) inserting, immediately after section 410 thereof, the following new section:

"SEC. 411. (a) Whenever the Administrator of General Services determines that (1) the needs for space for the permanent activities of the Federal Government in any particular area cannot be satisfied by utilization of any existing property suitable for the purpose then owned by the Government, and (2) the best interests of the United States will be served by taking action hereunder, he is hereby authorized to obtain and provide space for the accommodation of activities of the Government in the several States, the District of Columbia, and the Territories and possessions of the United States (including Guam), except for the accommodation of activities of the Post Office Department, by negotiating and entering into purchase contracts, the terms of which shall not be less than 10 nor more than 25 years and which shall provide in each case that title to the property shall vest in the United States at or before the expiration of the contract term and upon fulfillment of the terms and conditions stipulated in each of such purchase contracts. Such terms and conditions shall include provision for the application to the purchase price agreed upon therein of installment payments made thereunder including provision for the exchange of surplus real property or real property which may become surplus as a result of such agreement, where the Administrator determines that the best interests of the Government in economy and efficiency of operation will be served.

"(b) The Administrator of General Services is authorized to exercise the powers granted in this section with respect to existing properties, including those for which conversions, additions, extensions, or remodeling may be required, and properties upon which construction is to be subsequently effected in pursuance of the terms of applicable purchase contracts.

"(c) The Administrator of General Services is authorized to enter into agreements with any person, copartnership, corporation, or other public or private entity, to effectuate any of the purposes of this section; and is further authorized to bring about the development and improvement of any land owned by the United States and under the control of the General Services Administration including the demolition of obsolete and outmoded structures situated thereon, by providing for the construction thereon by others of such structures and facilities as shall be the subject of the applicable purchase contracts.

"(d) Each such purchase contract shall include such provisions as the Administrator of General Services, in his discretion, shall deem to be in the best interests of the United States and appropriate to secure the performance of the obligations imposed upon the party or parties that shall enter into such agreement with the United States: *Provided,* That no such agreement may provide for the payment by the United States in pursuance of the terms thereof of moneys in an aggregate annual amount in excess of 15 percent of the appraised fair market value of the property at the date of the purchase contract, or in the case of property where construction shall not have been completed at that date in excess of 15 percent of the fair market value at the date of completion of such construction.

"(e) No proposed purchase contract agreement calling for the expenditure of more than $50,000 per annum shall be executed under this section unless it has been submitted, 30 days prior to its effective date,

to the President of the Senate and to the Speaker of the House of Representatives for appropriate reference to committees.

"(f) Funds now or hereafter available for the payment of rent and related charges for premises, whether appropriated directly to the General Services Administration or to any other agency of the Government and received by said Administration for such purpose, may be utilized by the Administrator of General Services to make payments becoming due from time to time from the United States as current charges in connection with agreements entered into under authority of this section: *Provided,* That no such funds may be expended for acquisition of title to the property covered by any such agreement prior to the expiration of the contract term specified therein (whether by exercise of option to purchase or otherwise) in the absence of specific appropriation of funds for such acquisition, which appropriations are hereby authorized: *Provided further,* That the value of any Government real property to be exchanged under any such agreement may be credited at the time of exchange to the payments to be made by the United States thereunder: *Provided further,* That Government real property to be exchanged may be credited in whole or in part to the purchase price of the property for which it is exchanged, except that where the amount of the credit for the real property to be exchanged exceeds the amount of the purchase price, the amount of the remaining proceeds shall, except as provided in section 205 of the Post Office Department Property Act of 1953, be covered into the miscellaneous receipts of the Treasury of the United States.

"(g) When requested by the Postmaster General, the Administrator of General Services is hereby authorized to exercise the authority vested in him by this section (1) to acquire property for postal purposes, or (2) to provide space for postal purposes in buildings acquired under this section for other purposes.

"(h) With respect to any interest in real property acquired under the provisions of this section, the same shall be subject to State and local taxes until title to the same shall pass to the Government of the United States.

"(i) If any provision of this section or the application thereof to any person or circumstance is held invalid, the remainder of this section and the application thereof to other persons or circumstances shall not be affected thereby.

"(j) (1) Section 302 (c) of the Federal Property and Administrative Services Act of 1949 and section 355 of the Revised Statutes, as amended (50 U. S. C. 175), shall apply to purchase contract agreements entered into under this section, except that any such agreement may be entered into and placed in effect after request for but prior to receipt of an opinion of the Attorney General with respect to the validity of title to the property described therein.

"(2) Except as provided by paragraph (1) of this subsection, sections 3733, 3734, and 3736 of the Revised Statutes, as amended (40 U. S. C. 259; 41 U. S. C. 12, 14); section 1 of the act of March 3, 1877 (19 Stat. 370; 40 U. S. C. 34); section 3 of the act of August 27, 1935, as amended (60 Stat. 257; 40 U. S. C. 304c); section 407 of this act; and any other provision of law (except applicable labor standards provisions) relating to the acquisition of real property, construction of buildings, or leasing of space, shall not apply to purchase contract agreements executed under this section."

SEC. 102. It is not the intention of the Congress that the program authorized by this title shall constitute a substitute for or a replacement of any program for the construction by the United States of such structures as may be required from time to time by the Federal Government.

SEC. 103. This title may be cited as the "Public Buildings Purchase Contract Act of 1953."

TITLE II—POST OFFICE DEPARTMENT

SEC. 201. It is the purpose of this title to supplement existing provisions of law for the leasing of space for postal purposes by providing authorization for the acquisition by the Postmaster General of such space through the execution of lease-purchase and other agreements under which the United States will obtain immediate use of such space and will make periodic payments, and in the case of lease-purchase agreements will obtain title to the property described therein at or prior to the end of the term prescribed therein. It is not the intention of the Congress that the program authorized by section 202 of this title shall consitute a substitute for or a replacement of any program for the construction by the United States of such structures as may be required from time to time by the postal service.

SEC. 202. (a) Whenever the Postmaster General determines that (1) there is a substantial need for space for postal purposes in any particular area which cannot be satisfied by utilization of any existing property suitable for the purpose then owned by the Government, (2) the receipts of the post office serving such area exceed $10,000 per year, and (3) the best interests of the United States will be served by taking action hereunder, he is hereby authorized to obtain and provide space for postal purposes in suitable structures of permanent-type construction in the several States, the District of Columbia, and the Territories and possessions of the United States (including Guam), by negotiating and entering into lease-purchase agreements, the terms of which shall not be less than 10 or more than 25 years and which shall provide in each case that title to the property shall vest in the United States at or before the expiration of the leasehold term and upon fulfillment of the terms and conditions stipulated in each of such lease-purchase agreements. Such terms and conditions shall include provision for the application to the purchase price agreed upon therein of rental payments made thereunder. Such payments under any such agreement may include amounts for the amortization of the fair market value on the date of such agreement of the property described therein. The financial transactions of the Post Office Department with respect to such lease-purchase agreements shall be subject to the accounting and auditing requirements of the Post Office Department Financial Control Act of 1950 (act of August 17, 1950, ch. 735, 81st Congress, 2d sess.).

(b) The Postmaster General is authorized to exercise the powers granted in this section with respect to existing properties, including those for which conversions, additions, extensions, or remodeling may be required, and properties upon which construction is to be subsequently effected in pursuance of the terms of applicable lease-purchase agreements.

(c) The Postmaster General is authorized to enter into agreements, with any person, copartnership, corporation, or other public or private entity, to effectuate any of the purposes of this section; and is further authorized to bring about the development and improvement of any land purchased by the United States for postal purposes, including the demolition of obsolete and outmoded structures situate thereon, by providing for the construction thereon by others of such structures and facilities as shall be the subject of the applicable lease-purchase agreement.

(d) Each such lease-purchase agreement shall include such provisions as the Postmaster General, in his discretion, shall deem to be in the best interest of the United States and appropriate to secure the performance of the obligations imposed upon the party or parties that shall enter into such agreement with the United States.

(e) Funds available to the Post Office Department for the payment of rents are authorized to be utilized by the Postmaster General to make any payments becoming due from time to time from the United States in pursuance of lease-purchase agreements entered into under the authority of this title: *Provided,* That no such funds may be expended for acquisition of title to the property covered by any lease-purchase agreement prior to the expiration of the leasehold term specified therein (whether by exercise of option to purchase or otherwise) in the absence of specific appropriation of funds for such acquisition, which appropriations are hereby authorized.

SEC. 203. (a) Notwithstanding any other provision of law, the Postmaster General is authorized to—

(1) negotiate and enter into lease agreements with any person, copartnership, corporation, or other public or private entity, on such terms as the Postmaster General deems to be in the best interests of the United States, for the erection by such lessor of such buildings and improvements for postal purposes as the Postmaster General deems appropriate, on lands sold, leased, or otherwise disposed of by the Postmaster General to, or otherwise acquired by, such person, copartnership, corporation, or public or private entity;

(2) for the purposes of paragraph (1) of this section, and without regard to the Federal Property and Administrative Services Act of 1949 (act of June 30, 1949, ch. 283, 81st Cong., 1st sess.), as amended.

(A) acquire by purchase, condemnation, lease, donation, or otherwise, and on such terms as he shall deem appropriate to the best interests of the United States, real property and interests therein, for use for postal purposes; and

(B) dispose of real property, and interests therein, acquired for use or used for postal purposes by sale, lease, or otherwise, on such terms as he shall deem appropriate to the best interests of the United States.

(b) Funds available to the Post Office Department for the payment of rents are authorized to be utilized by the Postmaster General for the purposes of this section.

SEC. 204. The Postmaster General may, at the time he enters into any lease-purchase or lease agreement under authority of this title, include in such agreement a provision for adjustment of the rental paid to any lessor to compensate for any increase or decrease in taxes on the leased property.

SEC. 205. Amounts received by the Government from sales, leases, or other disposals of property acquired in the performance by the Postmaster General of the functions vested in him by this title shall be credited to the current applicable appropriation of the Post Office Department and shall be available for expenditure for the purposes of this title.

SEC. 206. The Postmaster General shall take title, on behalf of the United States, to all real property purchased by him under authority of this title.

SEC. 207. (a) Section 355 of the Revised Statutes, as amended (50 U. S. C. 175), shall apply to the acquisition in fee simple of real property under this title, except that any lease-purchase agreement to acquire real property under this title may be entered into and placed in effect after request for but prior to receipt of an opinion of the Attorney General with respect to the validity of title to the real property described therein.

(b) Section 3709 of the Revised Statutes, as amended (41 U. S. C. 5), shall apply (1) to the acquisition of real property by lease-purchase agreements, under authority of section 202 of this title, and (2) to the lease agreements entered into under authority of

paragraph (1) of section 203 (a) of this title.

(c) Except as provided by subsections (a) and (b) of this section, sections 3733, 3734, and 3736 of the Revised Statutes, as amended (40 U. S. C. 259; 41 U. S. C. 12, 14); section 1 of the act of March 3, 1877 (19 Stat. 370; 40 U. S. C. 34); and any other provision of law (except applicable labor standards provisions) relating to the acquisition or disposal of real property, construction of buildings, or leasing of space, shall not apply to any of the functions performed by the Postmaster General in effectuating the purposes of this title.

SEC. 208. No agreement shall be entered into under this title later than a date 10 years after the date of enactment of this title.

SEC. 209. The Postmaster General shall include in his annual report an account of transactions conducted during the applicable year pursuant to the provisions of this title.

SEC. 210. This title may be cited as the "Post Office Department Property Act of 1953."

Mr. DONDERO (interrupting reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with and that the bill be open for amendment at any point.

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

There was no objection.

Mr. SMITH of Mississippi. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Mississippi: Add a new section to title II to read as follows:

"No proposed purchase contract agreement shall be executed under this section unless it has been submitted, 30 days prior to its effective date, to the President of the Senate and to the Speaker of the House of Representatives for appropriate reference to committees."

Mr. SMITH of Mississippi. Mr. Chairman, the amendment which I have offered is taken from the language in title I of this bill, with the exception of the $50,000 limitation provided in title I. It simply provides the same type of reasonable control by the Congress of this building function on the part of the executive branch that it is deemed appropriate to take in title I. If it is proper for the Congress to exercise any control in regard to these buildings as is provided in title I, then it is proper that this control should be exercised with regard to title II.

I see no reason why we should feel it necessary to exercise no control whatsoever so far as title II is concerned. My amendment provides for a reasonable control. It has been approved, in effect, by the executive department when it asks approval of the proposal listed in title I. It is not an undue limitation; it is merely enforcing what should be the natural authority, the Congress, in the field of public buildings, a historic role that the Congress has had ever since Federal building construction began over 150 years ago, and which the Congress has never given up.

I think you should realize that under title II of this bill there will be no post-office buildings constructed except virtually under the terms provided in that title, which is perhaps a good thing, at least during this period when financial conditions are so stringent. We will not be able to get direct appropriations for post-office construction. But we should not give up the historic role that the Congress has had in authorizing building construction. We should have some small degree of check along the lines I have proposed. The language is not original with me; it is merely the language provided on page 4, with the exception I have indicated. If that language is proper in regard to the buildings that will be built by the General Services Administration it is certainly proper that it should be in effect in regard to buildings that will be built by the Post Office Department.

I hope the committee will see the reasonableness of this proposal and accept the amendment.

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

Mr. SMITH of Mississippi. I yield to the gentleman from Michigan.

Mr. DONDERO. Under the gentleman's amendment a building that would cost as little as five or ten thousand dollars would have to be submitted back through leaving out the limitation in title I of the bill?

Mr. SMITH of Mississippi. That is right. Under the present law, a post office that would cost as little as five or ten thousand dollars has to be authorized by the Congress. My amendment would not provide that the authorization process be stopped; it would merely provide that the voice of the Congress in regard to these authorizations be heard.

I do not believe that the new administration, which has expressed so highly its faith in a good working relation with the Congress, can object to carrying over this idea in regard to post-office construction that it has accepted in the field of General Services construction.

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

Mr. SMITH of Mississippi. I yield to the gentleman from Oregon.

Mr. ANGELL. What would the gentleman say in the case where a proposal was submitted to the Congress and the Congress took no action? What effect would that have on the project?

Mr. SMITH of Mississippi. If the Congress took no action and did not approve it, the inference would be that the Congress did not want it built. Certainly that is the inference which has to be taken in regard to these contracts for building purposes under the General Services Administration on page 4 of the bill.

Mr. ANGELL. If the gentleman's amendment was adopted and that report was submitted, that would end the whole building project.

Mr. SMITH of Mississippi. That is perhaps correct, and perhaps it should be ended. That is one of the functions and obligations of the Congress. If the administration wants to exercise too much authority, we should be able to check on it. That is what I understand we are supposed to be doing, checking on the administration's spending through its different agencies. As far as the efforts of a Congressman to get any type of building in his district, if the approval has to be given by the Congress, naturally, the Congressman is going to have a greater chance of getting what he wants. That is merely a by-product of its own rule that the Congress has had in the past in authorizing public buildings.

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

Mr. Chairman, I know that my distinguished friend, the gentleman from Mississippi [Mr. SMITH] did not want to leave a misleading statement in your mind. He said that his amendment to title 2 was the same as the amendment to title 1 on page 4.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. Certainly, I yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. I beg the gentleman's pardon. I said with the exception of the limitation of $50,000.

Mr. McGREGOR. Probably I was not listening, so I apologize to the gentleman if he said except limitation of $50,000. But I do want to call to your attention on page 4 that we have a $50,000 limitation. If the gentleman's amendment was put into effect, every post office, whether it cost $10,000 or $12,000, or $20,000 would have to be submitted to the Congress for approval. Now, Congress does approve every single project in this legislation. Why? Because the lease agreements, contracts, and purchases, are entirely paid out of appropriations by the Committee on Appropriations of the Congress. They cannot exceed appropriations established for rentals, which means that the Committee on Appropriations does have, and you as members of the committee have, a chance to check on every single item if you want to, because when that appropriation bill comes before the Congress there must be a record made.

Let me read from page 13 of the bill:

The Postmaster General shall include in his annual report an account of transactions conducted during the applicable year pursuant to the provisions of this title.

Congress does have a hand in what is going to be done. Mr. Chairman, we have three branches of government, the executive, the legislative, and the judicial. If we, as the legislative branch, are going to dictate to the executive branch of the Government, then we are exceeding the authority given to us by the Constitution of these United States. We must have those three branches, and it is our prerogative to take care of and O. K., if you please, these transactions, and we do it when it comes time to vote on the appropriation bills.

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

Mr. McGREGOR. I yield to the gentleman from New Jersey.

Mr. AUCHINCLOSS. I think the point that the gentleman just made about encroachment on the executive branch of the Government was the basis on which the President vetoed the previous legislation.

Mr. McGREGOR. That is correct. In the President's veto message of last year it was explained that was one of his reasons for vetoing the legislation.

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

Mr. McGREGOR. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. I think the gentleman from Ohio has made a very worthwhile argument and I think he has convinced the Members. Let us vote.

Mr. McGREGOR. I thank the gentleman.

There are some technical points in this bill. This bill came out of our committee by unanimous vote. It passed the Committee on Rules by unanimous vote and I certainly hope that the membership will defeat the amendment offered by my good friend, the gentleman from Mississippi [Mr. SMITH].

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

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

Mr. JOHNSON. As I understand the discussion, the idea of this bill is that we may pay for post offices and other public buildings on the installment plan.

Mr. McGREGOR. That is correct.

Mr. JOHNSON. That is the way 70 percent of the people in America bought their homes.

May I make this comment: If the military of our Government had built the housing for the military people who draw rent money under the laws of Congress we would have saved hundreds and hundreds of millions of dollars.

Mr. McGREGOR. I thank the gentleman, and I do know of his interest in this legislation.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. ROGERS of Florida. May I ask the gentleman from Ohio if this plan would not expedite and facilitate the building of post offices in communities that need them really badly at the present time?

Mr. McGREGOR. Very much so.

Mr. Chairman, I hope the amendment is defeated.

Mr. DAVIS of Georgia. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia to the amendment offered by Mr. SMITH of Mississippi: Insert after the word "agreement", the following: "calling for the expenditure of more than $25,000 total."

Mr. DAVIS of Georgia. Mr. Chairman, I want to express approval of the legislation in general, but I feel that the amendment the gentleman from Mississippi [Mr. SMITH] has offered will serve a good purpose, provided there is a figure placed in there which would limit the application of his amendment to projects which cost a total of $25,000 or more.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. SMITH of Mississippi. I think the gentleman's amendment is a very good one, and I am glad to support his amendment to my amendment.

Mr. DAVIS of Georgia. I thank the gentleman.

As you will notice on page 4, the bill calls for the supervising of these contracts in every other department where the bill may apply except the Post Office Department, where the expenditure is more than $50,000 per annum. We have also already in existence a provision of this same nature which applies to purchases, leases, or sales by the military departments. In title 6 of Public Law 155 of the 82d Congress it was provided that all purchasing, leasing, and disposing of real property by the military departments and the Civil Defense Administration where the amount involved is $25,000 or more must be cleared with the House and Senate subcommittees. It is a simple procedure. It does not involve any great detail. It works very satisfactorily and has already been tried and tested in these military and civil defense leases, purchases, and sales.

I have talked to the staff of the House Committee on Armed Services to get the details of how they work that provision of the law. When it is proposed to purchase, lease, or dispose of any real property by the military departments, this is what happens: They submit mimeographed descriptions of the plans to purchase, lease, or dispose of real property, the value of which is $25,000 or more, to the Committee on Armed Services. Copies of the plans are distributed to each member. At a later date, usually about 10 days, they have a subcommittee on that subject which meets to consider them. They do give them consideration, and if the case appears to be worthy and meritorious they approve it, that is all there is to it. If not, then under that law they have the opportunity to prevent waste and extravagant purchases or leases, and to exercise that supervision which the Congress is supposed to exercise over the spending of the peoples' money. Why should the Department of the Post Office be the only department of the Government which is exempted from this kind of supervision of the Congress when every other department is subjected to it? Of course, it would not be in title I of this bill unless the committee thought it would be worthwhile insofar as these other matters are concerned.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. SMITH of Mississippi. Can the gentleman see any logic in the Congress in the same piece of legislation providing one requirement for one department of the Government and then exempting another department?

Mr. DAVIS of Georgia. I can see no logic in it, particularly when in another piece of legislation which we passed in the 82d Congress, we made the same provision with regard to the military department and the civil defense. What is there about the Post Office Department that makes them exempt from the supervision of the Congress in the same way that the military and civil defense and all other departments which are involved in this bill are subject except the Department of the Post Office?

Mr. SMITH of Mississippi. The gentleman is a member of the Committee on Post Office and Civil Service. Is it his understanding that if this amendment is adopted it would have any effect whatsoever toward reducing the number of post offices that would be constructed under the bill?

Mr. DAVIS of Georgia. I do not believe it would. I do not think it would put any heavy burden on the Committee on Post Office and Civil Service. I mentioned this at the time we had this legislation up, with the ranking Democratic member of our committee, the gentleman from Tennessee [Mr. MURRAY] and I told him at that time that I was in favor of a similar provision to this being in the bill. We had some hearings on this legislation before the Committee on Post Office and Civil Service, and then the bill which was pending there got out of our committee and got into the other committee here and so it is here before the House in this bill. That is my version of it, and I think the amendment is good.

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

Mr. REES of Kansas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not usually differ with my distinguished friend, the gentleman from Georgia, and I dare say he may be correct. I hardly think so. Do I understand it is it his opinion his proposed amendment would not slow down the program we are providing in this legislation? Is that his opinion?

Mr. DAVIS of Georgia. Yes, I think this is a very necessary procedure. I do not think it would slow it down any more than is necessary to give our committee a reasonable look at it.

Mr. REES of Kansas. Is the gentleman satisfied with all the remainder of title II?

Mr. DAVIS of Georgia. Yes, I have no objection to the remainder of it.

Mr. REES of Kansas. Except just the proposed item of $25,000.

Mr. DAVIS of Georgia. That is correct.

Mr. REES of Kansas. I regret to differ with the gentleman. I still think the $50,000 figure ought to remain in the bill. I cannot understand his logic on that, but maybe I do not quite understand the gentleman.

Mr. DAVIS of Georgia. I have not undertaken to change the $50,000 figure which is on page 4 of the bill. I have undertaken to put the figure $25,000 in the amendment which was offered by the gentleman from Mississippi [Mr. SMITH]. I have not undertaken by my amendment to affect the $50,000 at all in line 12, on page 4. My amendment does not apply to that.

Mr. McGREGOR. Mr. Chairman, we cannot hear the explanation of the gentleman, and I would very much like to hear it.

Mr. DAVIS of Georgia. I was saying to the gentleman from Kansas that my amendment does not apply at all to the figure $50,000 in line 12, on page 4. My amendment merely places the figure $25,000 in the amendment offered by the gentleman from Mississippi [Mr. SMITH] to title II of this bill.

Mr. REES of Kansas. The gentleman from Georgia offers an amendment to the amendment of the gentleman from Mississippi [Mr. SMITH], is that correct?

Mr. DAVIS of Georgia. Yes, which the gentleman from Mississippi says he will accept.

Mr. REES of Kansas. I do not want to argue the point, but I still think the language ought to remain as presently in the bill. That is my opinion.

Mr. DAVIS of Georgia. Will the gentleman yield further?

Mr. REES of Kansas. I am happy to yield.

Mr. DAVIS of Georgia. I will say to the gentleman that neither the amendment of the gentleman from Mississippi nor the amendment that I offer will strike any language from the bill.

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

This bill comes to the House, as explained by the gentleman from Ohio [Mr. McGREGOR], under a unanimous vote of our committee. I hate to oppose any amendment offered by my good friend the gentleman from Mississippi [Mr. SMITH], or my good friend the gentleman from Georgia [Mr. DAVIS], but it changes the bill somewhat, and, therefore, I am asking that the amendment and the substitute amendment be voted down.

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

Mr. DONDERO. I yield to the gentleman from Virginia.

Mr. HARDY. Would the gentleman explain the reason for leaving out the provision with respect to the post office, which was put in with respect to the General Services Administration?

Mr. DONDERO. The question of leases that may come up will involve amounts smaller than provided in the bill, and we think it best to leave it just as we reported it to the House.

Mr. HARDY. If you have a $25,000 or $50,000 limitation, it does not seem to me that those are very small leases.

Mr. DONDERO. Of course, this title of the bill comes under the jurisdiction of the Post Office Committee and not the Committee on Public Works. But it has been agreed to by both committees that the bill, and as we have reported it, will do the work and would expedite the building of post offices in this country. For that reason we left it out.

Mr. Chairman, I ask for a vote.

Mr. HARDY. Mr. Chairman, I move to strike out the last word. I shall take but 1 or 2 minutes. The provision requiring that these matters be resubmitted to the committees, it seems to me, is a good provision. I do not see any reason why it should be included with respect to General Services and left out with respect to the Post Office Department.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I am happy to yield to the gentleman.

Mr. DAVIS of Georgia. Does the gentleman know of any difficulty that has attended the lease, purchase, or sale of real property where this same supervision is exercised by the Military Department?

Mr. HARDY. I might say to the gentleman that I am currently serving on the Real Estate Subcommittee of the Armed Services Committee and every one of these projects of the military is submitted to our committee under the very able chairmanship of the gentleman from Iowa [Mr. CUNNINGHAM]. I know of no particular delay that has been occasioned by the submission of these leases or these real-estate acquisitions. The fact of the matter is, I believe it was on yesterday or the day before, our committee saved $103,000 on a lease which was not proper. I think the same would happen in a great many cases in the Post Office as well as in General Services.

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

Mr. HARDY. I am glad to yield to the gentleman.

Mr. McGREGOR. Regardless whether or not this amendment is approved, you are going to get exactly the same situation as far as the vote on the Appropriations Committee or the vote by the Congress is concerned, because I refer the gentleman to the language, "The Postmaster General shall include in his annual report," and so forth.

Mr. HARDY. I might say to the gentleman that I do not think the Appropriations Committee action will cover these matters. Funds are appropriated for the purpose of making leases, and Congress has no control over individual leases at all. In addition to that, I think the legislative committees which have jurisdiction are in a better position to scrutinize these individual items than is the Appropriations Committee.

Mr. McGREGOR. If the gentleman will yield further, of course, when the bill comes to the floor every Member of Congress, whether he is a member of a legislative committee or of the Appropriations Committee, has the right to demand and to receive information relative to each specific project.

Mr. HARDY. I think the gentleman misses the point. The point is that Congress will not get the chance to scrutinize these until after the contract has been entered into. Unless the projects are submitted before the leases are made, we shall not be able to reject them, if they ought to be rejected. This is so with regard to the Congress as a whole and to the Appropriations Committee.

Mr. McGREGOR. I want to tell my good friend that in the General Services Agency we have the clause that is being suggested.

Mr. HARDY. That is correct.

Mr. McGREGOR. But we found out that the Post Office officials were not in accord with that.

Mr. HARDY. I am not surprised.

Mr. McGREGOR. We do not want to get into a scrap with the Post Office Department, we do not want to get into a scrap with the administration, or with the General Services Administration as we did last year and got no bill. That is what is going to happen, you are going to stir up that same argument that we had last year with the result that there will be no bill and then you will be hollering to the high heavens because you have not got a post office.

Mr. HARDY. But under the language of this amendment if the Post Office Committee decides that it will not do a thing about these cases it has it within its power, and under this language it is not required to do anything at all. But if they are submitted to the committee it at least has the opportunity to scrutinize them if it cares to do so. There is no directive in this amendment; and insofar as I can see it certainly would not impose any burden on the Post Office Committee which that committee would not care to assume.

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

Mr. HARDY. I shall be glad to yield to my colleague from Ohio.

Mr. McGREGOR. I am sure the gentleman has sat in on conference committees with the various departments and he realizes that when you get agreement on the part of the Post Office Department, the General Services Administration, the Budget, and those interested outside of the governmental functions, then it is most difficult after you have established it to come on to the floor and make some changes.

My distinguished friend from Mississippi, the author of this amendment, discussed this amendment in the committee.

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

(Mr. HARDY asked and was given permission to proceed for 1 additional minute.)

Mr. HARDY. This is perfectly reasonable. A similar provision is applicable to the military except it requires that the Armed Services Committee come into agreement with the military before they can proceed. The language of this amendment does not make any such requirement. If the Committee on the Post Office and the Civil Service does not care to scrutinize these, under this language it does not have to, but it will have the opportunity to do so if it so desires in its wisdom.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

(On request of Mr. SMITH of Mississippi and by unanimous consent Mr. HARDY was allowed to proceed for 3 additional minutes.)

Mr. SMITH of Mississippi. I am sorry to impose on the gentleman from Virginia, but during his statement the gentleman from Ohio made a statement which I think should be corrected.

First of all, this amendment was discussed in the committee. It was not voted on. The gentleman from Ohio suggested that we put it off until we got to the floor, when there would be some Civil Service Committee people here and perhaps it would be accepted. A few minutes ago I took this up with the chairman of that committee and he indicated that he would not object to it, but he said: "Let us see how Mr. McGREGOR feels." Then the gentleman from Ohio did not like it. That is the situation. This matter never came to a vote in the Public Works Committee.

Mr. HARDY. Since I still have control of the time I do not want this to get to the stage of an argument here. I think this is a good amendment. The gentleman from Mississippi might adversely affect it so I just hope it can be agreed to.

Mr. MURRAY. Mr. Chairman, I rise in opposition to the amendment offered

by the gentleman from Mississippi [Mr. SMITH] and the amendment offered to the amendment by the gentleman from Georgia [Mr. DAVIS].

This amendment was never considered by our committee; it was not proposed to our committee. The Committee on Post Office and Civil Service had a bill which is now title II of the present bill under consideration. Last year, as chairman of the Post Office and Civil Service Committee, I introduced a similar bill. It passed the House. Unfortunately the gentleman from Mississippi was able to get an amendment somewhat similar to the one he is now proposing adopted, and as a result the bill last year was not approved by the President.

The language of title II has the unanimous approval of the Committee on Post Office and Civil Service. This amendment will slow down the lease-purchase program of the Post Office Department and will be of no benefit whatsoever.

I ask that the amendment and the amendment to the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. DAVIS] to the amendment offered by the gentleman from Mississippi [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. DAVIS of Georgia) there were—ayes 20, noes 56.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. SMITH].

The amendment was rejected.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. VAN ZANDT, 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. 6342) to amend the Public Buildings Act of 1949 to authorize the Administrator of General Services to acquire title to real property and to provide for the construction of certain public buildings thereon by executing purchase contracts; to extend the authority of the Postmaster General to lease quarters for post-office purposes; and for other purposes, pursuant to House Resolution 344 he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

AMENDMENT TO RAILROAD RETIREMENT ACT OF 1937, AS AMENDED

Mr. LATHAM. Mr. Speaker, I call up House Resolution 336 and ask for its immediate 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. 356) to amend the Railroad Retirement Act of 1937, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LATHAM. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Virginia [Mr. SMITH], and at this time yield myself such time as I may use.

Mr. Speaker, House Resolution 336 is a rule which provides for 2 hours general debate, an open rule, in the consideration of the bill H. R. 356. That bill is a measure which would retroactively repeal one of the provisions which was written into the Railroad Retirement Act by the 82d Congress in 1951. The provision it deals with is the so-called social security offset provision, otherwise known as the dual-benefit provision.

The provision which it is sought now to repeal is one that would reduce the pension of certain retired railroad workers who might be entitled to social-security benefits even though they do not get social-security benefits. It has been thought that that provision is manifestly unfair. It was not intended by the Congress to effect that result and this measure would cure that defect in the law. It would seem to be a very meritorious piece of legislation, although there is some controversy with regard to it.

Mr. BENNETT of Michigan. Mr. Speaker, will the gentleman yield?

Mr. LATHAM. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. The American Association of Railroads is opposed to this bill. Eighty percent of railroad labor, or the people representing railroad labor, are opposed to it. The Railroad Retirement Board, which administers this law, is opposed to it unanimously. Under those circumstances, where practically everybody concerned with the railroad retirement problem, the employers, the employees, and the agencies administering the law being diametrically opposed to it, does he not think this is a poor time for the House to bring up a matter of this kind?

Mr. LATHAM. Mr. Speaker, in view of the fact that the committee has reported this bill, I suggest that we adopt the rule expeditiously. Certainly it should be considered by the House, and then a full discussion of the merits of the bill can be had.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. LATHAM. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. For the benefit of the House, the International Machinists Union, some 800,000, are supporting this bill; the Congress of Industrial Organizations, with better than 100,000 members who are railroad employees; the United Steel Workers of America, with some 10,000 employees; the Railway Patrolmen's International Union of the American Federation of Labor, are all supporting this bill. So do the BRT, ORC, BLE, B. L. F. and E. and the switchmen's union. Therefore, I challenge the statement that 80 percent of the railroad employees of this country are opposed to this bill.

Mr. BENNETT of Michigan. Does the gentleman dispute the fact that the Railway Labor Executive Association, representing approximately 80 percent of the railroad employees, is opposed to this bill?

Mr. VAN ZANDT. I reply to the gentleman by saying that Mr. A. J. Hayes, international president of the International Association of Machinists, an organization affiliated with the Railway Labor Executive Association, wired me to the effect that 800,000 members, of his organization which represents the machinists, the machinists helpers and apprentices of every railway carrier of this country, after due study and consideration, wholeheartedly supports the enactment of this legislation.

Mr. BENNETT of Michigan. There are only 45,000 persons who belong to that union who are railroad workers, so the 800,000 figure is certainly misleading.

Mr. LATHAM. As I indicated, Mr. Speaker, there is some slight controversy in regard to this measure. I therefore suggest we adopt the rule speedily and get on to the merits of the bill.

Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. WAINWRIGHT].

Mr. WAINWRIGHT. Mr. Speaker, I would like to associate myself with my colleague, the gentleman from New York [Mr. LATHAM], in urging the adoption of House Resolution 336. I would also like to state at this time that I am delighted to support my colleague, the gentleman from Pennsylvania [Mr. VAN ZANDT], in support of H. R. 356.

Mr. LATHAM. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, I believe that the enactment of this amendment is good legislation, and is in the best interests of railroad employees generally.

As you will recall, a pensioner who retires under the provisions of the Railroad Retirement Act at the present time cannot receive any benefits under the Social Security Act, even though he may have worked the required number of quarters to become a pensioner under the Social Security Act. In my opinion this is highly discriminatory against railroad workers generally.

Under the Civil Service Retirement Act any pensioner is entitled to draw his civil service retirement pay and in addition may become regularly employed if he so wishes and receive old-age benefits under the Social Security Act. The

same is true in almost every other pension system of the Federal Government. This is true of the Foreign Service retirement system and of the retirement systems for the employees of the Federal Reserve System and the Tennessee Valley Authority. In addition, every pensioner under State retirement systems is entitled after he has retired to work at other gainful employment and in addition to receive social security benefits, if he so qualifies. Individuals who retire from the Army, Air Force, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, Public Health Service, or from the Federal judiciary receive the full pension to which they are entitled without any reduction by reason of old-age insurance benefits under the Social Security Act.

I fail to understand why it should be necessary to reduce the annuity of people under the Railroad Retirement Act by any payment they receive as the result of social security. In order to qualify under social security it is necessary that every person shall work the required number of quarters. Social security is based upon earned service. Now in the present Railroad Retirement Act retired railroad personnel are barred from social security. There is no reason that I can see as to why retired railroad personnel should be treated on any different basis than people under other retirement systems.

I think everyone in this House knows that the cost of living has risen substantially since the Railroad Retirement Act was enacted in 1937. There have been some increases in the meantime but they have not been nearly enough to catch up with the cost of living.

It is my understanding that the average annuitant under the railroad retirement system will receive approximately $129.80. If this is reduced by the amount of his social security you can see that his net income for the month under the railroad retirement system would be less than $100.

In many instances retired railroad personnel must work at other occupations in order to exist. When the time comes for them to fully retire they are then unable to take advantage of the provisions of social security for which they would have otherwise fully qualified. This has resulted in the reduction of many thousands of annuities and pensions of railroad people, some of which have been paid for many years. In order to restore the confidence of railroad employees in the fairness and equity of their retirement system, this provision should be immediately repealed. It is my belief that the amendments of 1951 to the Railroad Retirement Act were passed in good faith but they have proved to be highly discriminatory and unjust and in addition have not worked out in the intervening time to the benefit of all railroad people.

These individuals had a right to expect that the pensions payable to them under the Railroad Retirement Act would not be subject to a reduction during their lifetime. Most of them have made plans for their retirement in the belief that their benefits would be available to them for their lifetime. They have done nothing of themselves to cause a reduction in their pensions. The reduction was brought about by this provision which was enacted into law in 1951 after they had started to receive their benefits.

It should be emphasized that many individuals who have qualified for benefits under both the Railroad Retirement Act and social security have done so because they have been compelled to seek social-security employment and not because they were seeking to qualify for an additional benefit upon retirement. In many cases they were compelled to seek employment outside of the railroad industry as the result of the abandonment of operations by a carrier. There are many other cases where the individuals concerned accepted employment outside of the railroad industry during the war, when their particular skills were in demand, in order to fulfill their patriotic obligations. All of these people who found employment elsewhere as a necessity were subject to the provisions of the Social Security Act. Under the present law, through no fault of their own, they will be forced to take a reduction in their railroad retirement benefits equal to the amount that they receive under the Social Security Act.

It is my belief that any fair-minded person, upon a complete understanding of the situation that has been created as the result of the amendments of 1951, would want to see them repealed. Certainly we do not want to discriminate against retired railroad personnel as against other people who are able to take advantage of both their regular retirement system and social security when both have been separately earned.

Mr. SMITH of Virginia. Mr. Speaker, I concur in the statement made by the gentleman from New York. The best thing to do in the matter is to adopt the rule expeditiously and let them go to it.

Mr. LATHAM. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. WOLVERTON. 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. 356) to amend the Railroad Retirement Act of 1937, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 356, with Mr. CANFIELD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WOLVERTON. Mr. Chairman, I yield myself 21 minutes.

Mr. Chairman, during the years that it has been my privilege to serve as a Member of this House, I have had an opportunity to participate in the enactment of numerous and varied pieces of legislation that have been worth while and highly beneficial. This is a source of personal satisfaction.

It was my privilege to be a member of the Committee on Interstate and Foreign Commerce from the time the first bill was enacted by that committee to provide a retirement system for railroad workers. My support has been given all through the years, from that time up to and including the present, to this legislation. I assure you it has given me real satisfaction to have had a part in this most worth-while legislation.

I mention this fact so that all may know that as I come before you today to advocate the passage of the bill before us—H. R. 356—you may realize that I do so as the friend of railroad workers both before and after retirement, and with a continuing desire to be helpful to them at all times.

H. R. 356 CORRECTS WRONG DONE TO RETIRED RAILROAD WORKERS

Today, the membership of this House will have the opportunity of correcting a wrong that was done to retired railroad workers when the 1951 amendments to the Railroad Retirement Act were passed.

At that time it was recognized by all that the meager benefits received by retired railroad workers were insufficient to maintain a husband and wife in the inflationary period that then existed. The high cost of living brought real distress to these retired workers. In an effort to relieve them the House passed a bill that increased the pensions and annuities by 15 percent and survivor benefits by 33⅓ percent. The latter percent of increase was to enable the latter class to be raised in the same proportion that had been previously given to the pensioners and annuitants. In other words, to equalize the two differing classes. The bill was passed by a large majority of the House. It demonstrated a very real desire and intention to improve the condition of retired workers and their survivors.

However, the Senate passed a bill that while it sought to increase the benefits to be paid, nevertheless contained many highly objectionable features. In conference these were stricken from the bill by the insistence of the House conferees, except the one which has become known as the dual-benefit-restriction amendment.

The House conferees in a spirit of compromise accepted this amendment, not because they believed in it nor thought it right, but, solely to get through a bill that would increase the benefits to pensioners and annuitants by 15 percent and to survivors by 33⅓ percent. For the conferees, of whom I was one, I must in justice to them state that even they did not fully realize the extent of the amendment restricting dual benefits, nor that it would work as great a hardship as it does, nor affect as many pensioners as it does.

INJUSTICE OF DUAL-BENEFIT RESTRICTION

The amendment of 1951 that has resulted in such hardship and injustice to some 30,000 or more retired workers, and 10,000 or more wives, provides that the railroad-retirement pension or annuity of an individual must be reduced if such individual has creditable railroad service before 1937 and he is receiving, or is entitled to receive, and, I want to emphasize the latter phrase, "or is entitled to receive," an old-age benefit under the Social Security Act. The un-

fairness of this scheme is made more plain and emphatic when it is realized that this reduction in the railroad annuity must be made even though the individual is only potentially entitled to receive an old-age benefit under the Social Security Act, but is not receiving it either because he has not filed for it, or because he is still working. In other words, the amount is deducted from his railroad-retirement benefits even though he is not receiving social-security benefits he might be entitled to. It is bad enough to make a reduction of the amount received, but when the reduction is made of an amount not received, it reaches a degree of injustice that no one can or should attempt to justify.

The total amount of the reduction in a railroad annuity is equal to that portion of the annuity which is based on prior service, that is to say, service before 1937, or the amount of the social-security benefit, whether received or not, whichever is the smaller amount.

As a result of this provision of the law, there were, at the close of last year, an estimated 30,200 retired railroad annuitants and pensioners, and 10,500 wives of such retired individuals, who had their benefits reduced, in some cases as much as $85 a month for the retired employee, and $40 for his wife. That is a lot of money to take away from an elderly man and his wife who are trying to make both ends meet on a small pension already too small to start with. This reduction cuts deeply. It hurts badly. It has caused a great deal of hardship, especially if the retired worker and his wife have to rely entirely on their retirement benefits for a livelihood.

To add insult to injury, when the Congress last year voted an increase in social-security benefits, these 30,000 and more retired workers found, to their amazement, that their railroad-retirement annuities were further reduced by an amount corresponding to the increase in their social-security benefits. They were no better off after the increase in their old-age insurance benefits than they were before Congress made the increase. Some of them, in fact, were worse off. The relief which the Congress intended to give to retired workers to meet increased living costs was not passed on to these retired railroad workers, although they came within the provisions of the Social Security Act, because of this dual-benefit restriction provision in the railroad-retirement law.

As I stated a moment ago, we now have an estimated 30,200 retired railroad workers who are affected by this dual-benefit provision. But this is not the final number by any means. In fact, the Railroad Retirement Board has estimated that this number in the next few years will reach an estimate of over 43,000 retired annuitants who will come under this provision of the law and have their railroad-retirement benefits reduced because they may be entitled to social-security benefits, and, this is whether they draw the benefits or not.

Can anything more outrageous or a greater injustice be conceived to which retired railroad workers and their wives could be subjected? Is it any wonder that cries of anguish and angry protest have gone up all over the land?

RETIRED RAILROAD WORKERS UNDER 1951 AMENDMENTS ONLY CLASS DENIED DUAL BENEFITS

The injustice that has resulted to retired railroad workers as a result of the 1951 amendment is still further emphasized when it is realized that they are the only pensioners in our entire Government set-up who are thus treated. Individuals who retire under the Civil Service Retirement Act and under other Federal retirement systems are not thus treated. Furthermore, individuals who retire from the Army, the Air Force, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, or the Public Health Service, or from the Federal judiciary, or, from any other type of Government position that comes under the Civil Service Retirement Act, receive the full annuity to which they are entitled under any of the applicable systems without any reduction by reason of any old-age insurance benefit to which they may be entitled under the Social Security Act.

The bill now before us seeks to correct this inequity that has resulted from the 1951 amendments. The bill has the support of an overwhelming majority of the Committee on Interstate and Foreign Commerce. Tens of thousands of railroad workers and their families are hoping and praying that we take favorable action on this bill. I have received, the committee has received, and the Members of this House have received hundreds, yes, thousands of letters, telegrams, and petitions from the retired workers and organizations representing these workers, who are being deprived, by an unjust provision of the law, of a good portion of their railroad retirement annuities and pensions to which they are entitled. I can say, without the slightest doubt whatever, that this provision of the law has brought forth more criticism and more concern on the part of retired workers than any other feature of the Railroad Retirement Act. Many of the letters I have received, and, I am sure each of you have received similar letters, are pitiful. They come from individuals who have looked forward to retirement on a reasonable annuity. They have made plans in anticipation of the receipt of such annuities, only to find now that their annuities are being reduced by an inequitable provision of the law. They are disturbed. They are worried. It is our duty to remove their worries by the passage of the bill now before us.

RETIRED RAILROAD WORKERS WERE PROMISED THEIR ANNUITY FOR LIFE

The full realization of the injustice that has been done to our railroad workers by reducing their pensions and annuities below what they had been promised by the Railroad Retirement Board, under the law when they retired, and which they naturally expected to receive for life, can be fully appreciated by reading the certificate of annuity which was presented by the Railroad Retirement Board to each individual as he retired from railroad service. It was a beautifully prepared certificate with gold seal and red ribbon attached. I had one of these certificates before me during the hearings. It reads as follows:

UNITED STATES OF AMERICA RAILROAD RETIREMENT BOARD CERTIFICATE OF ANNUITY

This is to certify that Charles Van Doran Kenison, having ceased employer service and being otherwise qualified, is entitled to receive an annuity under, and subject to the provisions of, the Railroad Retirement Act.

Dated this 23d day of June, 1944. By order of the Railroad Retirement Board.

MARY B. LINKINS, *Secretary.*
MURRAY W. LATIMER, *Chairman.*

The letter referred to follows:

RAILROAD RETIREMENT BOARD,
BUREAU OF RETIREMENT CLAIMS,
Chicago, Ill., June 23, 1944.

In reply refer to: Claim No. A–212980.

Mr. CHARLES VAN DORAN KENISON,
174 Highland Avenue,
North Tarrytown, N. Y.

DEAR SIR: The Board is pleased to inform you that, on the basis of your application and the evidence of record, you have been awarded an annuity under section 2 (a) (2) (A) of the Railroad Retirement Act of 1937. The beginning date of your annuity is April 1, 1944, and the monthly amount to which you are entitled is $120.

In the adjudication of your claim 30 and 0/12 years' service were proved and your average monthly compensation was found to be $300. As you probably know, the total service which can be counted in calculating an annuity may not exceed 30 years, and compensation in excess of $300 is any one calendar month may not be included.

At the earliest practicable date, and as soon as the necessary arrangements for payment have been completed, you will receive a check for $240, covering the amount due you from April 1, 1944, which, as shown above, is the beginning date of your annuity, to May 31, 1944. Thereafter, during your lifetime, regular monthly payments of $120 will be mailed to reach you about the 5th day of each month to cover the amount due for the preceding month.

In the event you return to work, the act provides that no annuity shall be paid for any month in which you render compensated service (1) to an employer as defined in the act, or (2) the last person by whom you were employed prior to the date on which your annuity began to accrue, or (3) to any person with whom you held rights to return to service at the time your annuity began to accrue, or (4) to any person with whom you ceased service in order to have your annuity begin to accrue. The act further provides that any person receiving an annuity shall report to the Board immediately all such compensated service. However, service rendered as an employee of a local lodge or division of a national railway labor organization shall not affect your annuity and need not be reported if you earn less than $3 a month for such service.

The Board takes pleasure in sending you a certificate evidencing the fact that you have retired from service and are entitled to receive an annuity. If, in the future, any questions arise in connection with your annuity, it is suggested that, instead of writing to the Board at 844 Rush Street, Chicago 11, Ill., you take the matter up with a field representative of the Board located at any of the addresses shown on the enclosed list of regional and district managers' offices and furnish him with this letter.

Yours very truly,

JOHN W. CALLENDER,
Director of Retirement Claims.

I want the Members of the House to get the full significance of the promise that was held out to these railroad workers as they retired. Note particularly the

words contained in the certificate of annuity issued to these faithful railroad workers, words of assurance that were intended to give courage and that could be looked upon as dependable—Listen, carefully, as I read them. These are the words contained in the certificate that was presented at our hearing by Mr. Kenison:

> Thereafter, during your lifetime, regular monthly payments of $120 will be mailed to reach you about the 5th of each month to cover the amount due for the preceding month. Thereafter, during your lifetime, you will receive $120 per month.

Mr. Kenison no longer receives $120 per month. It has been reduced as a result of the passage of the 1951 amendments. His case is similar to those of thousands more similarly treated. It is the receipt of money less than what was promised that has brought to us these thousands of complaints. There is nothing that these retired workers have done to justify any such treatment. All that they have done is to work in some industry to supplement their meager retirement benefits or because of reduction of force they were dropped from the rolls of the railroad for which they had been working. In neither case was it due to conditions of their own making. It has been solely the result of a law passed by Congress and which should never have been passed. Their objection arises because they feel the rules of the game were improperly and unjustly changed after they had been retired and assured their annuity or pension would be for life. Their complaint is justified. And, if we have the character I think we have, we will acknowledge the mistake that was made and correct it as speedily as possible.

HOW DID THIS INEQUITABLE PROVISION GET INTO LAW?

It is quite natural for someone to ask, How did such an inequitable provision ever get into the law? I have already made a brief explanation, but to be more explicit and to understand it fully we must go back to April of 1951 when the bills which eventually became Public Law 234 of the 82d Congress were first introduced in the House and Senate.

H. R. 3669, on which hearings were held by the committee in the 82d Congress, was a most difficult and intricate bill, covering 24 pages. It contained, among many other controversial provisions, the restriction of dual benefits, which the bill now before us seeks to repeal. The hearings on H. R. 3669 lasted for 11 days. The bill was debated in the committee for weeks. Finally, the committee reported favorably a simple substitute bill, which provided an across-the-board increase of 15 percent to annuitants and pensioners and a 33⅓-percent increase in survivor benefits. There was no dual-benefit provision in the committee substitute. When this bill reached the floor of the House, the gentleman from Arkansas [Mr. HARRIS] offered a substitute bill for the bill reported by the committee. The Harris substitute passed the House on October 16, 1951. It did not contain the restriction of dual-benefits provision.

In the meantime the Senate had approved a bill which included this provision. The committee of conference of the House and Senate agreed to a bill which included this provision. The conference report was adopted by the House on October 19, 1951, the day prior to the adjournment of the Congress.

During the consideration of the conference report the view was expressed by some Members that they did not agree with all the provisions of the conference report, but, nevertheless, it had their support in order that some 400,000 beneficiaries under the Railroad Retirement Act, who were urgently in need of increased benefits, would be able to obtain such an increase without further delay. It will be obvious from what I have said that this restriction of dual-benefits provisions of the 1951 amendments to the act did not receive the careful study and appraisal by the House that it should have received. It was one of those things that are so apt to happen in the closing days of a session where there is a disposition to accept compromises or give consent to provisions that have not had the study they should have had. All of which is done to accomplish what is considered some overall worthwhile purpose. Such was the case in this instance with the overwhelming desire to relieve the distressed railroad workers who were so greatly in need as a result of insufficient benefits. This was accomplished without realizing the distress that was being brought to some as a result of the adoption of the provisions we now seek to retroactively repeal.

However, it was not long before the effect of this provision of the law began to be felt in all its harshness by thousands of annuitants and pensioners. It was not until then that we Members of Congress awoke to the harmful effect we had brought to the 30,000 and more retired railroad workers. The broad interest that has been expressed in this legislation, and the desire to make amends for the wrong that was done, is evidenced by the fact that no less than 18 bills to repeal this provision of the law were introduced in the House during the first 4 months of this session.

REASONS WHY THE DUAL-BENEFIT RESTRICTION SHOULD BE REPEALED

I now wish to set forth in more detail the reasons why the dual-benefit restrictive provision should be repealed, as set forth in the committee report:

First. Railroad employees believed that benefits once granted would not be reduced.

Upon retirement, each qualified individual received a certificate and a letter from the Railroad Retirement Board which certified that such individual was entitled to an annuity under the Railroad Retirement Act and that during his lifetime regular monthly payments of a specified amount would be mailed to him each month. I want to emphasize the phrase "during his lifetime." Such certificates have been issued since 1936. Many thousands of such retired annuitants and pensioners now find that the annuities and pensions which they thought had been underwritten by the Government of the United States have been reduced under the dual-benefit provision. This has been a most shocking experience to them. These individuals had a right to expect that the benefits payable to them under the Railroad Retirement Act would not be subject to a reduction during their lifetime. They had made plans for their retirement in the belief that such benefits would be available to them. They had done nothing of themselves to cause a reduction in their benefits. The reduction was brought about by this inequitable provision which was enacted into law after they started to receive their benefits.

This committee believes that the Congress, when it passed the Railroad Retirement Act in 1937, did not intend that an annuity or pension payable under the act, once granted, should subsequently be reduced because the individual had also been engaged in gainful employment covered by the Social Security Act and had qualified for an old-age benefit under that act. When the Railroad Retirement Act of 1937 was passed, beneficiaries under the act were given to understand that this law would remove the fears and uncertainties, which were present under the voluntary pension plans of the railroads, that their annuities and pensions would be discontinued or reduced. Unfortunately, these fears and uncertainties have been revived as a result of the enactment and operation of the dual-benefit provision. That provision has already brought about a great deal of discomfort and unhappiness to many thousands of retired railroad workers.

Second. It creates an inequity to employees compelled to seek social-security employment: I should like to emphasize that any individuals who have qualified for benefits under both acts have done so because they have been compelled to seek social-security employment and not because they were seeking to qualify for an additional benefit upon retirement. In some cases they were compelled to seek employment outside the railroad industry by reason of a reduction in force or by reason of the abandonment of operations by a carrier. There are many other cases where the individuals concerned accepted employment outside of the railroad industry during the war, when their particular skills were in demand, in order to fulfill their patriotic obligations. I can see no reason why individuals who were compelled to seek social security employment or who served during the war in industries demanding their skills should now be penalized for events over which they had no control and be forced to take a reduction in their railroad-retirement benefits.

Third. It creates an inequity between railroad employees and persons covered by other Federal retirement systems:

Under the Civil Service Retirement Act many annuities now payable to retired Feedral employees are based on service before the establishment of that system in 1920. This prior service will continue to be a factor in Federal annuities for some years. Yet, a large number of retired Federal employees have been receiving or will be eligible to receive old-age benefits under the Social Security Act, without any reduction whatsoever being made in their civil-service retirement annuity. The same

observation may be made about the Foreign Service retirement system and about the retirement systems for the employees of the Federal Reserve System and the Tennessee Valley Authority. These retirement systems, except that of the Tennessee Valley Authority, have assumed the prior service liability. All the above-mentioned Federal retirement systems are supported in part by employee contributions.

In addition, there are a number of other Federal retirement systems which provide annuities entirely at the Government's expense and under which annuitants are not penalized for engaging in employment which is subject to the Social Security Act. For example, individuals, who retire from the Army, Air Force, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, or Public Health Service, or from the Federal judiciary, receive the full annuity to which they are entitled under the applicable system without any reduction by reason of any old-age insurance benefit to which they may be entitled under the Social Security Act.

Fourth. It creates inequities between railroad employees and employees in other industries: In many industries in which private pension plans operate, the increases granted in social-security benefits in 1950 and 1952 have not been deducted, or deducted only to a minor extent, from their supplementary private pensions. Pensions payable under the plans of the Bell Telephone Co.'s, for example, have been increased substantially since 1949. While the Du Pont Co. has a pension plan which calls for an offset of the full amount of the old-age insurance benefit under the Social Security Act, the plan was modified in 1950 so as to give to their retired employees the entire increase in their social-security benefits. The employees of the Bell Telephone Co.'s and of the Du Pont Co. do not make contributions to the pension funds of those companies.

Fifth. It creates administrative difficulties for the Railroad Retirement Board:

The dual-benefit restriction has created difficult administrative problems for the Railroad Retirement Board. For example, individuals may become entitled or potentially entitled to social-security benefits after their railroad annuities begin, in which event the latter are subject to reduction. For individuals entitled or potentially entitled to social-security benefits, continuation in social-security employment may result in additional credits under the Social Security Act. The amount of potential old-age insurance benefits may be increased once each quarter for an individual who has not filed a social-security application, and once each 12 months if an application has been filed. Whenever the old-age insurance benefit is increased or becomes subject to increase, the railroad retirement annuity of an individual to whom the dual-benefit restriction applies must be reduced. The Railroad Retirement Board has advised that approximately 500 new reductions in annuities of this type are currently being made each month.

The source of information required for prompt application of these reductions must come from the annuitants and pensioners themselves. Because of widespread misunderstanding of the complex interrelations between the Railroad Retirement and Social Security Acts which have been newly created by the dual-benefit restrictions, few individuals report increases in their old-age insurance benefits to the Railroad Retirement Board. Usually the necessary information comes from the Bureau of Old-Age and Survivors Insurance after a lapse of many months. Hence, many overpayments, and in some cases very large overpayments, have been made in the railroad annuities and pensions. The subsequent adjustments in such annuities and pensions have caused a great deal of hardship to many individuals who rely entirely on their retirement benefits for a livelihood.

Sixth. It discriminates against a special group of retired employees:

The dual-benefit provision discriminates against a special group of retired railroad employees for the benefit of other beneficiaries under the act. Owing to this provision of the law, the railroad annuity or pension of a retired employee who has some credited prior service—that is, service before 1937—is reduced if he is also entitled to an old-age benefit under the Social Security Act. No reduction is made in the annuity or pension of a retired railroad employee who does not qualify for an old-age benefit. The funds saved by not paying the higher benefit in the first case mentioned above is used to pay higher benefits to other beneficiaries under the act.

The distinction made between a railroad annuitant or pensioner who also qualifies for a social security benefit and one who does not qualify for such a benefit is a distinction which is contrary to the spirit of the Railroad Retirement Act. The act provided in the first instance that full credit should be given for all prior service not in excess of a period which, with credited subsequent service, would equal 30 years. This principle was continued in subsequent amendments to the act, which increased benefits and protection without any such discrimination, until 1951.

Retired railroad workers who continue in social security employment beyond the retirement age of 65 must pay the social-security tax even though this tax may not increase their combined railroad and old-age insurance benefits because of the dual-benefit restriction on the annuities of those who are entitled, or could become entitled, to social-security benefits.

Seventh. Other considerations: Opponents of this legislation have asserted that retired railroad employees affected by this provision of the law have not paid any taxes on their prior service. This is grossly misleading. The fact is that every tax payment ever made under the Railroad Retirement Tax Act contained an allowance toward the cost of prior service. And, the same is true of the tax now being paid by every railroad employee and employer.

For all these reasons the committee was convinced that this restricted dual benefit provision of the law should be repealed.

RAILROAD WORKERS THROUGHOUT THE NATION FAVOR PRESENT BILL (H. R. 356) NOW BEFORE THE HOUSE

Frequently, the question is asked of me what is the attitude of the railroad brotherhoods toward the pending legislation? I can readily understand the reason for this question. The railroad retirement system was inaugurated by the brotherhoods. The Railroad Retirement Act of 1937 represents the cooperative effort of the brotherhoods. It is a monument that stands above and beyond any similar effort by organized labor up to the time of the adoption of the act. It has been the forerunner of an ever-increasing interest that has been taken by organized labor in providing private pension systems and other social benefits for the members of their respective organizations. Thus, the question as to what is the attitude of the railroad brotherhoods to this bill that would repeal a section of the Railroad Retirement Act.

There is a differing attitude between the railroad brotherhoods. Some are in favor of the repeal of the restrictive dual-benefit provision. They were opposed to its adoption from the beginning. Some of the brotherhoods are in favor of the retention of the restriction against dual benefits. These organizations were in favor of its adoption in the first place. It seems to me that this explains their continued interest in the restriction although the experience gained in the interval between the time of its adoption and the present has demonstrated that it is greatly detrimental to thousands of their retired members and their wives.

In this connection I wish to point out to the Members that the interest that has been displayed in favor of the pending legislation cuts across all brotherhood lines. While it is true that officers of some of the brotherhoods have opposed the present legislation, yet, it has been demonstrated to the committee by the receipt of letters, telegrams, and petitions that they do not speak for all of their members in this particular. Judging by the thousands of communications I have received, I am convinced that the rank and file of all the brotherhoods, regardless of the viewpoint expressed by their officers, are in favor of the present bill. The existing restriction in dual benefits is wrong and every railroad worker knows it. I wish a vote could be taken of the individual membership of all the brotherhoods. It would show in my opinion an overwhelming vote in favor of this bill.

Now, lest I be misunderstood, I want to make it plain that all the brotherhoods are not in the class of some I have just mentioned. They are heart and soul in favor of the pending bill. I refer to the Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors of America, Brotherhood of Railroad Trainmen, International Association of Machinists, 800,000 strong with

members working on every railroad in the country; United Railway Operating Crafts, United Railroad Workers of America-CIO, United Transport Service Employees-CIO, Railroad Yardmasters of America, local 18, Railroad and Express Pensioners Crosser Lodge No. 1, American Labor Party, National Railroad Pension Forum, Tennessee Railroad Pensioners, Pennsylvania Railroad Retired Men's Association, No. 5, and National Association of Retired and Veteran Railway Employees. And this only represents organizations that presented appeals before the committee during its hearings. There were many more represented by communications and from railroad workers and retired workers throughout the Nation who communicated their desires to the committee. In all sincerity I am convinced that if this matter could be put to a vote of the railroad workers it would be approved by a nearly unanimous vote.

COST OF REPEALING PROVISION

We realize that the repeal of this provision of the law will increase the cost to the railroad-retirement system slightly. The cost in terms of a level percentage of payroll, assumed to be $5 billion annually, is 0.15 percent.

All witnesses who testified on the cost of this bill were questioned closely. None was willing to predict and none gave any reason for fearing that the small cost involved in the repeal of this dual-benefit provision would threaten serious damage to the railroad-retirement system.

CONCLUSION

Your committee has reexamined this restrictive dual-benefit provision very carefully during extensive hearings on H. R. 356 and the other bills introduced to accomplish the same purpose and in executive session. After careful consideration, we are firmly convinced that this provision of the law should be repealed because it has created many hardships and discriminations against, and injustices to, tens of thousands of retired railroad workers and their families. Faith and confidence in the railroad-retirement system can be restored only by repeal of this restrictive dual-benefit provision. I appeal to the membership to support the bill now before the House—H. R. 356—in the form it has been approved by the Committee on Interstate and Foreign Commerce, and thereby do justice to our retired railroad workers.

Mr. CROSSER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. BENNETT].

Mr. BENNETT of Michigan. Mr. Chairman, as I stated earlier in the debate, most of the people concerned with this problem are opposed to it. The Railroad Retirement Board, which is composed of a representative of the railroads, a representative of the public, and a representative of the employees, filed a unanimous report in opposition to it. The railroads, which pay half of the taxes under this system, are opposed to it, because they feel it is unrealistic, unsound, and will further unbalance the fund.

At the outset let us see just what this does. This is a private system authorized by law but paid for entirely with funds of the railroad companies and the railroad employees. There is no public money involved. The railroad employees pay 6.25 percent into this fund and the railroads pay 6.25, a total of 12.50 percent. Under social security the worker pays 1.5 percent of payroll. Now, because it is made up of money that these employees who are benefited pay in and money provided by the railroads, it is important that the fund stay solvent. In spite of the fact that the total annual revenue of the fund is 12.5 percent of payroll the level cost of the benefits that Congress is providing is 13.47 percent, which is 1 percent more than it is taking in. In other words, it is being overdrawn to the extent of about $45 million a year, that is .91 percent of payroll. This provision, if enacted, would cost the railroad retirement fund another .15 percent of payroll or about seven or eight million dollars a year, and covering a 50-year period on which these things have to be based it would cost $385 million. So, with the fund running out of balance at the present time to the tune of $45 million, another $10 million a year adds further to our troubles.

What does that mean? It means that every person who is working for the railroads—and there are a million and a half or more of them who are paying into this fund—the younger people who will retire in 15, 20, 25, or 30 years from now are sitting by watching Congress provide more benefits than revenue, and as a result the fund is becoming more insolvent each year. Certainly, in a situation like that, it is the duty of the Congress, if it is to provide additional benefits, to see that compensating revenue is provided to offset it.

Now, what is the dual provision? It was put in the 1951 amendments for this reason: In 1950 the Congress liberalized social security so that a man aged 62 years of age or older could work under social security employment, and in a year and a half, making $300 a month—and paying into social security a total sum of $85—if he was married, could, at age 65, get a pension of $127.50. Now, we know that $85 paid in taxes in such a situation did not pay for that kind of a pension. Why did we do it? We did it because the older people have to be provided for, whether they have paid taxes or not. So that the social security system in 1950 was weighted heavily in favor of elderly people. And, I have no quarrel with that. I voted for it, and I think it is perfectly proper.

The same situation prevailed in the railroad industry. The Railroad Retirement Act went into effect in 1937, and at that time we had a lot of elderly people who were just about reaching the retirement age. We had to take care of them. So what did we do for those people? We did the thing we ought to have done. We provided that they could get a pension based upon service they had with the railroad prior to 1937 but for which they paid no retirement fund taxes. So it happened in a good many cases that railroad workers were retired without paying one single cent into the railroad retirement system because all of their pension was based upon prior service for which no tax was assessed.

While there was no objection to giving any citizen the benefit of two pension systems, it was felt that it was not fair to give the same employee the benefit of two pension systems, where, in both cases he was getting a substantial part of his pension without contributing to either fund. So Congress in 1951, after lengthy hearings and a lot of consideration by both the House and the other body, adopted the amendment, which is now sought to be repealed. I will give you a specific case: Suppose a worker is entitled to a railroad pension of $100 a month, and $40 per month of that pension is based upon service prior to 1937 for which he was not taxed. In that case he could receive his full social-security pension, but they would take $40 off his railroad pension which, as I say, was for the prior service for which he was not taxed. So that put him in the same situation as other citizens who had the benefit of untaxed service under the social security law, he got everything he paid for under one system—but not under two. Bear in mind, not one single cent is being taken away from any railroad employee here. There is not any case that can be cited where the railroad worker is not getting a full pension for everything he paid for. The only time anything is being taken away from him is where he is getting the benefit of two untaxed pensions.

That is perfectly fair and equitable, and I beg to differ with my distinguished chairman when he says this is a different situation than is the case with other pension systems. He points to the fact that a man can work under civil service and get that pension and he can work under social security and collect under both, and that is true. But the thing that he failed to mention—and the thing that is important—is that there is not a single other duplicate pension system where a man can get the benefit of untaxed service under both. If he gets credit under civil service he is getting credit for what he paid for. If he goes on under social security he then is getting something he did not pay for, but he is not getting both. All these 1951 amendments did was to equalize that situation.

Let me show you by an illustration how this works. These are figures taken from the Railroad Retirement Board records. Here is a railroad employee. He paid $17 in taxes under the railroad retirement system. Then he transferred to the social security system. He worked under employment covered by social security and paid $27 in taxes there. That man paid a total under both systems of $44.18.

This is what he got in pensions. Under the Railroad Retirement Act, he was paid through December 31, 1952, the total sum of $12,084. The present value of probable future benefits he will still get under the railroad retirement system is $4,546. That is a total of benefits already received and still to be paid, for the $17 in taxes which he paid, in all it amounts to $16,630. He paid $27.18 under social security. He has already collected $1,335 from that system. He

will collect in the future $1,980, or a total of $3,315 on his payment of $27.18, or a total of $19,945 under both systems for $44 in taxes. This is under the present law. This is the kind of thing the proposed legislation would repeal because it is said to be inequitable.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CROSSER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BENNETT of Michigan. I want to give you one more illustration. Here is another individual who paid $676 under the Railroad Retirement Act. Total benefits received and still to be received $11,276. Under the social security system he paid $73 in taxes and will get a total of $9,929 or a total of $21,000 for total payment of $749. What is unfair about this?

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

Mr. BENNETT of Michigan. I yield.

Mr. WITHROW. Could you not illustrate that in this way, everyone who retired, say after 1937, would not that same principle apply because the act took effect in 1937, and every man who was employed and who retired shortly after that time would present the same sort of case that you are presenting here as being an exception.

Mr. BENNETT of Michigan. That is right.

Mr. WITHROW. Well, then, why do you take these exceptions that you are pointing out?

Mr. BENNETT of Michigan. I am not giving you exceptions, these are typical cases taken from the files of the Railroad Retirement Board. They are not at all unusual. They are sample cases which were presented before our committee during the hearings, and if the gentleman will refer to the hearings, he will find them there.

I want to give another example. We talk about inequities under the 1951 amendments. Our distinguished chairman has talked about all of the hardships that have occurred to these people under this so-called dual restriction. There are some hardships—I will concede that—among a few thousand people. But you cannot write a retirement system that does not have a few inequities. You cannot be 100 percent fair. A single man pays the same taxes as a married man, yet the married man draws more benefits. A married man without children draws the same benefits as a man with children. So you have inequities all down the line. But let me tell you some of the worst inequities about this whole thing, and our chairman has said nothing about that. Under these 1951 amendments, do you know what we did with the railroad workers who worked less than 10 years? We transferred those people over to social security. By the 1951 amendments we said anybody who had been working for less than 10 years had to lose railroad retirement benefits and go to social security. We made it mandatory. We left them with no choice.

Some 5 million railroad workers who had less than 10 years of service by the 1951 amendments had to go over under the social-security system. What happened to them? Under the railroad retirement they paid in 6¼ percent of payroll in taxes for that 10-year period. When they were transferred to social security, the Railroad Retirement Board paid 1½ percent of their total payroll to social security. That is all it cost to get him insured under social security. Now what do they do with the 4½ percent which in many cases has amounted to as much as $1,800 that this railroad worker paid in taxes? He did not get a cent of it. The railroad retirement fund kept it and is keeping it. What becomes of it? They are using it to provide benefits for others. Now they talk of a contract that Congress had with workers who are subjected to the dual provision restrictions.

Does not the same argument apply to the workers with less than 10 years of railroad service who were unceremoniously shifted over to social security under the 1952 amendments, without any choice?

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

Mr. BENNETT of Michigan. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. The gentleman realizes that there are many bills before our committee that would seek to correct some of the injustices to which he has referred. I assure the gentleman that as long as I am chairman of that committee an opportunity will be given to correct any of the inconsistencies and inequities that the gentleman speaks of. We are taking care of one today, and we ought to have the gentleman's help in it, as much as the gentleman is speaking about these others.

Mr. BENNETT of Michigan. The one I am speaking about is far more inequitable than the one the committee has acted on.

Mr. WOLVERTON. All we can do is take them one at a time. That is the best we can do. We have one here today.

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

Mr. BENNETT of Michigan. I yield to the gentleman from Tennessee.

Mr. PRIEST. May I ask my colleague if he favors the 10-year provision in the bill or if he feels that it is inequitable and also should be repealed?

Mr. BENNETT of Michigan. I favored that amendment when it was put in the bill for the simple reason that you had to adopt it to save money to pay the other benefits provided by the 1952 amendments if you were going to keep the fund balanced. For that same reason I supported this dual-benefit restriction.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLVERTON. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. BENNETT of Michigan. Mr. Chairman, I cannot possibly cover what I have in mind in just another minute, so I ask unanimous consent to revise and extend my remarks.

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

There was no objection.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Chairman, I rise to speak in behalf of H. R. 356, a bill to amend the Railroad Retirement Act. The Committee on Interstate and Foreign Commerce approved this bill, and I am happy to state that at the time hearings were conducted on this and similar bills, I had the privilege of appearing before the committee and offered my testimony in support of this measure. It is now before the House for consideration, and I urge the fullest support of this bill.

H. R. 356 would amend section 3 (b) of the Railroad Retirement Act by striking from it that portion of it which prohibits dual pensions from the railroad retirement and social-security systems. This provision has been in the law since the hodgepodge bill of 1951 became law, and experience has conclusively and unmistakenly shown that this feature of the law was a mistake, and one which should no longer be allowed to exist.

The testimony before the committee brought out the experience of the present law in thousands of cases of persons who have retired under the Railroad Retirement Act. If these persons at any time worked under the Social Security Act and were able to qualify under the act to receive benefits, the amount of their benefits under that act, or the amount of the benefits to which they were entitled, even though not claimed, was deducted from their railroad-retirement annuity.

How ironical this provision is. These persons who qualified under the Social Security Act did so through no choice of their own. In many cases they retired on pensions which they found to be sorely inadequate to meet even the lowest standard of decent living. Such being the case, they worked beyond their retired age in social-security employment to earn a little extra money. These same people are the ones who now find themselves being further harassed by financial problems as a result of their already meager benefits being reduced by the amount they qualified to receive while working under social security.

In other cases, railroad employment ceased for many persons at certain locations because of reductions in force, caused by technological changes in operation, abandonment of certain railroad lines, and other economic factors. Nearly all of these displaced railroad people were compelled to accept employment in social-security jobs. They had no other choice. They qualified and paid for two separate annuities, both small because of divided service, but nevertheless they bought two annuities. By what logical process of reasoning can they in justice be deprived of one of them?

For many years I worked under the Railroad Retirement Act, and know from my experience in the railroad industry what a hardship this section is now working on these thousands of retired employees. Under the present provisions of this section, a person who has qualified for an annuity under both the railroad-retirement and social-security systems is penalized by having his railroad-retirement annuity decreased by the

amount of the annuity he receives from social security. This despite the fact that he earned and bought both annuities by paying the tax required under both systems by law.

This is obviously unfair. In our present economic scale, the retired members of our society feel most acutely the sharp increases in the cost of living. Their income, in most cases limited to their meager annuity, is not increased in proportion to the continual rise in food, rent, and clothing; in fact, the slight increases pensioners have received under both social security and railroad retirement have been so paltry they would be regarded by regular wage earners as not even a mentionable increase. Yet this has been the extent of the relief afforded those who must face the same high cost of living the wage earners do.

How much more sad the picture becomes when we see an impoverished pensioner having his railroad-retirement annuity reduced by the amount he receives as an annuity under the social-security system when he, during his working lifetime, bought and paid tax under both systems for both annuities.

Because he changed employment midway in his working life, and fell under the provisions of another retirement system, he is penalized by having part of what he paid for "stolen" under the present provision of section 3 (b). I am sure Congress did not have grand larceny in mind when it enacted the 1951 amendments to the Railroad Retirement Act, and it should now take action to correct what it so hastily and unwisely enacted in the rush of the closing days of that session.

It was apparent soon after the enactment of this provision that it was a misfit. The 1951 railroad-retirement amendments provided for a 15 percent increase in annuity benefits. If a person was receiving or entitled to receive benefits under the social-security system, he was denied that increase and had his railroad retirement annuity decreased by the amount he receives or is entitled to receive under the social-security system.

When Congress, in 1952, voted a $5 a month increase in social-security pensions, those persons who receive railroad-retirement annuities and social-security annuities were granted this $5 monthly increase, but simultaneously their railroad-retirement annuity was decreased by an additional $5, thus nullifying the relief Congress intended to grant when it passed the bill. I assume it was not the intention of Congress to on one hand offer $5 for what little relief it could bring, and on the other hand take it away, simply because a person earned his retirement under two separate systems.

As I said before, I am a former railroad man and because of my familiarity with the problems of the railroad man, my constituents write me freely about their personal situations. I have become accustomed to this over the years I have been in Congress, and in all cases have tried to be of service to them. But never in all of my experiences have I received the volume of complaints about any one thing as I have about the hardship this provision of the act works on those affected by it. The letters are pitiful ones, from old and nearly impoverished people, who, now that they have reached the twilight of life, face the black future of having their trickle of income reduced further because of this freakish provision in section 3 (b).

It is my sincere desire to help them in their deplorable plight, and for this reason, I urge the House to approve the Van Zandt bill, H. R. 356.

Mr. CROSSER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. HELLER].

Mr. HELLER. Mr. Chairman, all members of the committee are very anxious to give to the railroad employees the maximum benefit possible without jeopardizing the financial soundness of the fund. I can say to the Members of the House that the distinguished chairman of our committee, Mr. WOLVERTON, of New Jersey, and the distinguished ranking minority member, Mr. CROSSER, of Ohio, have both worked, over the years, very diligently and faithfully to devise ways and means of improving the benefits to our retired railroad workers in this country. They have devoted many years of study and effort to accomplish this end. Both deserve the sincerest commendation for their efforts. Perhaps they have not been able to see eye to eye on all the phases of railroad legislation, but beyond the horizon there has always been just one dream for both—to be helpful to the railroad workers. I naturally subscribe to this idea, but in equity I feel that, while it is good to be generous, it is always important to be just.

I should like to mention at this point that the gentleman from Ohio [Mr. CROSSER] deserves great credit for having pioneered in the establishment of a railroad retirement system. He was the first man in the Congress to introduce a bill for establishing a railroad retirement system that had the unanimous support of all the railway labor organizations in this country. In recognition of his splendid service to the railroad men, I should like to point out that some years ago he was presented with a cane, as a token of esteem by all the railway labor organizations, bearing the following inscription:

Presented to Honorable ROBERT CROSSER, the Railway Labor Executives Association, in appreciation of his legislative efforts to improve the conditions of railway workers and his valiant services in the battle for human liberty and economic justice for all mankind.

No truer sentiment could have been expressed by the railroad brotherhoods speaking for approximately one and a half million men in the railroad industry. And I wish to say that BOB CROSSER, the lovable grand fighter, the dean of the House of Representatives, is still one of the outstanding leaders and champion for the most liberal legislation for the railroad workers that is possible to attain.

Mr. Chairman, during the hearings before the Committee on Interstate and Foreign Commerce on H. R. 356, the bill before the House today, which would repeal the dual or duplicate benefit provision of the Railroad Retirement Act. the proponents of this legislation alleged that this provision of the law was inequitable. I submit this allegation has no basis in fact, as the minority views on the reported bill show. I should like to discuss the assertion that prior service credits, that is to say credit for service performed in the railroad industry before 1937, have been paid for, and that an individual who receives both a railroad annuity and a social-security benefit should, therefore, not suffer a reduction in this railroad annuity on account of such prior service credits.

The fact of the matter is that railroad annuitants affected by this duplicate benefit provision have not paid any taxes, or made any contributions with respect to their service before 1937, because no retirement taxes were paid prior to 1937. When the railroad retirement system first began in 1937, nearly 100,000 railroad workers retired almost immediately. None of them paid any retirement taxes, or if they did, they paid very little indeed. Some 20,000 of these individuals are still on the retirement rolls. Many of these individuals are also drawing social-security benefits, and most of these individuals are now getting, by virtue of the 1948 and 1951 amendments to the Railroad Retirement Act, nearly 40 percent more in benefits than they received in 1937. If they have wives who are eligible for a spouse's benefit, such a benefit, up to $40 a month, is being paid. Surely, it cannot be said that they paid for these benefits.

Similarly, the hundreds of thousands of individuals who retired prior to 1946, could not have paid for the increases in benefits which they subsequently received by virtue of the 1948 and 1951 amendments. The tax rates they paid prior to retirement were originally established in the light of the level of benefits then payable, which did not include the subsequent increases in benefits.

Although the tax rates were increased by the 1946 amendments, many new benefits were added. Thus, the 1946 amendments added occupational disability annuities and benefits to widows, orphans and parents. The 1948 amendments increased annuities and pensions by 20 percent. The 1951 amendments added the spouse's benefit, increased survivor benefits by at least one-third, and enlarged the number of survivors entitled to such benefits. Each time benefits were increased or new benefits were added, the liability for prior service was also increased accordingly. The fixed tax rates payable prior to these amendmendts could not possibly have covered the cost of the added benefits. Not only was the prior service liability increased each time the retirement act was amended, but all annuitants on the rolls were awarded additional benefits that they could neither have expected at the time the benefits were originally awarded, nor could the recipients of such benefits have paid for them.

The plain fact of the matter is that the active employees who are now working are paying in very large measure for the benefits which the workers who have

retired and their families are now receiving. This had to be done as a matter of necessity. When the retirement system was first established, as I indicated, 100,000 individuals became eligible for benefits almost immediately. They have been supported by the taxes paid by the active workers in the railroad industry.

Now, those of us who are opposed to the enactment of this bill are not objecting to the payment of benefits to retired employees and their survivors based on untaxed service. This had to be done in order to establish a retirement system. But what we are seriously concerned about is the payment of duplicate benefits to those individuals who are getting credit for untaxed service under the Railroad Retirement Act, and also are getting similar credit for past untaxed service under the Social Security Act. As to these individuals, we are firmly convinced that the original reason for giving free credit for prior service under the Railroad Retirement Act ceased to exist when the same individuals could get credit for such service under the Social Security Act. For those individuals who cannot get credit for this prior service under the social-security system, the railroad-retirement system continues to provide full benefits on account of such service.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HELLER. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. In connection with what the gentleman is talking about now, on page 19 of the minority views the table shows the effect of this dual restriction. There are only 30,000 affected, but in every case, with the exception of some 3,400 individuals, these people are getting greater pensions today with the dual restriction in effect, than they would have gotten if they had stayed in railroad employment all of the working years of their lives. So a man has not lost anything. A man who makes railroading his career gets less than these fellows who go back and forth between social security and railroad retirement, even with the dual restriction in the law.

Mr. HELLER. I thank the gentleman for his contribution, and if my time will permit I shall try to discuss some of these cases.

The fact that annuitants and pensioners who are subject to the duplicate benefit provision have not paid for their railroad retirement benefits is strikingly demonstrated in a table which I shall insert in the RECORD at this point—table 1. This table compares the taxes paid and the benefits already received, and the benefits still to be received by several individuals, who are taken as illustrative of the problem. The first four individuals shown in the table were selected by the Railroad Retirement Board and were presented to the committee during the hearings on this bill as typical cases of all the duplicate benefit cases. The last two cases shown in the table were cited by Mr. Murray W. Latimer as illustrations of the inequity of this duplicate benefit provision. Mr. Latimer testified for the four railway brotherhoods who favor this bill.

I urge the Members of the House to study this table very carefully. It is shown on page 10 of the minority views to accompany H. R. 356. I shall not discuss all the cases shown there, but dwell on just two as I indicated a few seconds ago.

The first case mentioned is that of individual A, a section foreman. He retired in 1937 at an annuity of $59.70 a month. This annuity was increased by 20 percent in 1948 to $71.64. In 1951 this annuity was reduced, because of the duplicate benefit provision, to $57.39. His wife is getting $28.70. He and his wife are, therefore, getting a total of $86.09. This individual paid only $17 in railroad retirement taxes.

This individual is also receiving an old-age benefit under the Social Security Act of $25, and his wife is receiving a spouse's benefit of $12.50. This individual paid only $27 in social-security taxes.

The combined monthly income of this individual and his wife, under both systems, is therefore $123.59, or more than double the amount he received in 1937.

This individual and his wife have already received up to January 1, 1953, $12,084 from the railroad retirement system and $1,335 from the social-security system, or a combined total under both systems of $13,419. The present value of the probable future benefits still to be paid under both the railroad retirement and social-security systems is $6,526. Thus, this couple will probably receive, even with the duplicate benefit restriction, total benefits of almost $20,000 for only $44 in retirement taxes.

Do you think that this individual and his wife are being unjustly treated? In my opinion, certainly not.

Mr. Latimer mentioned Pensioner Carr as an illustration of the inequity of the operation of this duplicate benefit provision. What are the facts in his case?

TABLE 1.—*Taxes paid, benefits received, and future benefits still to be received*[1] *under railroad retirement and social security systems by certain individuals (and their spouses, if any) who are subject to the duplicate benefit provision of the Railroad Retirement Act, as of December 31, 1952*

Item	Railroad retirement system	Social security system	Total, both systems
1. Individual A, section foreman, cited on p. 29 of hearings on H. R. 356:			
(a) Taxes paid	$17	$27	$44
(b) Benefits received	12,084	1,335	13,419
(c) Present value of probable future benefits	4,546	1,980	6,526
(d) Total benefits already received and still to be paid ((b) plus (c))	16,630	3,315	19,945
2. Individual C, car inspector, cited on p. 29 of hearings on H. R. 356:			
(a) Taxes paid	676	73	749
(b) Benefits received	6,134	1,130	7,264
(c) Present value of probable future benefits	$5,142	$8,799	$13,941
(d) Total benefits already received and still to be paid ((b) plus (c))	11,276	9,929	21,205
3. Individual E, machinists, cited on p. 29 of hearings on H. R. 356:			
(a) Taxes paid	1,618	6	1,624
(b) Benefits received	864	480	1,344
(c) Present value of probable future benefits	8,816	2,511	11,327
(d) Total benefits already received and still to be paid [(b) plus (c)]	9,680	2,991	12,671
4. Individual G, sheet metal worker, cited on p. 30 of hearings on H. R. 356:			
(a) Taxes paid	650	143	793
(b) Benefits received	6,000	1,054	7,054
(c) Present value of probable future benefits	7,300	5,434	12,734
(d) Total benefits already received and still to be paid [(b) plus (c)]	13,300	6,488	19,788
5. Annuitant Shaw, cited in testimony of Mr. Latimer on p. 166 of hearings on H. R. 356:			
(a) Taxes paid	1,010	90	1,100
(b) Benefits received	8,341	0	8,341
(c) Present value of probable future benefits	6,541	(2)	[3] 6,541
(d) Total benefits already received and still to be paid [(b) plus (c)]	14,882	(2)	[3] 14,882
6. Pensioner Carr, cited in testimony of Mr. Latimer on p. 167 of hearings on H. R. 356:			
(a) Taxes paid	0	109	109
(b) Benefits received	11,719	278	11,997
(c) Present value of probable future benefits	3,903	3,345	7,248
(d) Total benefits already received and still to be paid [(b) plus (c)]	15,622	3,623	19,245

[1] Includes spouse's benefit only if such a benefit was payable on Dec. 31, 1952.

[2] Since annuitant Shaw was still working in social security employment as of this date, his entitlement to social security benefits was potential, and there was no basis for computing the present value of his probable future benefits.

[3] Does not include social-security benefits.

Source: Railroad Retirement Board.

Pensioner Carr retired immediately upon the establishment of the railroad-retirement system. He paid nothing in railroad retirement taxes. He has already received $11,719 in railroad-retirement benefits. He will probably receive an additional $3,900 in such benefits.

Pensioner Carr paid $109 in social-security taxes and qualified for a benefit under that system. As of the close of last year, he had already received $278 in social-security benefits, and will probably get an additional $3,350 in future benefits from that system. All told, Pensioner Carr will wind up with a total of $19,250 in benefits from both systems for a total tax payment of $109.

Is Mr. Carr being treated unfairly? Certainly not, in my opinion.

Another table which I shall insert for the record—table 2—shows the average taxes paid and the average benefits already received, and still to be paid for all 30,200 annuitants affected by this duplicate-benefit provision. On the average, these individuals paid only $430 in railroad-retirement taxes. The average benefits already received per individual totaled $6,000, or 14 times the amount paid in taxes. The present value of future benefits still to be paid per individual is almost $6,000. Thus, on the average, each annuitant subject to the duplicate-benefit provision has already received from the railroad-retirement system and will probably receive in the future benefits totaling approximately $12,000.

These individuals paid on the average $66 in social-security taxes. Social-security benefits already paid to them average $971, and the present value of probable future benefits still to be paid under this system is $3,437, or a total of $4,408.

Hence, these individuals have already received on the average almost $7,000 in combined benefits under both the railroad-retirement and social-security systems, even with the reduction because of the duplicate-benefit provision, and will probably receive an additional $9,400 in benefits, making a total benefit of $16,400 for combined railroad and social security taxes of less than $500.

By no stretch of the imagination can anyone say that these individuals are being treated unfairly.

TABLE 2.—*Average taxes paid, benefits received, and future benefits still to be received under the railroad retirement and social security systems by individuals subject to a reduction in their railroad retirement benefits because of the duplicate benefit provision, as of Dec. 31, 1952*

Item	Railroad retirement system	Social security system	Total, both systems
Number of annuitants affected by duplicate benefit provision			30,200
Average taxes paid	$430	$66	$496
Average benefits received through Dec. 31, 1952	6,005	971	6,976
Average present value of probable future benefits still to be paid	5,943	3,437	9,380
Combined average benefits already received and still to be paid	11,948	4,408	16,356

NOTE.—This table is based on a 1-percent random sample of all retirement annuities in force on Dec. 31, 1952. According to the Director of Research of the Railroad Retirement Board, this sample is "very representative of all dual-benefit cases."

Source: Statement of Railroad Retirement Board at hearings before House Committee on Interstate and Foreign Commerce, June 2-4, 1953, table 3.

The data on average taxes and average benefits for the 30,200 duplicate benefit cases are based on a 1-percent sample of all these cases. Now, some effort has been made to cast doubt on the accuracy of these figures by Mr. Murray Latimer, a witness for the proponents of this legislation, in a supplemental statement which he submitted for the record after the close of our hearings on H. R. 356.

To clear up this doubt, the Director of Research of the Railroad Retirement Board was asked to explain the method by which the sample was selected and its representativeness. In reply, the Director of Research stated that this 1-percent sample was selected by taking all claim numbers ending in 55 and taking from these all duplicate benefit provision cases. This is what is known as a systematic sample, and is considered even more accurate than a purely random sample. As to the representativeness of the sample, the Director of Research stated:

It should therefore be considered as very representative of all dual benefit cases.

There is just one more thing that I would like to call to the attention of the House. The present value as of liabilities under the railroad retirement system—taking into consideration the Crosser amendments of 1951, and the 1952 amendments to the Social Security Act—is given in the fifth actuarial valuation as $17 billion. To cover these liabilities, the retirement system has only $3 billion at the present time. There is, therefore, a balance of $14 billion which must be covered by future contributions.

The railroad retirement system is now operating at a deficit of $45 million a year. If this bill passes, the operating deficit would increase by another $11 million a year, or to $56 million a year. Unless something is done to balance the income with the expenditures, the railroad retirement system will be in serious trouble in the not too distant future. We must face that fact now, before it is too late.

For these reasons, I am compelled to vote against this unsound bill.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. POFF].

Mr. POFF. Mr. Chairman, since approximately 1 person out of 10 in my district depends directly for this livelihood on railroad wages, I am keenly interested in all legislation which affects the railroad worker.

I am not a member of the Joint Committee on Interstate and Foreign Commerce, which reported this bill to the House, but I have spent a great deal of time studying the committee's hearings and its majority and minority reports on this vital legislation.

I was impressed by the caliber of the witnesses and their testimony on both sides of the question, and while I was from the outset inclined to favor this bill, I felt, from the nature of the opposition, that I should sample the sentiment of the people it will affect. Accordingly, I sent copies of the reports and hearings to several of the railroad workers in my district, and I can tell you unequivocally that, with only one exception, the good, hard working people in the offices and those with the grease of their trade on their hands favor this bill, and, Mr. Chairman, these are the people who paid for and own this retirement fund about which we are talking today. The Congress is only the trustee. Of course, the trustee has the obligation to administer the fund providently and economically, but I am convinced that this legislation will not bankrupt the fund, as many have claimed.

The Railroad Retirement Board itself has said that this bill will threaten the solvency of the fund, even though they admit that the differential between the total cost of 13.56 percent of the payroll and the present premium rate of 12.5 percent of the payroll is only 1.06 percent. This statement is somewhat inconsistent with their statement in 1951 in connection with H. R. 3669, when the differential was 1.645 percent. At that time the Board said that this greater differential would not dangerously affect the solvency of the fund.

The railroad worker who compares his railroad retirement benefits with the benefits he could obtain by purchasing an annuity from a commercial insurance company cannot understand how the program could possibly be operating at a deficit when he has to pay $6.25 out of every $100 he earns up to $300 per month. It simply does not make sense to him.

Similarly, it does not make sense to him when you tell him that if he is entitled to social-security benefits, whether he actually draws them or not, his railroad retirement benefits, for which he has worked so long and paid so dearly, will be reduced. Since these employees first started contributing to the retirement plan they have been told that they would get the full amount of their benefits. In reliance upon this assurance, these people have been making their plans for their twilight years. Until 1951 those who retired received their full railroad benefits, and those who qualified for social-security payments received them as well. Then, in 1951, in order to finance certain changes in the plan, the Congress imposed the so-called dual-benefit restriction which reduced the railroad retirement benefits. In 1952 the social-security benefits were increased by Congress, which in turn further reduced the railroad retirement benefits, and the old people took another licking.

The opponents of the bill before the House try to make it appear that there is something wicked about drawing benefits from two funds. The logic of this reasoning escapes me. If they have performed the work and paid the premiums required by law for both funds, they why should they not receive the benefits from both funds? The contention that it is too easy to qualify for payments under the Social Security Act is no valid argument for reducing the benefits accruing from a totally different and unrelated program. The only thing this argument justifies is a change in the social-security law, which, as everybody knows, is shot through with inequities and unfairness.

Mr. Chairman, under the dual-benefit restriction imposed in 1951, over 30,200 retired railroad workers and 10,500 wives of workers have seen their monthly annuities reduced by an amount of $17 up to $85 per month, depending upon the amount of social-security benefits they have earned. In this day of inflation and in view of the high cost of living which plagues us all, these old people can ill afford these reductions. Their eyes are on this House today. I urge the membership to keep faith with them and re-

store those benefits which they have earned.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Chairman, I am for this bill. I want to commend the committee on bringing this legislation to the floor of the House. I am very happy to see this dual-benefit provision eliminated from the Railroad Retirement Act.

I was a member of the Committee on Interstate and Foreign Commerce when the last amendment to the act was passed in 1951. I recall that this dual-benefit provision had been rejected by our committee, and was reluctantly accepted when the conference report was adopted. I thought it was a mistake at that time and am of the same opinion today. I think it is highly important that the confusion over this provision is being removed by this bill.

Mr. Chairman, I have always looked upon the benefits received under the Railroad Retirement Act as an annuity, just the same as any annuity that might be purchased from an insurance company. This annuity has been paid for by the railroad worker and the railroad company. The Government has made no contribution whatever to the same. I contend that the retired railroad employee should be assured of this annuity as long as he lives, without any restrictions or conditions.

When the act of 1951 was being considered by our committee, I recall that we rejected the proposal of placing a limitation upon the earnings of a retired railroad worker. I vigorously opposed such a theory. It is my feeling that once the amount of the pension is fixed that it should not be changed for any reason. I want the retired worker to feel free to live his own life and engage in whatever business or occupation he may choose. It is his annuity, purchased with his own money, and I cannot support the idea that he should be restricted in the use of the same.

There is great concern among railroad workers over the rumors that the Railroad Retirement Act and the Social Security Act are about to be consolidated. I have received letters from railroad employees expressing apprehension over such a proposal. I know of no such program, and I will certainly oppose such a move if it is suggested. The Railroad Retirement Act should be kept separate and apart from any other retirement system.

The dual-benefit provision is manifestly unfair to the railroad worker who retires. If he decides to engage in some occupation and acquire benefits under the Social Security Act that is a matter for him to decide, and has nothing whatever to do with his railroad pension. It seems utterly absurd to me to reduce the railroad pension because the retired employee may also qualify for social-security benefits. I know of no other retirement system under which such a deduction occurs.

Mr. Chairman, I believe that a vast majority of the railroad workers of this country are in favor of this legislation, and I am satisfied it is in their best interest. I am anxious to see our railroad workers obtain the maximum benefits from the Retirement Act. I have always been interested in improving the Railroad Retirement Act, and I am confident this is what we are doing when we pass this bill today.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, the Railroad Retirement Act, like other old-age-pension legislation, has many shortcomings and inconsistencies. It has many black spots.

By enacting the provisions of a bill introduced by the gentleman from Pennsylvania [Mr. VAN ZANDT] into law—H. R. 356—we seek to erase one of its black spots. I joined the author in his effort to remove this inequity when I introduced an identical bill, H. R. 4163.

The offending language is found in the last paragraph of section 3 (b) of the Railroad Retirement Act, as amended. It reads:

> The retirement annuity or pension of an individual, and the annuity of his spouse, if any, shall be reduced, beginning with the month in which such individual is, or on proper application would be, entitled to an old-age insurance benefit under the Social Security Act, as follows: (i) In the case of the individual's retirement annuity, by that portion of such annuity which is based on his years of service and compensation before 1937, or by the amount of such old-age insurance benefit, whichever is less, (ii) in the case of the individual's pension, by the amount of such old-age insurance benefit, and (iii) in the case of the spouse's annuity to one-half the individual's retirement annuity or pension as reduced pursuant to clause (i) or clause (ii) of this paragraph: *Provided, however,* That in the case of any individual receiving or entitled to receive an annuity or pension on the day prior to the date of enactment of this paragraph, the reductions required by this pararaph shall not operate to reduce the sum of (A) the retirement annuity or pension of the individual, (B) the spouse's annuity, if any, and (C) the benefits under the Social Security Act which the individual and his family receive or are entitled to receive on the basis of his wages to an amount less than such sum was before the enactment of this paragraph.

This is the so-called social-security offset clause.

I am glad to join in eliminating this paragraph because it is a poor approach to solving the problem of old age.

A man has a limited number of productive years. He must avail himself of the accumulated contributions he makes during these years, if he is to insure himself of a retirement pension that is minimal to his needs.

If, by law, we say to him any earnings you make during a number of these years cannot be credited to your retirement because you were forced to change your occupation, we deny him this minimal pension. We reduce it to the point where he cannot live on it in keeping with our accepted American standards.

There are a great many railroad employees in Alameda County. Three transcontinental railroads have their west-coast terminals in this county—the Santa Fe, Southern Pacific, and Western Pacific.

A large number of pensioners live in this county, and in the Eighth Congressional District which I have the honor to represent.

Sometime prior to the war, the Southern Pacific Railroad Co. abandoned its suburban service out of Oakland Pier, throwing several hundred railroad employees out of their jobs. Many of them were unable to get other jobs in the railroad industry because of their inexperience in main line work, and also because of their advanced age. They had the choice of taking their railroad pensions or finding work in outside employment. Many of them took their railroad pensions, some of them at a reduced amount because they had not yet reached age 65.

Generally, their pensions were small because the men employed in suburban service had not earned very large salaries. Many of them after many years of seniority were able to work only a split shift, that is, 2 or 3 hours in the morning, and 2 or 3 hours in the afternoon during peak traffic.

When World War II came along, there was plenty of work in the shipyards and a scarcity of manpower. The Federal Government constructed a railroad from West Oakland to Richmond shipyards, and it was operated as an intrastate common carrier. Many of these retired railroad employees were personally called upon and urged to go back to work on this intrastate railroad in order to help out in the war effort.

A considerable number of them did that, and for 2 or 3 years worked under the provisions of the Social Security Act. After the enactment of the amendments in 1951, they suddenly found that their retirement payments were reduced by an amount equal to their social security payments. Last year when Congress increased social-security benefits a minimum of $5 per month and their social-security payments were increased by that amount, their railroad retirement payments were decreased by that amount, so these men did not receive any increase in pension at all. If they had remained at home and had not gone back to work to help out in the war effort, they would have received just as much benefit as they are now receiving from the Railroad Retirement Board. But because they did go back to work, they are now being penalized by this section of the Railroad Retirement Act.

At the present time in California there is a plan that will throw hundreds of men into the same predicament. In the Los Angeles area the Pacific Electric Railway is disposing of all of its intercity passenger business in southern California to an intrastate common carrier. Hundreds of Pacific Electric employees will lose their employment, and as a result will have to find employment in outside industry. Their new employment will be under the provisions of the Social Security Act. If we fail to repeal section 3 (b) of the Railroad Retirement Act they will be penalized. They will be denied any additional social-security benefits that they might earn in their new occupations.

In tardy justice to men in like situations—and there are hundreds of them—we should adopt this bill and speed it on its way to becoming law.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. WAMPLER].

Mr. WAMPLER. Mr. Chairman, on March 23 I introduced the bill H. R. 4171, which provides for substantially the same remedy as does the legislation now under consideration. I appeared before the Committee on Interstate and Foreign Commerce in support of this legislation, and intend to support it here on the floor. The testimony I gave when I appeared before that committee on June 2, 1953, is as follows:

Mr. Chairman and members of the committee, my name is WILLIAM C. WAMPLER. I have the honor to represent the Ninth Congressional District of Virginia in the House of Representatives.

I deeply appreciate this opportunity of appearing before your committee and testifying as a proponent of this legislation.

I do not appear before this committee as an expert on railway-retirement legislation, but as one who is interested in what appears to be a very unfair and iniquitous situation with respect to those persons who worked under the railroad-retirement system and the social-security system.

On March 23, 1953, I introduced H. R. 4171 in the House of Representatives. This bill would repeal the provisions of the Railroad Retirement Act Amendments of 1951 that prohibit an increase in railroad-retirement benefits to those persons who also have coverage under the Social Security Act.

The 1951 railroad-retirement amendments provided for a 15-percent increase in annuity benefits. If a person was receiving, or was entitled to receive, benefits under the social-security system, he was denied that increase and had his railroad-retirement annuity decreased by the amount he receives, or is entitled to receive, under the social-security system.

Last year Congress voted a $5 monthly increase in social-security pensions. Those persons who receive railroad-retirement annuities and social-security annuities were ganted this $5 monthly increase but their railroad-retirement annuity was decreased simultaneously by an additional $5, thus nullifying, in my opinion, the relief Congress intended to grant when it passed the bill.

It is my considered judgment that thousands of retired railroad workers were the victims of a gross injustice under the provisions of the 1951 amendments to the Railroad Retirement Act when they were denied payment of dual benefits.

The special joint committee on railroad-retirement legislation, the so-called Douglas committee, in its report states that about 13.2 percent of current beneficiaries (or 35,000 of the 265,000 current annuitants) are affected by the discriminatory action of prohibiting an increase in benefits to those entitled to dual benefits.

The committee's study also reveals that the cost of removing the restriction would be less than one-fourth of 1 percent of the payroll tax. Therefore, in a matter of a few years, the savings to the retirement fund will disappear entirely through the death of those to whom the restriction applies.

I think it is particularly important to stress that the Douglas committee has recommended in its report on the Railroad Retirement Act that the prohibition against dual payments should be abolished.

The district which I have the honor to represent in Congress is served by the following important coal-hauling railroads: Southern; Norfolk & Western; Chesapeake & Ohio; Carolina, Clinchfield & Ohio; Louisville & Nashville; Virginian, and the Interstate.

Railroading is one of our vital industries and it affords employment to many of my constituents.

During my campaign for Congress last fall and on subsequent occasions I have had an opportunity to visit the railroad shops and discuss this problem with the railroad workers, and to learn something of their views on this important legislation.

My interest in this legislation is to help improve and strengthen the railroad retirement system.

The railroad retirement system does not belong to the Federal Government or to the Congress. It belongs to the men who work on the railroads of America. The Congress acts merely as a trustee of their fund.

Congress has a very serious moral obligation to respect the wishes of the people who actually own the retirement fund. We should give railroad workers every benefit consistent with the solvency of their retirement fund.

We must guarantee today's railroad workers that their future benefits will always be protected. It is my firm conviction that the enactment of this legislation will not be inconsistent with this premise.

Mr. Chairman, I hope the Committee will take favorable action on this legislation.

Mr. WOLVERTON. Mr. Chairman, I yield myself one-half minute to state to the Committee that I misunderstood the situation that existed when my friend and able colleague on the Committee on Interstate and Foreign Commerce, the gentleman from Michigan [Mr. BENNETT] asked for 5 additional minutes. I thought he had already been granted the 5 minutes as a member of the committee that I had promised him. For that reason I refused him additional time. I want it to be known that I wish to correct the misunderstanding and he may have 5 minutes from me whenever he wants it, either now or later during the debate.

Mr. BENNETT of Michigan. I thank my chairman. I will take the time later.

Mr. WOLVERTON. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. I only want to cover one point in this debate because I think you can throw out a lot of the comparisons about the inequalities that exist between individuals. I want to read from the report of the minority. I think they have convicted themselves by their own report. I read from page 4. In the first instance, it says:

The Railroad Retirement Act specifically allows credit for service rendered before the law was enacted in 1937 and before taxes were paid.

The law specifically gives to those people a right, and it is admitted by the minority. Let me read again from the minority report:

The total increases in benefits provided by the Crosser amendments of 1951 amounted to approximately $108 million a year. These increases in benefits were made possible without any increase in the tax rate or the tax base only because other changes were made in the law, including the adoption of the duplicate benefit provision. Such changes enabled the railroad retirement system to offset the cost of additional benefits provided by the Crosser amendments of 1951.

It does not take a financial genius to keep a trust fund or a pension fund solvent, if you are going to deprive some of the people who are entitled to certain benefits of those benefits. That is exactly what they did. That is what they admit in their own report. That is the nub of the whole argument. I, for one, am not willing to vote here in this House to make a fund solvent by depriving benefits from one section of those who are entitled to benefits in order to create more benefits for another section.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I gladly yield to my colleague, a member of the committee.

Mr. BENNETT of Michigan. Then, I presume, the gentleman would support an amendment, if I offered one, to take the 10-year restriction out of this bill whereby anybody who works for a railroad less than 10 years is transferred to social security.

Mr. YOUNGER. Yes, sir, I certainly will support that amendment, if you offer it.

I will say further as far as this bill is concerned, and as our chairman has said, this is only one of the possible recommendations of the committee to cure inequalities and inequities that have crept into this law. But this is the largest one, and is justified by the minority because it only affects 11 percent. In other words, if you kill only 11 percent of the people, you can justify the crime of murder if you leave the 89 percent of them alive and better off. That is the theory on which the minority have based their entire claim to solicit your vote against it. I sincerely hope this body will go along with the majority of the committee and support the bill now before you.

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

Mr. CROSSER. Mr. Chairman, I yield 8 minutes to the gentleman from Illinois [Mr. MACK].

Mr. MACK of Illinois. Mr. Chairman, I first want to commend my distinguished chairman for the work he has done with regard to the railroad-retirement benefits; also the gentleman from Ohio [Mr. CROSSER], the ranking minority member of our committee. I do feel we did not spend enough time in the committee working on the proposals that have been made with regard to the Railroad Retirement Act. I believe we should amend the act and make a few changes. When we are eliminating the revenue-producing portion of that act we should also include some amendments that would provide revenue for the retirement program.

Mr. Chairman, I am opposed to the enactment of the bill which we are considering. My reasons for opposing this measure are simple and understandable. There is just not enough money in the railroad-retirement account to enable us to assume the expenditure of the benefits contemplated by this bill, H. R. 356.

Those of us who are members of the House Committee on Interstate and Foreign Commerce must necessarily spend long hours studying the problems of railroad retirement. In addition, our committee through the years has spent a great deal of time in taking testimony from expert witnesses who are thor-

oughly conversant with the retirement system. On the other hand, many Members of the House may not completely understand all of the technicalities involved in the application of this important statute. Therefore, I shall attempt to explain in basic terms my reasons for feeling that the House should not adopt this legislation.

First of all, the history of the Railroad Retirement Act demonstrates that the original act and all subsequent amendments thereto have represented agreement of some sort among all the people who are interested in this legislation. There are four groups who are vitally interested in the railroad-retirement program. They are: The Association of American Railroads, representing the railroad companies; secondly, the Railway Labor Executives' Association, representing some 80 percent of the employees, most of whom are engaged in so-called nonoperating employment; then there are the operating unions who make up some 20 percent of the railroad work force. In addition to these official representatives of the railroad industry there are a group of so-called private pension organizations which are made up of retired employees whose only concern is the benefits available under the Railroad Retirement Act.

The first three groups that I have mentioned are interested, of course, in all phases of railroad operation and employment. These first three groups are made up of those who furnish the money that pays the bills for railroad retirement. The private pension organizations, because they are made up of retired persons, are no longer concerned with the tax contributions for the upkeep of the retirement system, and are therefore not too concerned with the payment of the bills.

In 1951 the bill that finally passed both Houses of Congress increasing benefits under the Railroad Retirement Act was the result of an agreement between these three groups—the Association of American Railroads, the Railway Labor Executives' Association, and the Brotherhood of Railroad Trainmen. Although the amendments of 1951 started off with a great deal of controversy among these groups, ultimately a compromise was worked out which was acceptable to the three organizations I have mentioned.

In this instance, the bill which we are discussing is acceptable only to the operating unions representing 20 percent of the employees and the private-pension groups. On the other hand, the Association of American Railroads, the Railway Labor Executives' Association, representing 80 percent of the employees, and the Railroad Retirement Board have strongly opposed this legislation. It is also my understanding that the Bureau of the Budget has not recommended approval of this legislation. The Government agency concerned with the administration of this act, the employers' representatives who pay one-half of the cost of this act, and the representatives of 80 percent of the railroad employees who pay the other half of the cost are all in opposition to this bill.

I know that in 1951 the universal cry in Congress was that all divergent groups interested in railroad retirement should get together and agree on a bill. Certainly if it was desirable for agreement to be reached in 1951 among those interested in this subject, why should we not now have a similar meeting of the minds? I, for one, am opposed to any amendments to this act that are not acceptable to the representatives of the people who through the years have made possible this retirement system. In my judgment the House should be very careful in flouting the wishes of these highly responsible interested parties in adopting this legislation. I am opposed to this bill because a majority of the people who contribute financially to the railroad retirement system oppose it.

Secondly, I am opposed to this bill because it endangers the financial future of the railroad retirement system. In simplest terms, the Railroad Retirement Act is now costing more in benefits than are being paid in in tax revenues. Therefore, we have a deficit. The adoption of this bill, H. R. 356, no matter how worthwhile it may or may not be, will endanger the railroad retirement fund.

Faced with an annual deficit in the railroad retirement system, this bill would increase that deficit by millions of dollars each year. The proponents of this bill have not disputed this fact. To the contrary, when the expert witness for the proponents of this bill was before our committee, he made the startling statement that in his judgment the system may be faced with a deficit of more than $45 million at this time. He was not sure but that the Railroad Retirement Board had been a little too liberal in its estimates. Further, he felt that the system should be put back on a sound basis as soon as possible. In addition, this expert witness, Mr. Murray W. Latimer, appearing for the proponents, testified that this bill which we are now considering would add some $7½ million in costs to this system into perpetuity. On the other hand, he offered no suggestions to our committee or to the House, to my knowledge, as to where this money might come from that he is now proposing we spend. This bill, therefore, if adopted, would increase an already serious operating deficit in the railroad retirement system without any provision whatever for financing.

Certainly we have seen enough of deficit spending in Washington in recent years. All of us can agree that economy is a desirable objective. The basis of sound economy in good business operation is to stay within one's income. No matter how desirable it might be for the benefits that this bill proposes to be enacted, the plain, simple, unvarnished truth is that we do not have the money to pay for them.

We would all like to know how to eliminate the deficit in the railroad-retirement system without adding to the tax structure. I think that every Member of the House would be anxious to know how we can accomplish this balancing of the books for the railroad-retirement account. In my judgment this bill should be recommitted to the Interstate Commerce Committee for further study as it is quite obvious that the adoption of this bill would increase the burden and threaten the financial soundness of the railroad-retirement system. Certainly we are not in such a rush to adopt legislation in this important field that we are willing to do it at the expense of the financial integrity of this system.

We are trustees of a trust fund in our dealings with the railroad-retirement system. We are not appropriating general tax moneys. This matter should not be considered in the same light as other governmental expenditures. This is money that properly belongs to the persons who make up the railroad industry. We cannot, in good faith, adopt this bill and say that we have discharged our trust.

Mr. WOLVERTON. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I am in favor of this bill, H. R. 356; in fact, I have a companion bill now pending before the committee.

I favor the bill because to me it is just simple justice. In listening to the remarks of my good friend the gentleman from Michigan [Mr. BENNETT], whom I greatly admire, it seemed to me that his argument fell by its own weight, and particularly so when you consider what would be the situation in regard to this fund if there were no social-security setup. Then would not every retired railroad worker get the maximum benefit under the fund, and would that render it insolvent or unsound? I find upon investigation that the original Railroad Retirement Act, which was declared unconstitutional, was actually adopted prior to social security.

Let us taken another phase of this. Suppose a railroad worker retires and goes into some business of his own. He has an apple orchard or an orange grove or something elese that is not covered by social security and makes good money. Then he can draw the maximum benefit. But his neighbor across the street in the same situation—a retired railroad worker—has a job that covers him under social security. The amount he is entitled to is thereby reduced. Is there anything fair about that? That is why I say this bill is nothing but simple justice.

I also have information that there is now better than $3 billion in this fund and that the amount is being increased each year by several hundred million dollars coming in more than is being paid out to the annuitants. How can it be made unsound by this bill?

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. At the end of May 1953 the balance in the retirement fund was $3,052,716,320, or an increase of $276,710,000 in a 12-month period.

Mr. CUNNINGHAM. In other words, every railroad worker, whether retired or not, has a vested interest by contractual relationship. The consideration has been his earning capacity and his contribution in the past. By a legal device it is being taken away from him simply because the Congress happened to pass a social-security bill. Had it

never passed a social-security bill, there would not now be anything taken out of the annuitant's benefit.

Mr. CROSSER. Mr. Chairman, I yield 10 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, I deeply regret that I, as a Member of Congress, should have to come here before the House and disagree with the stand of any railroad worker in this country. In my years of service here I have tried to be fair to all segments of railroad workers, as I am sure every other Member has. I also do not like to take a position of disagreeing with my chairman.

Mr. Chairman, I come from a railroad town. I have been a railroad worker myself. So I can speak of the railroad.

You know, there are two sides to everything. One man made the statement that there is only one side. No. It is the old saying: No pancake could get so flat but what it has two sides to it.

The speaker just ahead of me referred to $3 billion being in this reserve fund. I would like for my chairman to listen to this just a moment, and the others who are to come after me. We have three billion-and-some dollars. The gentleman from Pennsylvania mentioned the figure but he did not tell this committee what the unfunded liability was. I would ask the gentleman from Pennsylvania if he knows what the unfunded liability of the retirement fund is. Well, I will tell you. It is over $17 billion. Of course, we are taking in more money. This $3 billion is not surplus as they would have you believe. It is a reserve, and we are building it up in order to take care of this unfunded liability, and I would like to ask the gentleman from New Jersey if I am not correct.

Mr. WOLVERTON. I am unable to verify the gentleman's figures.

Mr. STAGGERS. I think I am approximately correct.

Mr. WOLVERTON. I think you will find the true figures in the report.

Mr. STAGGERS. If these are not the true figures, I am sorry. I am only quoting what I think are true figures. There could possibly be some diversion. I want the Congress to know these facts.

The bill has been explained to you and what it stands for. One speaker just ahead of me said, "Well now, these men went out and bought two retirement annuities." Now, do not let any Member of this House believe that. They did not go out and buy two annuities, and there is no man here will tell you that. I know that we all want to be fair about this thing. They did not buy them at all. Every cent that they paid in, in taxes, they are getting back—they are getting back in retirement every cent that they paid taxes on. That is true under the plan as it is today, and I do not believe any man can dispute that fact. There are a lot of men affected by this thing. But, did you know that yesterday, when this House had a chance to help thousands of men and women who are not drawing pensions or welfare funds or annuities, they said, "No, we do not care anything about them. We will help somebody across the seas." There is no disputing that fact, gentlemen. I am trying to be fair and give the facts, and if any man thinks I am not giving them, I wish he would interrupt me.

There are only two systems, to my knowledge, in the United States, that have weighted benefits, in which they receive benefits for something they did not pay for. I have been receiving a lot of letters dealing with this problem. Yes, we have $3 billion in the fund, but when we passed the last amendments in 1951 we started paying out 13.41 percent of payroll, and we are only taking into that fund 12.50 percent of payroll, running a deficit at the present time of .91 percent. If you pass this bill you are going to increase that deficit. What would be the right thing to do in this situation? This bill should have provided tax revenues at the same time we enacted it. You say, "Oh, well, we cannot see 50 years from now." I tell you this.

All I am talking for is the safety of the fund. There are a lot of people who say, "Why think about 50 years from now? It is your responsibility." Nobody can tell. Five minutes from now this Capitol might be a shambles. The only thing we can go by is the past, and try to do those things we think are right for the future. We have to plan for the future, not 5 years from now or tomorrow, but let us plan for the future of thousands in the generations of railroad workers yet to come. Let us not say that when they retire this fund just cannot pay them.

My recommendation is that this bill be recommitted to the Committee on Interstate and Foreign Commerce with instructions that if it is brought back it carry in it recommendations for a tax to gain the revenue that will wipe out the deficit in the railroad-retirement fund. That is my recommendation to the Congress.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield.

Mr. MILLER of Kansas. The gentleman spoke of the deficit in the retirement fund. Does he mean the present deficit or the one this bill would create?

Mr. STAGGERS. I am talking of the deficit in the income and outgo in the fund right now, of ninety-one one-hundredths of 1 percent, as told us by the actuaries when they appeared before us in our committee. If this bill is allowed to pass it will make it at least $10 million more per year, until at least $385 million has been expended.

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

Mr. STAGGERS. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. I think to get the full picture before the committee with respect to this so-called deficit the gentleman speaks of we should say that it amounts to fifteen one-hundredths of 1 percent, that this bill would affect.

Mr. STAGGERS. That is right.

Mr. WOLVERTON. But assuming that that is the case, why should this particular group not be treated the same as everybody else? Why should it be taken out of their hide instead of out of all of them?

Mr. STAGGERS. May I say that these men are getting back in a pension all the money on which they paid a tax. It started in 1937 by taxing those who started to work after 1937. Now the ones who are paying in are paying for future generations, too. They are not getting back all the taxes they are paying in. Not only that, they are paying for a lot of others who did not pay in.

Mr. WOLVERTON. Does not the gentleman realize that others are in the same class as this but have no deductions made because they have not worked under social security? Why should a railroad worker who supplements his meager pension under social security have a deduction and the others that are in the same class that you are speaking of have no reduction?

Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, I find my position today a particularly unenviable and unpleasant one. In the first place, I should like very much to support this bill which has a very praiseworthy objective in view. In the second place, I should like very much to agree with the majority of my committee on which it is always a great pleasure and a distinct honor to serve. There is no member of the committee with whom I enjoy having any difference of opinion whatever. Certainly the 22 men who constitute the majority of the committee in this case are entitled to every respect.

I repeat, I should like to eliminate the injustice to 35,000 men, I think it is, through the dual-benefit provisions of the bill which we passed in 1951. I hope this injustice may be eliminated by proper legislation. I hope the whole question of the relation between the social security fund and the railroad retirement fund may sometime receive much more adequate consideration than it has received to date. I am inclined to believe it may be possible to work out an arrangement which would permit everybody to get social security and the railroad retirement fund be placed on top of social security or some such arrangement of that kind. I repeat, I do not think the relationship between the two funds has ever received adequate consideration.

The reason I am opposed to the passage of H. R. 356 is set forth in the dissenting report which I filed on page 26 of the minority report. It is simply that it is admitted by everybody, I believe, that this legislation leaves the fund actuarially unsound.

Mr. Murray W. Latimer who appeared and testified before the committee is, in my opinion, a person who knows as much about this legislation as anybody. He represents the Brotherhood of Locomotive Engineers, the Brotherhood of Locomotive Firemen and Engine Men, the Order of Railway Conductors of America, and the Brotherhood of Railway Trainmen. On page 211 of the hearings the following testimony is to be found:

Mr. HALE. It is agreed by everybody—I think the committee are all in accord and I think the parties in interest are pretty much in accord—that the fund should be

kept actuarially sound. Do you agree to that?

Mr. LATIMER. I most assuredly do.

Mr. HALE. The passage of H. R. 356,, or any of the companion bills, would make the fund more unsound actuarially, would it not?

Mr. LATIMER. Yes, sir; it would. There is no question about it.

Then on pages 212 and 213, we find the following:

Mr. HALE. I am perfectly frank in saying that, as the matter lies in my mind, I would like certainly to prevent any retiree from suffering any prejudice from the so-called dual benefits, what you call the social-security offset. But Mr. Matscleck from the Railroad Retirement Board comes here—did you hear his testimony?

Mr. LATIMER. I did, sir.

Mr. HALE. He testified that the fund was not actuarially sound now and if we did anything about these dual benefits, we would just be making bad matters worse, as I understood his testimony, stating it very crudely and bluntly.

Mr. Fort's testimony on behalf of the Association of American Railroads was closely similar. Mr. Schoene's testimony was something along the same line, if I understood them all. They might not assent to my characterizations, but stated crudely and generally, that is the impression that I got from those three men.

Mr. LATIMER. It is a correct impression, sir, and my only difference with them is that I think they are too optimistic. I think the situation is worse than they have said it is. I make no bones about the difficulties which the situation involves.

Mr. HALE. As the testimony stands now, I don't see how this committee can report any of these bills favorably, although I would like personally to do so. Perhaps there are other people on the committee who feel the way I do.

I am therefore opposed to the present enactment of H. R. 356. I believe that sounder and better legislation can be enacted in the present Congress. I hope that it will be.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, regarding the legislation now under discussion, H. R. 356, which is to amend the Railroad Retirement Act of 1937, as amended, by deleting the last paragraph of section 3B, I wish to state that I am wholeheartedly in favor of this legislation. As a matter of fact, I introduced a similar bill, H. R. 4670, on April 20, 1953.

The objectionable provision which this legislation would delete is known as the dual-benefit provision. This provision requires a reduction in the railroad-retirement annuity and pension of an individual if this individual has creditable railroad service before 1937 and if he is receiving or entitled to receive an old-age insurance benefit under the Social Security Act. I understand that more than 30,000 retired railroad workers are so affected, in addition to more than 10,000 wives of annuitants.

The pending legislation would, if passed, be retroactive to October 30, 1951. The reason for this is that the dual-benefit provision was written into the Railroad Retirement Act of 1937 in 1951 for the first time.

The report accompanying H. R. 356 from the Committee on Interstate and Foreign Commerce points out the reasons why support should be given to this legislation. It shows that the existing law makes a discrimination contrary to the spirit of the Railroad Retirement Act, that it applies a retroactive penalty against workers who have contributed toward social-security benefits, that it forces workers to pay a payroll tax under social security without a compensating increase in income, and thereby discourages their continuing in employment, it imposes an indirect work-clause penalty for continuing in such employment, and it discriminates against a selected group of retired employees. I am informed that the objectionable provision is the only one in any self-supporting retirement system which penalizes workers who choose to contribute toward dual benefits.

As a matter of interest, I am quoting herein portions of a communication dated May 12, 1953, and received from Mr. Rufus P. McGarity, president of the Michigan Railroad Employees and Citizens League:

BENTON HARBOR, MICH., *May 12, 1953.*

Hon. ALVIN M. BENTLEY,
Member of Congress,
Washington, D. C.

MY DEAR CONGRESSMAN: My letter to Senator DOUGLAS of January 8, 1952, copy attached, shows our stand on the matter of deducting social-security credits from railroad retirement checks.

The railroad men of Michigan and the entire Nation are honest law-abiding citizens, and they work hard and do not deserve and we cannot concur in any action by Congress, especially, Senator DOUGLAS, who forced the amendments upon the House conferees.

We recommend that the Congress repeal that part of the 1951 amendments which steal the social-security payments from our members and employees. We further recommend that the Congress order the Railroad Retirement Board to refund to the employees, who have retired, every cent that has been deducted from what they are entitled to under the act at the time of the deduction. * * *

Letter, copy attached, from the Railroad Retirement Board, dated January 2, 1951, shows that Congress has a tendency in the past of depriving an employee of all his rights under the Constitution when he makes application for an annuity, which he has paid a lot of money to acquire, and should be permitted to work anywhere in the world except work for any employer under the act after he files application for an annuity. I earnestly urge the Congress to correct these matters now and forevermore. I expect to call on you soon.

Very truly yours,

RUFUS P. MCGARITY,
President, Michigan Railroad Employees and Citizens League.

As an example of several letters which I have received from my district in this matter, I quote below the text of a letter received from Mr. James M. Gleeson, of Saginaw, Mich., a retired railroad employee:

JAMES M. GLEESON,
2215 North Fayette, Saginaw, Mich.,
May 27, 1953.

Hon. ALVIN M. BENTLEY,
Member of Congress, New House Office Building, Washington, D. C.

DEAR MR. BENTLEY: I am a retired railroad employee. I put in over 45 years in the railroad game. I retired 15 years ago. I started as a railroad locomotive fireman and wound up as general yardmaster here in Saginaw, Mich. I was instrumental in organizing the railroad retirement employees in this vicinity. We now have a large lodge. We meet once a month here in Saginaw at the C. & O. Railroad depot. The superintendent of the C. & O. gave us the privilege of the use of a large room in the depot free of charge.

When I retired there were four of us retired at the same time and the employees gave us a grand blowout at the Fordney Hotel here in Saginaw. The Saginaw Daily News came out with our four pictures on the front page with the big headlines: "Four Retired Railroad Employees With Over 155 Years in Service Given a Grand Reception at the Fordney Hotel Last Night."

After I retired I met a friend of mine a few days later over town. "Hello, Jim," he said. "Hello, Jack," I answered. "Say, I see you retired from the railroad." "That's right, Jack." "How long have you been in service?" "Not long, Jack, only over 40 years with the New York Central." "Oh, gee, you can't lay around doing nothing. Say, how about coming and work with us? No hard work." "All right, Jack, I'll try it out." This friend of mine is president of a big printing corporation. They have a plant here in Saginaw, one in Bay City, one in Flint, and one in Detroit. So I went working for the above corporation and when I again retired that is how I got social security. I paid for my social security. They took out so much every month for social security. So you see, Mr. BENTLEY, I did not get my social security because I worked on the railroad. Now my railroad checks. The Railroad Retirement Board takes out of my railroad retirement check which I think is not right. I am not getting social security because I worked on the railroad. Absolutely not. I paid for my social security when I worked for the firm above mentioned. They took so much out of my check every week for social security. So the railroad had nothing whatever to do with my social security. So I must say that the Railroad Retirement Board has no right to deduct my railroad pension because I am getting social security. I paid for that social security when I worked for the above-mentioned printing firm. Will you kindly take care of this, Mr. BENTLEY, and put the Railroad Retirement Board where they belong.

Thanking you in advance, I am

Yours truly,

JAMES M. GLEESON.

Since I consider the present legislation to be completely unjust and since I cannot understand why an individual who has contributed over a period of years to a railroad retirement annuity or pension should not be entitled to receive the benefits of that annuity and pension, regardless of whether or not he is a social-security annuitant, I urge the Committee to support this legislation.

Mr. WOLVERTON. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, to continue the remarks of the gentleman from Maine [Mr. HALE], if you will read the rest of the quotation on page 213, Mr. Latimer said:

I take the position here that under the circumstances it is no less than just that you live up to the promise that you have made and that if when you consider that problem you will add the funds you have to raise, but I don't think you should perpetuate this injustice because you are not now prepared to face the question of what to do about these additional moneys, or since in the particular limitation that I have placed on my approach to it—

And so on. In other words, while Mr. Latimer, as every other person who is familiar with the railroad-retirement

system will admit and says, the system is probably actuarially slightly out of balance. That does not justify your perpetuating an injustice. And that injustice is what we attempt to eliminate by this act. It is an injustice to reduce the retirement pay under the Railroad Retirement Act, just because someone is entitled also to benefits under social security.

Do you realize that there is no system, no Government system, that commits any such injustice? A Member of Congress who has earned a railroad pension can draw a congressional pension and at the same time draw railroad retirement. A member of the Railroad Retirement Board can draw his pension under the retirement system for United States civil service employees and likewise his retirement pay that is due him as a former employee of a railroad.

I would like to say that this injustice is the thing we are trying to remove with this act. The pension fund is now out of balance by nine-tenths percent of payroll and this will increase the out-of-balance position by fifteen one-hundredths percent of payroll.

I would like to read to you from the hearings on page 27, where the Railroad Retirement Board representative is talking figures:

> Since the net level cost of the retirement system is now estimated at 13.41 percent of payroll and since the level tax rate is 12.5 percent, the elimination of the dual benefit provision would increase the present excess of cost over income from approximately 0.9 percent of payroll to approximately 1.05 percent.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLVERTON. Mr. Chairman, I yield 1 additional minute to the gentleman in order that he may answer what is in Mr. BENNETT'S mind.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. BENNETT of Michigan. The retired member of the Railroad Retirement Board to whom the gentleman referred who draws a pension under the Civil Service Act and under the Railroad Retirement Act got no credit for prior service under the civil-service pension law. Therefore while he is getting pensions under the two systems, he is only getting one pension for which he has received untaxed credit, and I think the gentleman ought to bear that in mind.

Mr. HINSHAW. I bear that in mind. I want to say that the amount of money a person in the railroad retirement system has to pay, 6¼ percent of his salary and 6¼ percent contributed by the railroad, should entitled him to that benefit continually without any deduction. In other words, the railroad retirement system is the equivalent in tax on the worker of any system because it is a higher tax, as a matter of fact, than required in any other system, and he pays it. Now, he is entitled to it, and I do not see any reason why you should deduct from that retirement that he has paid for any such thing as prior benefits that are allowable under the Social Security System when he has earned those, too, just the same as anybody else. A person can work in any other retirement system and receive his social-security benefits in whole and his pension in whole. I do not see why the railroad worker should be singled out for this discrimination.

Mr. STAGGERS. There is no other system, is there, that pays for untaxed service?

Mr. HINSHAW. Oh, yes; they all do.

Mr. CROSSER. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I shall vote for H. R. 356 in the belief that it will correct an injustice to over 30,000 railroad workers. Contributors to two different systems of pension payments should, in my opinion, receive the benefits of both systems.

My reasons for desiring the repeal of the provisions of the Railroad Retirement Act, which reduces the amount of a railroad annuity or pension where the individual or his spouse is, or on proper application would be, entitled to certain insurance benefits under the Social Security Act, are as follows, and have been set forth in part by the Legislative Reference Service of the Library of Congress and are printed in the May 5, 1953, CONGRESSIONAL RECORD as part of the remarks of Senator ED JOHNSON, of Colorado:

> 1. It makes a discrimination contrary to the spirit of the 1937 act, which was careful to give full credit for prior service, a concept continued in subsequent amendments, which increased benefits and protection without such a discrimination until 1951.
>
> 2. It applies a penalty retroactively against workers who in good faith and according to existing law have sought to increase their retirement income by supplementing their railroad annuity with a social-security benefit toward which they have also contributed.
>
> 3. It discourages workers from continuing in employment covered by social security after age 65 because they must pay the payroll tax under social security even though it may not increase their combined benefit income.
>
> 4. It imposes an indirect work-clause penalty for engaging in employment covered by social security after age 65.
>
> 5. The objection to meeting costs in this manner is that it discriminates retroactively against a selected group of beneficiaries, creating a group of second-class annuitants.

Always in the past when the Railroad Retirement Act has been amended it has been done so in such a manner as to be beneficial to retired railroad employees, but the amendment enacted in 1951 was harmful to more than 30,000 railroad employees and their spouses.

The Railroad Retirement Act, as you know, is entirely self-supporting. This amendment does not add any cost to the Government. This clause in the law is the only one in any self-supporting retirement system which penalizes the thrifty workers who choose to pay to receive dual benefits providing for a more decent old age.

Pending the enactment of a uniform national old-age pension system, I intend to support any and all equitable adjustments in present systems which held to alleviate the poverty which usually visits the aged after their productive years.

Mr. CROSSER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, a clear understanding of the issue presented by H. R. 356 is all that is necessary to make evident the great injustice of the proposal.

First of all, we must keep in mind the fact that the original railroad retirement law, and all of the later revisions of the law, provided that, from the beginning, without the payment of taxes or assessments, for all the time employees had worked for railroads before the passage of the retirement law, such employees were to be, and would be, given free credit for such time by the railroad retirement system.

The railroad retirement system, from the very beginning, as a charge against the system's treasury, carried the total cost of crediting all the railroad workers, without the payment of taxes, for all the time worked by them before the start of the retirement system. This was absolutely necessary. In no other way could a retirement system be started.

On the other hand, of course, from the very beginning of the retirement system every railroad employee was and is required to pay, at regular intervals, the taxes or assessments determined by the experts to be proper and necessary to make the total of taxes or contributions of employees equal to one-half the entire amount found to be proper and necessary for the maintenance of the railroad retirement system in sound financial condition. Not for the purpose of balancing equities or rights among railroad employees, therefore, did we adopt, without taxing the employee for the same, the legal provision for giving free credit to railroad workers, for service rendered before the establishment of the railroad retirement system. That provision of law was adopted because it was necessary, and in no other way was it possible to start the retirement system.

When in 1950 there was enacted the law for the so-called new start of the social-security system it was provided that a person could work for 1½ years in employment covered by the social-security system and be credited with many years prior service without being charged for the same. Now, if persons on the railroad retirement rolls are to be permitted to retire from railroad service to enter employment covered by the said social-security retirement to work but a short time, in fact, only 1½ years, and then be given free credit for many years prior service under social security, surely anyone can see that such persons are thus given special advantages which prevent all other railroad employees from receiving greater benefits under the railroad retirement system. Such encouragement to leave the railroad service would also defeat one of the purposes of the railroad retirement law, which was to encourage persons to make a career of railroad service and so make sure that the railroads would be operated by experienced men thoroughly familiar with railroad work.

No, my friends, because it was necessary to start the railroad retirement system, Congress provided free credit for service rendered on railroads before the establishment of the system, because the

workers with prior railroad service, when the system started, could not pay the cost of the insurance to cover all of their service rendered before the system started. The railroad retirement system in order to assure such workers protection, assumed the debt for the cost of the prior service insurance, but Congress never intended to induce employees to leave the railroad service and thereby to weaken the railroad retirement system, and it certainly did not plan to give the same persons free credit twice for prior service.

Opposed to this bill unanimously are the Railroad Retirement Board, which administers the Railroad Retirement Act, the Association of American Railroads which pays half the taxes for the support of the railroad retirement system, and the 19 member organizations composing the Railway Labor Executives' Association which represent approximately 75 percent of all active railroad employees. These organizations are as follows: Switchmen's Union of North America; the Order of Railroad Telegraphers; American Train Dispatchers' Association; Railway Employees' Department, A. F. of L.; International Brotherhod of Boilermakers, Iron Ship Builders, and Helpers of America; International Brotherhood of Blacksmiths, Drop Forgers, and Helpers; Sheet Metal Workers' International Association; International Brotherhood of Electrical Workers; Brotherhood Railway Carmen of America; International Brotherhood of Firemen and Oilers; Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees; Brotherhood of Maintenance of Way Employees; Brotherhood of Railroad Signalmen of America; National Organization Masters, Mates, and Pilots of America; National Marine Engineers' Beneficial Association; International Longshoremen's Association; Hotel and Restaurant Employees and Bartenders International Union; Railroad Yardmasters of America; Brotherhood of Sleeping Car Porters.

Also, under date of July 13, 1953, in a letter to the committee, the Bureau of the Budget expressed unqualified opposition to the repeal of the duplicate benefit restriction of the law. This letter will be included as an appendix to my remarks.

HARMFUL EFFECT OF H. R. 356

This bill would affect adversely some 450,000 individuals who are now on the rolls of the railroad retirement system and it would work serious injustice upon the 1½ million railroad employees at present employed, and also work injustice upon the many millions of future railroad employees.

To a little more than 30,000 individuals, it would give special advantages in the form of duplicate benefits under the railroad retirement and social-security systems.

Enactment of this bill would also increase from $45 million a year to $56 million a year, the deficit of the railroad retirement system.

EXPLANATION OF DUPLICATE BENEFIT RESTRICTION

In effect, this bill would repeal the last paragraph of section 3 (b) of the Railroad Retirement Act, as amended. Said paragraph provides that the retirement annuity or pension, payable to a retired railroad employee having the right to free credit for railroad service rendered before 1937, commonly referred to as prior service, on which no retirement taxes were paid, must be reduced by the amount of old-age insurance benefit for which he may qualify under the Social Security Act, or by the amount of that portion of his railroad annuity which is based on service before 1937, whichever is less. The reduction will never operate to reduce a railroad employee's annuity below the amount to which the employee would be entitled on the sole basis of his railroad service performed after 1936. In the case of an employee who was already entitled to receive an annuity before the enactment of this law, the reduction in his annuity may not operate to bring the total retirement income for his family from both the railroad retirement and social security systems below the total received on that date.

REASONS FOR DUPLICATE BENEFIT RESTRICTION

This provision was one feature of a very comprehensive bill, H. R. 3669, which I introduced on April 12, 1951. This bill, somewhat amended, was subsequently enacted into law, known as Public Law 234, 82d Congress. This law provided for increases in benefits and for new benefits to retired employees, their families, and their survivors, totaling nearly half a million beneficiaries, and amounting to over $100 million a year.

These increases in benefits were made possible without any increases in the tax rate or tax base, only because my bill provided for several proper readjustments in the law which enabled the railroad retirement system to meet the cost of the additional and new benefits provided by my bill.

During the extensive hearings held on my bill, the duplicate benefit restriction was carefully explained many times by both the proponents and opponents of my bill. Proponents of my bill favored it because, in doing even-handed justice to all, it nevertheless enabled the railroad retirement system to save $385 million over the next 50-year period. This saving, in conjunction with other proper changes, made it possible to provide the increases made in the payments of benefits to annuitants, pensioners, and survivors.

Why was this provision favored? In the first place, as I have said, by preventing a double allowance for prior service, it enabled the retirement system to do a greater measure of justice to practically all beneficiaries under the act. In the second place, in the case of an individual, qualified to receive benefits from both the railroad retirement and social security systems, it prevented the gross injusice of allowing such individual to receive, without charge, full credit from both systems for prior, untaxed service.

The Railroad Retirement Act specifically allows credit for service rendered before the law was enacted in 1937 and before taxes were paid. The Social Security Act does this indirectly, and in effect goes even further by giving free credit for service before 1951. This is accomplished by means of a benefit formula which is weighted in favor of individuals retiring in the early years after the establishment of the system, or, since the 1950 amendments, in the early years after those amendments. The formula is so designed that it is possible for an individual, with very little service under the social-security system, to qualify, at the present time, for the same benefit as though he had been covered for many years. The social-security system is especially generous in this regard as compared with the railroad system. A railroad employee, before receiving credit for any period before 1937, must show that he actually was in railroad service in that period, and that he was also in active service or in an employment relation on August 29, 1935. Under the social-security system, on the other hand, an employee with the required number of quarters of coverage after 1936, and under the so-called new-start provision of the 1950 amendments to the Social Security Act, until July 1, 1954, that required number is only six, notwithstanding the fact that it, in general, automatically treated as though he had been under social-security coverage througout his working lifetime, may actually have been a railroad employee most of the time. An individual eligible to receive a railroad retirement annuity who has sufficient service under the Social Security Act to qualify for benefits under that act as well, thus receives double credit for service with respect to which he paid little or no retirement taxes.

The problem of duplicate benefits was first brought into prominence when the 1950 amendments to the Social Security Act made it relatively easy for a railroad worker, past or close to age 65, to obtain a substantial social security benefit on the basis of only nominal social security employment, in addition to the railroad annuity he earned over a lifetime of railroad service.

When the railroad retirement system was first established, almost 100,000 railroad workers began to receive benefits immediately. Twenty-thousand of these individuals still are on the retirement rolls. They had made no contributions for the support of the system or, at most, contributions which were negligible compared to the benefits which they would receive.

In order to have the system started at all, this was done as a matter of necessity and not for the purpose of adjusting relative rights of railroad workers. The active workers in the railroad industry and the railroads together paid, through the railroad retirement system's treasury, the cost of maintaining the system. In order to have the railroad retirement system started, they were agreeable to having paid from the treasury of the system the cost of employees' retirement insurance, which was based on service rendered by them before the railroad retirement system began operations.

After the 1950 amendments to the Social Security Act, it became possible for the first time for older people to acquire a substantial old-age benefit on the basis of inconsequential service. The

new-start provision of this act enabled any worker near age 65 or over to qualify for an old-age benefit on the basis of only 6 quarters of coverage, which means work for a year and a half instead of the 27 quarters that would have been necessary before these amendments were enacted. Not until July 1, 1954, will it be necessary, under social security, as amended in 1950, for a worker reaching age 65 to have more than 6 quarters of coverage to qualify for an annuity of as much as $85 a month and $40 for his eligible spouse. The new-start provision treats an individual, who qualifies on the basis of 6 quarters of coverage after 1950, as though he had been in continuous social-security employment all his life.

While the Social Security Act does not specifically give credit for service performed before the start of the Social Security System on January 1, 1937, the benefit formula has much the same effect as if the beneficiary were given credit for such service. This result is achieved because of the fact that the benefit amount payable is based on the worker's average earnings after January 1, 1951, or January 1, 1937—whichever period yields the highest benefit amount—rather than being based upon his total length of service, total earnings, total contributions, or upon some combination of these factors. Therefore, under the Social Security System, if an individual works steadily during the period upon which his average monthly wage is computed, which period never includes time prior to 1937, he will receive a full benefit under the law.

Mr. Wilbur J. Cohen, technical adviser to the Commissioner for Social Security, testified before a subcommittee of the Senate Committee on Labor and Public Welfare with respect to the crediting of service performed before 1937 in the computation of social-security benefits as follows:

> In a very real sense social security, too, has accepted an accrued liability for individuals who have long periods of past service. Because the very construction of the benefit formula in social security, by giving a very high weighting to people with low income, recognizes the fact that they have been employed for a long period of time previously and is an attempt, through the construction of the benefit formula, to give a past service credit to individuals. * * * In a sense the benefit formula attempted to give credit for service prior to 1937, under social security, for people who had some employment after 1937, by giving a very high proportion of the wages for people with short periods of service. * * * Roughly we estimate approximately one-third of the cost of the present system, that is, one-third of the level premium cost of approximately 6 percent of payroll, to be the deficit caused by giving the present benefits to people who have not contributed an entire lifetime. (Hearings before the Subcommittee on Railroad Retirement Legislation of the Committee on Labor and Public Welfare, United States Senate, 82d Cong., 1st sess., pp. 543–544.)

The heavy burden which the railroad retirement system is carrying by reason of the nontaxable service can be seen by examining the following two cases, which were cited by the proponents of this legislation as horrible examples of the inequity of the duplicate benefit restriction in the law.

Annuitant Shaw paid $1,010 in railroad retirement taxes. He has already received $8,341 in benefits under the railroad-retirement system and will probably receive an additional $6,500 in future benefits. He paid $90 in social-security taxes. Since he is still working in social-security employment the amount of social-security benefits to which he will be entitled could not be computed.

Pensioner Carr has paid nothing in railroad-retirement taxes, since he had retired before 1937. He has already received $11,719 in railroad-retirement benefits, and will probably receive an additional $3,900 in such benefits. He paid $109 in social-security taxes, has already received $278 in social-security benefits, and will probably receive an additional $3,300 in such benefits. Thus, he has already received $12,000 in benefits under both systems and will probably get an additional $7,250 in future benefits, or a combined total of $19,250 in benefits for a tax payment of $109.

The fifth actuarial valuation of the railroad-retirement system recently published by the Railroad Retirement Board estimates the cost of benefits payable under the present law at 13.41 percent of payroll. Since the tax rate established for the maintenance of the system is 12.5 percent of payroll, the system is underfinanced by 0.91 percent of payroll, or by approximately $45 million a year. Notwithstanding this shortage, it is proposed by the enactment of H. R. 356, to repeal the duplicate benefit restriction, and, by so doing, immediately increase the present cost of the railroad-retirement system by an additional $11 million a year. That would mean that the railroad-retirement system would be operating at a deficit of over $56 million instead of $45 million a year. Employees who are now working and future entrants into the railroad industry would be compelled unjustly to make up this deficit.

In this connection, I wish to quote from the report made by the firm of Nelson & Warren, actuaries retained by the Joint Congressional Committee on Railroad Retirement Legislation as to the question of the adequacy of the present tax rate to finance the railroad retirement system. In a summary of its report to the committee—83d Congress, 1st session, Senate Report No. 6, part 1, page 338—the actuaries said:

> The gist of this summary is that in our opinion any recognized actuarial methods and reasonable assumptions, when applied to the railroad retirement system, will result in cost estimates which exceed the present tax rate. Thus, in order to maintain an actuarially solvent system, methods of reducing benefits, or methods of increasing the tax income or investment income of the system, should be sought.

In his testimony before the committee to support the railroad labor organizations which favor H. R. 356, Mr. Murray W. Latimer, the chief witness of the proponents, emphasized the fact that the financial condition of the railroad retirement system is even worse than indicated above. Here is what he said:

EXCERPT FROM TESTIMONY OF MR. MURRAY W. LATIMER

Mr. HALE. The passage of H. R. 356, or any of the companion bills, would make the (railroad retirement) fund more unsound actuarially, would it not?

Mr. LATIMER. Yes, sir; it would. There is no question about it. * * *

* * * * * *

Mr. HALE. I am perfectly frank in saying that, as the matter lies in my mind, I would like certainly to prevent any retiree from suffering any prejudice from the so-called dual-benefits, what you call the social-security offset. But Mr. Matscheck from the Railroad Retirement Board comes here—did you hear his testimony?

Mr. LATIMER. I did, sir.

Mr. HALE. He testified that the fund was not actuarially sound now and if we did anything about these dual benefits, we would just be making bad matters worse, as I understood his testimony, stating it very crudely and bluntly.

Mr. Fort's testimony on behalf of the Association of American Railroads was closely similar. Mr. Schoene's testimony was something along the same line, if I understood them all. They might not assent to my characterizations, but stated crudely and generally, that is the impression that I got from those three men.

Mr. LATIMER. It is a correct impression, sir, and my only difference with them is that I think they are too optimistic. I think the situation is worse than they have said it is. I make no bones about the difficulties which the situation involves.

Mr. HALE. In view of the status of the railroad retirement account, even if there were no other considerations involved in the repeal of the duplicate-benefit provision, I cannot recommend the enactment of this legislation. However, there are other important considerations which compel me to vote against this measure.

ENACTMENT OF H. R. 356 WOULD GIVE RISE TO SERIOUS INEQUITIES

The enactment of H. R. 356 would work a great injustice in order to give a special advantage to the group of 30,000 annuitants and pensioners, affected by the duplicate benefit restriction on the one hand, to the unjust disadvantage on the other hand, of the 450,000 other beneficiaries now under the Railroad Retirement Act, who would be adversely affected, in addition to the unfavorable effect on the taxes of the 1½ million railroad employees now in active service, and the like effect upon the taxes of the many millions of future railroad employees.

First. Cost of benefits for new entrants only 7.66 percent of payroll; taxes are 12.5 percent of payroll.

Under the present Railroad Retirement Act, the benefits to which a new entrant into the railroad system is potentially entitled costs at the present time only 7.66 percent of payroll. Actually 12.5 percent of payroll is being paid into the railroad retirement fund to cover the cost of his retirement insurance. The difference of 4.84 percent of payroll is a charge to cover that part of the indebtedness of the system which arose to a very large degree from the crediting of prior service.

As I have previously shown, the Railroad Retirement Act provided for the crediting of prior service as a matter of necessity, not as a matter of relative justice. The social-security system also, in effect, gives credit for untaxed service through a heavily weighted benefit formula. The 1950 amendments to the Social Security Act contained very liberal

provisions in this regard for those retiring immediately or in the next few years.

In the cases where an employee qualifies for a benefit under both retirement systems, it is equitable and sound policy to give free credit for prior service under only one retirement system. Moreover, in the balancing of equities of these 30,000 individuals against the other 450,000 beneficiaries under the act, as well as against the 1½ million railroad employees in service today who are paying and the untold millions of future railroad employees who will pay a big share of these benefits, it would be unjust to the latter groups of individuals if the duplicate benefit restriction were repealed.

Second. Combined railroad and social-security benefits, in spite of reduction, are greater than railroad benefits would be for comparable service in railroad industry: A statistical study made by the Railroad Retirement Board of the benefits payable to the 30,000 retired annuitants, who are subject to the duplicate benefit restriction, shows that if these employees had remained in railroad service for the same period that they spent under social-security coverage, their railroad benefits would have been, on the average, smaller than the combined benefits they are now actually receiving, in spite of the reduction. These data are shown in the following table:

Railroad retirement annuities in force Dec. 31, 1952, subject to reduction under duplicate benefit provision: Number, average combined benefits under both systems, and average railroad annuity that would be payable on combined service, by method of reduction and family composition

Method of reduction and family composition	Number	Average combined railroad retirement and social security benefits		Average railroad retirement annuity [2] based on combined service
		Unreduced	Reduced	
Total	[1] 30,200	$139	$112	$104
Annuitant only	19,700	114	94	86
Annuitant and wife	10,500	185	145	139
Reduction limited by saving clause:				
Total	16,600	121	101	89
Annuitant only	14,600	113	96	84
Annuitant and wife	2,000	183	137	126
Reduction equal to part of annuity based on prior service:				
Total	3,100	118	92	80
Annuitant only	1,700	84	67	55
Annuitant and wife	1,400	160	122	110
Reduction equal to amount of old-age benefit:				
Total	10,500	171	137	136
Annuitant only	3,400	130	103	107
Annuitant and wife	7,100	191	153	149

[1] In 2,500 cases, entitlement to social security benefits was potential. For these cases, the combined benefits consist only of the railroad benefits.

[2] Computed on assumption that each quarter of coverage in social security employment was creditable as 3 months of railroad service, and that earnings in such employment were at same rates as for railroad service.

NOTE.—Based on 1-percent random sample of retirement annuities in force Dec. 31, 1952. Excludes 300 former carrier pensioners receiving reduced amounts because of duplicate benefit provision.

Source: Railroad Retirement Board.

The table shows that as of December 31, 1952, there were 30,200 railroad retirement annuities in force which were subject to a reduction by operation of the duplicate benefit restriction. According to the table, the railroad employees receiving these annuities receive, on an average, $112 a month in benefits as the total from the respective payments of the railroad retirement and social security systems. If, however, their service had all been rendered under the coverage of the Railroad Retirement Act—assuming 3 months' credit under the railroad system for every quarter of coverage in social security employment at the same rate of earnings as for their railroad employment—their average annuity would have been only $104. Thus, the duplicate benefit restrictions, far from being unjust to the beneficiary under both systems, actually allows such a beneficiary a bonus amounting to $8 per month, or 7½ percent more than an annuitant would have received for comparable service under the railroad retirement system only. And that notwithstanding the fact that the beneficiaries under the two systems pay taxes on their social security employment at a lower rate than they would have had to pay had that service been rendered under the coverage of the Railroad Retirement Act.

Clearly, whatever misadjustments may be said to exist as between annuitants receiving benefits under the railroad retirement system only and beneficiaries under both systems, such misadjustments result in a special advantage to the latter. Nevertheless, it is proposed, by repealing the duplicate benefit restriction, to increase the injustices by making the bonus enjoyed by the beneficiaries under both systems from 4 to 5 times larger than it is at present. The average total of $112 a month received by the 30,200 annuitants under both systems would, according to the column in the table headed "Unreduced," become $139. This would be $35 more per month, or 34 percent more, than that to which they would be entitled if all their service had been rendered under the railroad retirement system. This would be a very striking discrimination against the employees who spend all their working days in the railroad industry.

The table breaks down the 30,200 railroads annuities affected by the duplicate benefit provision into 19,700 cases in which benefits are received by the railroad employee alone, and 10,500 cases in which benefits are received by the employee and his wife. In cases where the employee alone is receiving benefits, the average benefit, if it is assumed to be based on railroad service only, would be $86. Actually, the combined total under the two systems is $94, or a bonus to persons with credit under both systems of 11.9 percent. If the duplicate benefit provision were repealed, the bonus would be 32.5 percent. In cases where the employee and wife are receiving benefits, the average benefits, computed as if the entire service were under the railroad system, would be $139. Actually, the annuitant and wife receive $145, or a bonus of 4.3 percent. If the duplicate benefit provision were repealed, they would receive $185, or a bonus of 33.1 percent. It will be readily seen, therefore, that the injustice which favors those receiving benefits under both systems, and which would result from repealing the duplicate benefit restrictions, would be present to substantially the same degree as between annuitants receiving benefits alone and those receiving benefits with their wives.

The foregoing table demonstrates clearly that, in general and in particular, such misadjustments as do exist are in favor of the annuitants who are receiving benefits under both systems as compared with beneficiaries under the railroad retirement system alone. Repeal of the duplicate benefit restriction would magnify these misadjustments to a point altogether inconsistent with good social insurance practice.

Whenever consideration has been given in the past to the amendment of the Railroad Retirement Act, I have always insisted that, in making any change, the financial soundness of the railroad retirement system must be assured. Any proposal for the increase of benefits must at the same time provide that the financial soundness of the system must be maintained.

It is absolutely certain that the railroad retirement system is now underfinanced. In view of this fact, no further consideration can be given to the liberalization of benefits without providing some method by which additional revenues can be secured to pay the added costs. Enactment of H. R. 356 would add to the cost of the railroad retirement system some $385 million in the next 50 years without providing for any revenue to meet such cost to the system.

It is easy to see, therefore, why it was necessary in the 1951 amendments to the Railroad Retirement Act to reexamine the question of duplicate benefits. For the first time, duplicate benefits on a widespread scale became possible. Considering the need to conserve revenue as much as possible in order to improve the general level of railroad benefits, it seemed proper and logical for Congress to enact the duplicate benefit restriction as part of the railroad retirement amendments of 1951. The absence of a restriction in the earlier railroad retirement legislation merely indicates the fact that there was then no need for it. Now, however, there is both a need and a reason for it.

ENACTMENT OF H. R. 356 WOULD SERIOUSLY JEOPARDIZE FINANCIAL SOUNDNESS OF RAILROAD RETIREMENT SYSTEM

The financial condition of the railroad retirement system does not warrant during the next 50 years the expenditure of a total of $385 million in order to pay duplicate benefits to a little more than 30,000 railroad employees at the expense of 450,000 other individuals who are now on the benefit rolls under this system, and also at the expense of the 1½ million railroad employees and their employers who are paying the taxes for the support of this retirement system.

The duplicate benefit restriction of the Railroad Retirement Act is not an unfair provision, in any sense of the word. The individuals affected by this provision, on the average, have already received and will continue to receive railroad retirement benefits amounting to many times the amount of railroad retirement taxes they have paid. The enactment of this bill would create serious and great injustice between the group of 30,200 annuitants receiving duplicate benefits on the one hand, and on the other hand, the 450,000 individuals who are now on the retirement rolls under the law. The rights of each of the latter 450,000 persons would be prejudiced in order that the 30,200 persons will receive duplicate benefits. It is also unjust to the 1½ million railroad workers now in service and to the many millions of future railroad employees who, in order to pay the duplicate benefits to the 30,200 will be compelled to pay higher taxes.

It is not fair for a man to receive, free of charge, without paying taxes, a substantial annuity for prior service from the railroad retirement system and then, as a result of a short period at work in employment covered by the social-security system, to receive another largely unpaid-for benefit under that system. Such a duplication of benefits for untaxed service is unfair to, and at the expense of, the majority of railroad workers who stay in the industry and receive only a small increase in annuity for their additional service, or perhaps no increase at all if they already have 30 years of railroad service. To permit this duplication of benefits would constitute an inducement to an employee to leave railroad employment before he would otherwise retire—something which the retirement system was not intended to encourage.

Before concluding my remarks let me discuss briefly one more of the fallacious contentions made by those urging the repeal of the corrective restriction. In order to give a righteous appearance to the bill, H. R. 356, proposing special advantages to a few, to the disadvantage of the many and also to the detriment of the railroad retirement system itself, some spokesmen for the bill have been very elocutionary in their wailing about the restriction against duplicate benefits. They say that this restriction is a breach of solemn promise.

My friends, if time would permit, I could mention many instances, in connection with the development of the railroad retirement law itself, in which similar changes were made with the approval of the then chairman of the Railroad Retirement Board, Mr. Murray W. Latimer, and none of such changes were proclaimed to be a breach of promise. I shall refer to two such changes. In one of the instances, the Railroad Retirement Act of 1937 provided for the crediting of prior service to anyone who was on furlough on August 29, 1935, the enactment date of the act, whether or not he later returned to railroad employment.

At a cost of $9 million, the Railroad Retirement Board prepared an elaborate program for crediting prior service to anyone who was on furlough on August 29, 1935, the enactment date of the Railroad Retirement Act, whether or not such person later returned to railroad employment.

Thousands of railroad workers, whose rights to credit for prior service were based exclusively on their furlough status, were officially notified that their prior service credit was verified and would be credited to them upon retirement. Nevertheless, by the 1946 amendments, this provision was changed so as to deny credit for prior service to these workers, who did not return to railroad employment, even though they did not receive benefits under the Social Security Act.

I now state another instance. The 1937 act provided for the payment of an annuity to a person totally and permanently disabled for all regular employment regardless of the amount earned by him in any month in employment which was permissible for those with this type of disability. The 1946 amendments provided for the discontinuance of such an annuity if such earnings exceeded $75 a month for 6 consecutive calendar months.

These changes were, of course, meritorious and were adopted in order to correct maladjustments in the railroad retirement system which had escaped attention at the time of the enactment of the retirement law or because new circumstances warranted their adoption, as is the case with the provision against the payment of duplicate benefits. Although these changes operated to deprive persons of benefits otherwise covered by the system of benefits and for which they would have qualified, the changes were, nevertheless, very properly made.

Enough has now been said to show how ridiculous is the talk about breach of solemn promise.

In conclusion let me say again that H. R. 356, if enacted, would greatly harm the retirment system. First, because it would increase the yearly deficit to the extent of $11 million, which, added to the deficit now existing, would make a total yearly deficit of $56 million. Second, the allowance, by the railroad-retirement law, of free credit for all service rendered before the passage of the law, was necessary and proper in order to start the system. The Government properly allowed many thousands of persons such free credit for their prior service, because it was necessary. Workers with long years of service at the start of the railroad-retirement system clearly were unable themselves to pay the taxes necessary to discharge the cost of insurance for all the years they had worked before the system started. It would have been cruel to have even talked of refusing to include them in the system because they could not pay for many previous years of service. Because these persons, who were in the service when the retirement system started, could not pay the cost of insurance to cover their years of prior service, the system assumed the debt for them, which is being paid in part every year until it is all paid.

The Government, however, could not justify another free crediting for prior service when it was not necessary in order to assure the individual railroad worker, on account of his lifetime work, the same retirement protection as that provided for railroad workers having no prior service. The removal of the restriction, therefore, would mean the granting of special advantages to a few at the expense of the system, and therefore to the disadvantage of the many workers constituting the railroad system.

As already pointed out, the Bureau of the Budget has disapproved the passage of the bill, the Railroad Retirement Board has unanimously protested against the passage of H. R. 356, the Railway Labor Executives Association, representing about 75 percent of the railroad workers, is opposed to the measure, and the general counsel of the Association of American Railroads speaking for them was also earnestly opposed to the measure.

I am sure that all those who have been familiar with my work in Congress would say that I have constantly tried to improve the retirement system at every opportunity, and striven to protect the system against any dangerous proposals. If I were not thoroughly convinced of the evil embodied in the pending measure, I can assure you I would refrain from any opposition. During the more than 20 years which have elapsed since I began to pioneer for railroad retirement, all of my colleagues and the railroad workers themselves who have followed the matter closely, will, I am sure, agree that I have been earnest and sincere in my efforts to provide the very best retirement system in existence. My friends, I thank you for your attention.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., July 13, 1953.

Hon. CHARLES A. WOLVERTON,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, House Office Building, Washington, D. C.

MY DEAR MR. CHAIRMAN: This will acknowledge your letters of June 5, June 10, June 11, June 23, and June 27, 1953, asking for reports on H. R. 5571, H. R. 5624, H. R. 5625, H. R. 5631, H. R. 5854, and H. R. 5936. These are all bills to increase benefits under the Railroad Retirement Act, as follows:

H. R. 5571 would (1) begin spouses' annuities at age 60 instead of at age 65; (2) base monthly compensation on the 5 best years, whether consecutive or not, as compared to the present lifetime average method; (3) start widows' and widowers' annuities at age 55 rather than at 65; and (4) remove the work restriction for survivor annuitants. The Railroad Retirement Board has estimated the cost of the bill at $125

million a year, or 2.5 percent of taxable payroll.

H. R. 5624 would repeal the dual-benefit restriction, enacted by Public Law 234, 82d Congress, which requires a reduction in Railroad Retirement Act benefits based on untaxed service before 1937 where the annuitant or his spouse is entitled also to benefits from the old-age and survivors insurance system.

H. R. 5625 would (1) provide full annuities after 35 years of service, regardless of age, or at age 60 after 30 years' service; (2) change the 1924–31 base period for determining average monthly compensation to the 5 highest years during the period before 1937; (3) increase all annuities and pensions by 15 percent; (4) base minimum benefits for persons with 30 years' service on the 5 years of highest earnings; and (5) repeal the dual benefit restrictions. The Railroad Retirement Board has estimated the cost of the bill at $235 million a year, or 4.7 percent of taxable payroll.

H. R. 5631 would provide full annuities regardless of age for employees with 30 years' service and whose employment has been terminated by reason of abandonment of a railroad.

H. R. 5854 would change the permissible retirement age from 65 to 60 and provide payments of $95 a month to widows regardless of age.

H. R. 5936 would create a new benefit for dependent sisters of unmarried retired railroad workers patterned after the existing spouses' benefit.

In considering these proposals to liberalize benefits under the railroad retirement system we believe that the following points are important:

1. Study by Joint Committee on Railroad Retirement Legislation: During 1952 the Joint Committee on Railroad Retirement Legislation, under the chairmanship of Senator DOUGLAS, made a broad review of all aspects of the railroad retirement system, including its relationship to the old-age and survivors insurance system. The committee's report is expected to be available soon. It would appear desirable to postpone all legislation in this area until this report and its conclusions can be thoroughly studied and until experience under Public Law 234, 82d Congress, can be assessed.

2. Coordination with old-age and survivors insurance system: While the railroad retirement system is a staff pension system for a particular industry, it also embodies important social insurance features. In addition, it is now closely linked to the old-age and survivors insurance system as the result of Public Law 234, 82d Congress, and earlier amendments coordinating survivorship benefits under the two systems. Therefore, in studying legislation to amend the Railroad Retirement Act it is essential to consider the possible effect, directly or indirectly, on the old-age and survivors insurance system. For example, H. R. 5624 and H. R. 5625 would repeal the so-called dual benefit restrictions enacted by Public Law 234, 82d Congress, and thereby reduce coordination between the two systems. Similarly, the various proposals in the bills for new or very liberal benefits (such as for early retirement) may set a precedent for increasing social-security system benefits.

3. Financial situation of the railroad retirement system: The policy of the Congress since the inception of the system has been to maintain it on a self-supporting basis. However, the system is not now solidly financed. According to the fifth actuarial valuation, which has recently been completed, the present cost of benefits under the Railroad Retirement Act is 13.41 percent of taxable payroll. Since the combined employee and employer tax rate for maintenance of the system is only 12.5 percent of payroll, the valuation shows a present deficiency in the system of 0.91 percent of payroll.

The various bills here under consideration would cost from a few million dollars to as much as $235 million a year, but none of them provides for any additional revenues to meet the added cost of the new or liberalized benefits. As a consequence they would increase the present deficit of the system.

For the foregoing reasons the Bureau of the Budget recommends against favorable consideration of these bills by the committee.

Sincerely yours,

ROWLAND HUGHES,
Assistant Director.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. RADWAN].

Mr. RADWAN. Mr. Chairman, I want to add my voice in support of H. R. 356 which is before us. I have introduced a similar bill, perhaps identical with the measure before us.

This bill particularly affects those railroad workers who have earned the right to both railroad and social security benefits. It is supported nevertheless by all railroad workers, including those who are not affected by it at the present time. It is a fair and just bill, and a distinct improvement in our present railroad retirement law. It corrects a gross injustice that was written into the law in 1951 and referred to as the "dual benefit" provision or the "social security offset."

A railroad worker pays a high rate for his pension and there is absolutely no reason why each and every participant should not have the benefit of everything he is paying for. In this case, where a railroad worker has earned and paid for a social security benefit as well as for a railroad retirement benefit, by all that is fair, he should have full benefit of both. At the present time, if a retired employee has earned a $90 monthly railroad retirement benefit and following this he earned, let us say, a $40 monthly social security benefit, he is permitted to keep his full social security benefit but his railroad retirement benefit is reduced by the $40 which he receives as social security. This does not make sense and I repeat, Mr. Chairman, that a retired railroad employee, who earns both benefits, should receive and enjoy the benefits rightfully belonging to him.

Mr. WOLVERTON. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. HESELTON]

Mr. HESELTON. Mr. Chairman, I doubt very much if I can be of any great assistance. I think practically everything has been said that needs to be said on both sides of this issue. However, I would like to explain why I am supporting the bill, and why I believe others can in all good conscience support it.

It has been said here that this is a matter of simple justice. To my mind, that is the whole issue here before us. Let me give you an illustration.

Mr. Smith worked 15 years under social security and 15 years under railroad retirement, and when he retired he was awarded a pension of $117.55. That was a pension which he was told was for the rest of his life. After the amendments of 1951, and after the action on October 1, 1952, his check was reduced from $117.55 to $86.05. In other words, $31.50 was arbitrarily taken away from him. We all know that if that should happen under a private insurance arrangement, immediate suit would be brought, and the amount would be reinstated.

I am not here saying that this may not have an adverse effect on the fund. Of course it may. However, there are ways by which this fund can be protected. One of them is by changes of investment. There is a very low rate of interest paid into this particular fund in comparison with other Government investments. The rate of interest has increased. That field is being explored.

There are other ways in which they can probably build up this fund to a degree where there will be no question about its solvency. There is absolutely no question about its present solvency. As the gentleman from Pennsylvania [Mr. VAN ZANDT] indicated, there is over $3.6 billion in it, and it has been increasing by hundreds of millions of dollars each year. There is no indication that those increases will not continue.

Finally, let me quote one sentence from the testimony of Mr. Murray Latimer, who I believe is as expert in this field as anybody in the entire country:

> This is the first time in the history of all of the world in which men given benefits by a law of a national government have ever had those benefits reduced.

We have done that. I urge that it is our great obligation to change that this afternoon.

Mr. WOLVERTON. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. BEAMER].

Mr. BEAMER. Mr. Chairman, my interest in H. R. 356 is a continuing interest in behalf of all workers on the Nation's railroads. The 82d Congress, which was my first term in the United States Congress, was not my first contact with problems of interest to railroads and railroad employees. I had come into contact with their legislative problems when I was a member of the Indiana General Assembly. Even before that time, I had a wide acquaintanceship and even a family relationship with railroad employees.

Consequently, when the complicated matter of railroad retirement pension legislation came before our House Interstate and Foreign Commerce Committee, I attempted to place myself, so to speak, in the shoes of these railroad employees who some day would be depending upon this pension fund. I wanted to secure their thinking and their desires and accordingly I sent several hundreds of letters to these railroad employees and asked them four different questions.

Some 65 or 70 percent of these railroad employees responded. All but six stated that they did not want the railroad retirement and social security funds combined. These 6 apparently had sent my letter on to some national officer because those 6 replies were worded exactly the same and were the only ones that differed from the other

several hundred who spoke for themselves. When the employees spoke for themselves in this manner I was convinced that this was their true and honest thinking. It was on the basis of these letters that I voted and worked for railroad employees in the 82d Congress. I feel confident from the many letters and personal contacts that I have had with these same people since that time that they were appreciative of this opportunity to speak for themselves. I voted the sentiment of these people as it was displayed in the several hundreds of letters that I received.

In the 1951 amendments to the Railroad Retirement Pension Act there was this provision that was written into the act:

> The railroad annuity or pension of an individual, and the annuity of his spouse, if any, shall be reduced beginning with the month with which such an individual is, or on proper application, would be entitled to an old age insurance benefit under the Social Security Act.

This clause was the result of the partial combination of the railroad-retirement fund with the social-security fund, which repeatedly has been protested by many, many railroad employees.

This is the so-called social-security offset, and testimony this year before our committee has revealed the fact that it has worked a hardship on more than 30,000 retired railroad workers.

H. R. 356 would repeal this portion of the 1951 amendment. It certainly seems fair to all railroad employees because they now are the only group that are not permitted to receive dual benefits. Even the members of the Railroad Retirement Board were very frank in testifying that they were eligible to receive the maximum benefits under their railroad retirement pension fund, to which they had contributed, and also to receive the full benefits under the Federal employees retirement fund to which they also had been contributing. H. R. 356 will remove this discrimination which affects more than 30,000 retired railroad workers.

It also eliminates a condition that seems to me to apply a penalty which is retroactive against workers who, in good faith, and according to existing law, sought to increase their retirement income by supplementing their railroad annuity with a social-security benefit toward which they have also contributed.

H. R. 356 will again make it possible for retired railroad employees to seek and secure employment covered by social security after age 65 because it will be necessary for them to pay the payroll tax under social security and this new legislation would make it possible for these deserving people to increase their pension fund which is needed so badly in these times of high living costs.

The Railroad Retirement Act is self-supporting. In fact, the railroad employee pays 6¼ percent of his total income and railroad management pays the same amount. Consequently, this amendment does not add any cost to the United States taxpayers. H. R. 356 thus will be of benefit to all people but especially to those retired railroad employees who believe in thrift and industry even in their retired days in the latter years of their lives.

Mr. WOLVERTON. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield for a question?

I have been asked several times what effect these amendments proposed in the bill have upon the actuarial condition of the fund from which the money is taken and whether or not the additional payments would in any way affect that fund. Could the gentleman answer that?

Mr. VAN ZANDT. Yes; I will answer that question during the course of my remarks.

Mr. PHILLIPS. I thank the gentleman.

Mr. VAN ZANDT. Mr. Chairman, I deeply appreciate the action of the House Committee on Interstate and Foreign Commerce and the Rules Committee in making possible consideration of my bill, H. R. 356.

This bill which was introduced by me in the 82d Congress and which was reintroduced by me on January 3, 1953, is designed to repeal the restrictions imposed by the 1951 amendments to the Railroad Retirement Act against the payment of dual benefits to retired railroad employees who have qualified for such benefits under the Railroad Retirement and Social Security Acts.

By way of explanation, when the House was considering amendments to the Railroad Retirement Act in 1951, a provision denying payment of dual benefits was defeated on the floor of the House. Later it was added by the conference committee, with the result that the day before Congress adjourned in the fall of 1951, it was forced to accept the conference report or lose the opportunity to liberalize the Railroad Retirement Act and increase benefits.

When the provision of the 1951 amendments prohibiting dual benefits was originally before the House, its advocates stated that it would save money for the railroad retirement fund and thereby help finance the additional expenditures necessary to pay the 15 percent increase to the retired railroader, a monthly benefit to his spouse and 33⅓ percent increase to widows and surviving children.

In other words, the additional cost of these 1951 amendments was to be borne in part, by penalizing some 30,000 retired railroad employees who met all the requirements of eligibility for earned benefits under the Railroad Retirement and Social Security Acts.

When this provision was being debated on the floor of the House, I strongly opposed it on the grounds that it was grossly unfair, highly discriminatory, and that sooner or later, Congress would have to recognize the injustice inflicted upon thousands of retired railroaders entitled to dual benefits.

Since the enactment of this provision denying dual benefits, experience has proved the truth of my assertion, because never in all my years of close contact with the thousands of active and retired railroaders who live in my congressional district, have I received so much violent criticism as has resulted from the enactment of the provision in the 1951 amendments to the Railroad Retirement Act prohibiting the payments of dual benefits.

In order to put this discussion in simple language and to emphasize the fact that there is a principle involved, let me illustrate the injustice and discrimination that have resulted from the application of this prohibition against dual benefits.

Let us consider Mr. X, employed by the Pennsylvania Railroad Co. as a mechanic and who retired at the age of 65 after having met all the requirements of the Railroad Retirement Act.

After Mr. X's application was duly processed by the Railroad Retirement Board and his eligibility established for retirement benefits, he received a letter from the Chairman of the Railroad Retirement Board which read, in part, as follows:

> Based upon your application and the evidence of record, an annuity under the Railroad Retirement Act has been approved in your favor, payable during your lifetime and in the monthly amount of $83.50.

In addition, Mr. X received a certificate of annuity inscribed as follows:

> Having retired from employer service and otherwise qualified, you are entitled to receive an annuity as provided by and subject to the conditions of the Railroad Retirement Act.

Mr. X, having adjusted himself to living on $83.50 monthly, which was increased to $100.20 by the 1948 amendments to the Railroad Retirement Act, was approached during the early days of World War II by a private manufacturer, building equipment for the war effort, and asked to accept employment. The private manufacturer received Mr. X's name from the Railroad Retirement Board, which at that time was actively recruiting retired railroad employees for private industry as part of the great effort made in World War II to fully utilize the manpower of our Nation.

Mr. X, with the approval of the Railroad Retirement Board, accepted employment with a private manufacturer and left his home to travel to a distant State. After working throughout the war and establishing his entitlement to earned social-security benefits by complying with all provisions of the Social Security Act, he became eligible under the Social Security Act for a monthly benefit of $45.20.

Therefore, Mr. X, as a retired employee of both a railroad and a private manufacturer, then held a contract with the Railroad Retirement Board entitling him to $100.20 monthly, payable during his lifetime. He also had a contract with the Social Security Administration to receive for the remainder of his life, monthly benefits of $45.20. These combined monthly benefits amounted to $145.40.

Let me repeat again that Mr. X, as a retired employee of a railroad and a private manufacturer, then held valid contracts with the Railroad Retirement Board and the Social Security Administration guaranteeing him specified monthly benefits for the remainder of his life.

In the fall of 1951, Congress amended the Railroad Retirement Act effective October 30, 1952, to provide a 15-percent increase to all annuitants with the result that Mr. X was then eligible to receive $115.24 from the Railroad Retirement Board.

In addition to the amendments that increased benefits by 15 percent and otherwise liberalized the law, Congress also approved the so-called dual benefit amendment providing that retired railroad employees who were drawing benefits based on service prior to 1937 should have their benefits reduced by the amount of the social-security benefit they were receiving.

In the case of Mr. X, he was receiving monthly benefits from the Railroad Retirement Board of $115.25 plus $45.20 monthly from social security.

Because of this amendment denying dual benefits and the fact that Mr. X had service prior to 1937, the Railroad Retirement Board deducted from his $115.24 the $45.20 he was getting from social security, thus leaving him a monthly benefit of $70.04 from the Railroad Retirement Board.

In other words, Mr. X, instead of receiving a combined monthly benefit of $160.44 to which he was entitled, he was penalized by having the $45.20 he was receiving from social security, deducted from his railroad-retirement annuity of $115.24, leaving him a monthly railroad-retirement annuity of $70.04.

As a result of this transaction, the Railroad Retirement Board saved $45.20 monthly at the expense of Mr. X, and since there are about 30,000 other Mr. X's in the same category, it is proper to say that this group of retired railroaders was singled out by Congress and made to bear the cost of the other 1951 amendments to the Railroad Retirement Act. Let me add that this highhanded and discriminatory method of financing the 1951 amendments was used as an excuse and that such action would eliminate the necessity of increasing payroll taxes.

In plain words, when Mr. X retired from the Pennsylvania Railroad, he had a contract with the Railroad Retirement Board that said:

> During your lifetime you will receive a monthly amount of $83.50.

In the fall of 1951 when Congress approved an amendment to the Railroad Retirement Act prohibiting dual benefits, it arbitrarily altered the contract that Mr. X had with the Railroad Retirement Board and without his knowledge or consent. Therefore, instead of receiving the $83.50 the contract stipulated, his lifetime annuity was reduced to $70.04.

Many of you will remember that during the 82d Congress earned social-security benefits were increased on an average of $5 monthly. In the case of Mr. X, his $45.20 monthly benefit under the Social Security Act was increased to $50.20. But this $5 he was entitled to under the Social Security Act was deducted from the $70.04 revised annuity he was receiving from the Railroad Retirement Board. In other words, Mr. X was the victim of another violation of a contract and instead of receiving $83.50 guaranteed to him for his lifetime, it is now whittled down to $65.04.

Mr. Chairman, I am not worried about the cost of repealing the amendment prohibiting dual benefits as provided for in my bill H. R. 356. My sole concern is the principle involved.

As I mentioned in the beginning of my remarks, when Congress adopted the provision in the 1951 amendments to the Railroad Retirement Act denying dual benefits to those entitled to them, it abrogated a contract that some 30,000 retired railroad employees had with the Railroad Retirement Board.

Mr. Chairman, according to the Railroad Retirement Board, the cost of H. R. 356 will be $385 million or in payroll tax, an increase of fifteen one-hundredths of 1 percent.

In this connection, let me point out that the balance in the railroad retirement fund in May 1952, was $2,776,005,-917. At the end of May 1953 the balance in the retirement fund was $3,052,-716,320 which means that in the period of 12 months, the fund increased $276,710,403.

In the hearings of March 2, 1953, before the House Committee on Interstate and Foreign Commerce concerning the railroad retirement fund, Mr. Matscheck, an actuary employed by the Railroad Retirement Board, had this to say when asked about the annual increase of the railroad retirement fund over expenditures:

> As I tried to explain, for many years—10, 15, or 20 years—there will be collections in excess of expenditures. Thereafter, there will be expenditures for benefit payments which will be exceeded by the amount of taxes collected, but the interest on the reserve account will make up that shortage.

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

Mr. VAN ZANDT. I yield to the gentleman from Arkansas.

Mr. HARRIS. I should like to advise the gentleman that a few days ago the interest on the retirement fund was computed and placed in the fund itself, to the extent of more than $80 million, added to the retirement fund.

Mr. VAN ZANDT. That is correct and should the expenditures exceed the income a larger interest yield is possible by increasing the interest rate.

Mr. HARRIS. Perhaps that is true.

Mr. VAN ZANDT. When Mr. Matscheck was asked how far ahead he was looking when he said there will be expenditures for benefit payments which will exceed the amount of taxes collected but the interest on the reserve account would make up the shortage, he replied:

> Indefinitely, or to use the actuary's expression "in perpetuity," meaning almost as long as 150 or 200 years.

At the same hearings, Mr. Horace W. Harper, member of the Railroad Retirement Board, when speaking about the disparity between the income of 12½ percent which is derived from payroll taxes and the figure of 14.1 percent which represented the amount of the anticipated payroll tax, said:

> We found ourselves willing to take that sort of a disparity because it was small enough to offer no immediate danger to the fund.

In answer to another question as to the current soundness of the fund, Mr. Harper replied:

> It is so regarded, so much so that there is no real danger implicit in the continuance for a period. The difference between 14.1 percent and 12.5 percent is not substantial enough to offer any threat to the solvency of the fund for a number of years.

If Mr. Matscheck who is an actuarial expert, and Mr. Harper, who is a member of the Railroad Retirement Board, have no fear of the disparity between 12.5 percent and 14.1 percent I cannot understand the anxiety of opponents to this bill who are crying that the $385 million estimated to be the cost of this bill will wreck the retirement fund.

To further alleviate the fears of the opposition, I would like to call attention to the following statement, appearing on page 15 of the fifth actuarial evaluation of the retirement fund released by the Railroad Retirement Board April 1953:

> Subject to the assumptions upon which the valuation was based, the cost calculations show that the level tax rate required after 1951 to finance adequately the benefits of the railroad retirement system should be 13.41 percent of taxable payroll. Since the effective rate of the existing tax schedule is about 12½ percent, a deficiency of .9 percent of payroll is indicated.

Mr. Chairman, if the fifth actuarial report reveals that 13.41 percent of taxable payroll is necessary to finance the Railroad Retirement Act and the cost of H. R. 356 is fifteen one-hundredths of 1 percent by adding it to the 13.41 percent we have the figure of 13.56 percent which is less than the original estimate of 14.1 percent mentioned by Mr. Matscheck and Mr. Harper. Therefore, since Mr. Matscheck and Mr. Harper both take the position that there is no real danger in the disparity between 12.5 percent and 14.1 percent, how can the cost of H. R. 356 in any manner affect the solvency of the retirement fund?

I would like to take issue with the spokesman for the opponents of H. R. 356 when they say that 80 percent of the railroad employees who pay half of the taxes for the support of the railroad-retirement system are opposed to this bill.

A recent check of the Interstate Commerce Commission form M–300 for March 1953, reveals that 1,286,614 persons were employed by the class I railroads of the United States.

According to the Interstate Commerce Commission, as of the middle of March 1953, the employees engaged in transportation, such as train and engine service, constitute 20.85 percent of the total number of railroad employees. This group, composed of enginemen and trainmen, from the standpoint of organized labor, are represented by the Brotherhood of Locomotive Engineers; Brotherhood of Locomotive Firemen and Enginemen; Order of Railway Conductors; the Brotherhood of Railroad Trainmen; and the Switchmen's Union of North America. In a few words, they are known in railway labor circles as the "OPS."

The nonoperating groups are represented by the Railway Labor Executives' Association, a combination of unions representing various classes of employees

such as machinists, boilermakers, telegraphers, clerks, oilers, signalmen, freight handlers, and so forth. These unions are reported to be opposed to the enactment of H. R. 356.

To contradict such a report, I should like to read the following telegram from Mr. A. J. Hayes, international president of the International Association of Machinists, one of the organizations affiliated with the Railway Labor Executives' Association. The telegram reads as follows:

JULY 17, 1953.

Congressman JAMES VAN ZANDT,
United States House Office Building, Washington, D. C.:

The International Association of Machinists, a labor organization of over 800,000 members, which represents the machinists, machinists' helpers, and apprentices on every railway carrier in this country, after due study and consideration, wholeheartedly supports the enactment of H. R. 356 which has, as its purpose, the repeal of that provision which at present denies dual-benefit provisions under our retirement laws.

A. J. HAYES,
International President.

It must be recognized that the International Association of Machinists represent not alone railway machinists and their helpers, but those outside the railroad industry. From a dependable source, I am told that the International Association of Machinists have 80,000 members employed on the railroads of America as machinists, helpers, and apprentices.

I should like to read another telegram I received from Mr. Robert Oliver, assistant to the president and coordinator of legislative activities, Congress of Industrial Organizations, commonly known as the CIO. The telegram reads as follows:

JULY 20, 1953.

Today many workers earn and pay for benefits under the Railroad Act and the Social Security Act. When this happens, they are not permitted to collect both benefits. This is because part of section 3b of the Railroad Retirement Act prevents the payment of so-called dual benefits. H. R. 356 would amend the Railroad Retirement Act to permit workers to collect their earned benefits. On behalf of the one million and thousands of members in CIO unions on ships, ferryboats, maintenance of ways and yards, we endorse H. R. 356 and urge its speedy adoption.

ROBERT OLIVER,
Assistant to the President and Coordinator of Legislative Activities, Congress of Industrial Organizations.

Your attention is called to the fact that the CIO is speaking for crafts employed in the railroad industry which includes employees on ferryboats, car floats, maintenance-of-way, boilermakers, car-builders and many other crafts employed in the railroad shops and roundhouses. The CIO attained the right to speak for these employees covered by the Railroad Retirement Act as a result of employee elections held under the Railway Labor Act.

I have another telegram from Mr. David J. McDonald, president, United Steelworkers of America, which reads as follows:

JULY 22, 1953.

In behalf of the more than 10,000 steelworkers who are employed in and about the properties of steel companies on connecting railroads we urge your support of H. R. 356.

DAVID J. MCDONALD,
President, United Steelworkers of America.

I have another telegram from Mr. Culbert Bowen, president of the Railway Patrolmen's International Union, A. F. of L., who represents the patrolmen and police on the railroads of the Nation. Mr. Bowen's telegram reads as follows:

JULY 23, 1953.

The Railway Patrolmen's International Union, A. F. of L., representing patrolmen and police on all the railroads wholeheartedly supports the action of your bill H. R. 356 to repeal the unfair provisions of section 3–B of the Railroad Retirement Act which does deny retired railroad workers the pensions they are entitled to if they have earned social-security benefits in other employment.

CULBERT BOWEN,
President.

At this point it is pertinent to state that the records of the Interstate Commerce Commission disclose that some 350,000 employees of the railroads such as executives and officials, professional and subprofessional assistants, supervisory officers, roadmasters, general foremen, and so forth, do not belong to labor organizations and therefore have not expressed themselves regarding H. R. 356.

When taking into consideration that there has been practically no mail in opposition to H. R. 356 and the fact that the operating brotherhoods, the International Association of Machinists and the CIO heartily support H. R. 356, I say in all fairness that the statement to the effect that 80 percent of all railroad employees oppose this legislation, should be taken "with a grain of salt."

The majority of you know that I come from a railroad district and that I am a railroad man myself. Rubbing elbows almost daily with railroad employees, I can tell you that they want the Railroad Retirement Act as it was originally intended, to be separate and distinct at all times from social security.

Therefore, I hope that H. R. 356 will be approved and thus enable Congress to redeem itself for breaking faith with thousands of retired railroad employees.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. Under the rule all time has expired. The Clerk will read.

The Clerk read as follows:

That section 3 (b) of the Railroad Retirement Act of 1937, as amended, is hereby further amended, effective October 30, 1951, by striking the last paragraph thereof.

With the following committee amendment:

Page 1, line 6, insert a new section to read as follows:

"SEC. 2. In the case of any deceased individual whose death occurred before the first day of the first month following the month in which this act is enacted, so much of any annuity or pension payment as is due such individual by reason of the enactment of the first section of this act shall be paid only—

"(1) to the widow or widower of the deceased, if such widow or widower is living on such first day; or

"(2) if there is no such widow or widower, to the child or children of the deceased if such child or children are living on such first day.

For the purposes of this section, the terms 'widow', 'widower', and 'child' have the same meanings as those assigned to such terms by section 5 (1) (1) of the Railroad Retirement Act of 1937, as amended."

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

Mr. Chairman, I realize the hour is getting late and some Members, I am sure, would like to get away as soon as possible. I wish, therefore, to make but a few brief remarks.

In the first place, we have had enough experience in this House to understand that when we get into general debate those in control of the time on many occasions find themselves in a position they are not able to give time to those who might desire it. This unusual situation we have had here today might lead some of you to assume that none of the members of the committee on the Democratic side are supporting this bill. I can assure you that assumption is not the fact. The fact that we did not have an opportunity to speak on this in general debate in no way indicated that several or in fact a majority of the members of the committee on the Democratic side are not wholeheartedly in support of this bill. I can understand, and I know the other members of the committee understand very well, the position our beloved chairman when he said he could not give us any time during general debate. It is not a fair situation. I shall try to see it does not happen again.

This matter, Mr. Chairman, very frankly speaking, is the result of the old fight we had 2 years ago when the 1951 amendments were adopted. This was one of the provisions which was involved during the course of the consideration of amending of the Railroad Retirement Act. It might be recalled that I offered the substitute to the bill we had then for consideration on the floor of the House. The substitute I proposed did not include the provision which would work what I thought to be a gross inequity on these railroad people.

May I say the 10-year integration with social security was involved in the course of that fight. I was opposed to the integration provision of the railroad retirement with the Social Security Act. I was opposed to the provision which these 30,200 people so estimated would have taken from them the amount that they would draw should they qualify under social security or even entitled to qualify for, from the amount of railroad retirement that they were entitled to receive and have been receiving since retirement.

The House adopted my substitute and it went to conference. The conferees in trying to compromise these controversial matters, brought back to the House their recommendation. As has been said, that was on the day before the Congress adjourned; consequently, in order to get the bill approved and since the conference approved it the House accepted and thus we have this provision under consideration today as a part of the Railroad Retirement Act.

Let me repeat again what this does. Under the act there is estimated 30,200

railroad people who had prior service credit, meaning prior service to 1937 when the Railroad Retirement Act became effective. Those are the only ones involved in the consideration of this bill we have here. No one else is affected at all.

Mr. HINSHAW. I think the gentleman better add the widows of those people.

Mr. HARRIS. Yes, the widows, of course; when they were brought in under the act of 1946. Then, of course, that added to the liability of the fund.

I hope members of the Ways and Means Committee will listen to this statement.

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

(On request of Mr. WOLVERTON and by unanimous consent Mr. HARRIS was given 5 additional minutes.)

Mr. HARRIS. Mr. Chairman, I apologize to the committee but I want to see if I can straighten out some of the things in this debate.

With the adoption of the amendment to the Social Security Act of 1950, any person who had 6 quarters, I believe, and reached a certain age could qualify for benefits under the Social Security Act. After that action it was decided by some that the Railroad Retirement Act should be amended and that there was an opportunity to take advantage of the provision of the Social Security Act in behalf of the Railroad Retirement Act and add some funds, therefore, strengthen the Railroad Retirement Act insofar as that fund is concerned. That is the reason for the integration, that is the reason the 10-year men were transferred to social security and over $80 million to the credit of the Railroad Retirement Act. This was at the expense of social security. In fact, the integration meant some $800 million to railroad retirement.

Here is transaction with these prior-service employees of railroad retirement. Consequently they said, if you retire or have retired and are drawing retirement under the Railroad Retirement Act, and can qualify under the Social Security Act, the amount you draw from your social-security payments would be deducted from the amount you have been drawing or will draw from your railroad retirement.

Now that is the problem we have here. We say that is certainly an injustice, it is an inequity to these 30,000 and more people, and consequently when they had this money deducted from their checks, the Congress began to hear from them.

Then, the Social Security Act was amended again last year to give every beneficiary an additional $5. The Railroad Retirement Act again enhanced its fund from the Social Security Act because it took $5 more from the railroad-retirement annuity for each annuitant. It reduced his retirement by that much; that is what we are here to correct.

Now, Mr. Chairman, there has been a lot of talk about these people never having paid any taxes, that is, those with prior-service credit. Certainly they did not pay taxes, but, as everybody knows, when there was agreement to the 1937 Retirement Act, it was agreed they would be taken care of; I say that is an agreement that should be kept. That is my opinion of it.

There is a lot of talk about endangering the fund. Let me give you a little history. In 1946 I supported the railroad-retirement amendments that the gentleman talked about a moment ago. We provided these additional benefits. They were adopted on the basis of a payroll of, I believe, about $3,600,000,000. The actuaries said, "Oh, if you go any higher than this, it will endanger the fund" but they missed it. Certainly I think they were justified in being conservative, but in 1948, without adding to the fund, we increased the benefits by 20 percent and they said, "We cannot go any higher than that." But you know what happened. The soundness of the fund itself increased, even though we gave them 20 percent more benefits out of the same fund. In 1951, when we had the original Crosser bill, it was estimated by the Railroad Retirement Board that it would cost 14.16 percent of payroll. The amount contributed was 12.50. But the proponents of the bill said that would not endanger the fund, even though it was over 1½ percent above the amount that was being collected. But what happened? When the House got through with it, when the House passed it, amending it with the substitute I proposed, it was estimated by the Railroad Retirement Board that it would cost about 14.71 percent of payroll. Now it was estimated, as we passed it, that it would cost 14.71 percent of payroll; but when it came back from conference it was estimated that the figure, as it was finally adopted, would cost 14.41 percent of payroll, and yet no one said there was any danger to the fund or it was not sound actuarially.

But, when we gave another boost to the social security of $5 payment, it was estimated then that the fund was 14.11 percent of the payroll. Still, there was no concern about the soundness of the fund, but when the Railroad Retirement Board reported a few days ago the fifth actuarial report, do you know what they said? They said that under the railroad retirement fund actuarially the cost was 13.41 percent of the payroll.

I do not know anything about actuarial problems but I do know this: If the actuaries themselves who have told us now for the last 7 or 8 years about what the future of this program would be have missed it anywhere from 1½ to 2 percent, then how can they say that fifteen one-hundredths of 1 percent would endanger the fund at this time? I think that is just too ridiculous to consider.

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

Mr. HARRIS. I yield to the gentleman from Georgia.

Mr. LANHAM. Do all of the 30,200 employees involved draw social security?

Mr. HARRIS. Yes. There are others with prior service who do not.

Mr. LANHAM. As to those that do not, is anything deducted from their pension?

Mr. HARRIS. Not at all.

Mr. LANHAM. It seems manifestly unfair, then, to deduct from those who have worked.

Mr. HARRIS. That is what I have tried to point out to the membership of this House.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, like the gentleman from Arkansas who just addressed the Committee, I assure you that all the committee members on the Democratic side were not opposed to this legislation. As a matter of fact, two of the Members on our side—the gentleman from Texas [Mr. THORNBERRY] and I—introduced bills identical to H. R. 356, under consideration today.

I realize, as does the gentleman from Arkansas, that the distinguished ranking minority member of our committee, our former chairman, has many problems in meting out time in general debate to members on his side on measures coming from our committee. I realize that he had many requests for time today from Democratic members of our committee. So many, in fact, that he just did not have any left for the ones who were in disagreement with his views. But I do not mind, because I feel the same way he does.

Two years ago when we were considering the railroad retirement bill that we are now trying to correct, my distinguished chairman, in his argument, said:

> My answer to anyone who thinks that I must be unfriendly to him because I cannot agree with him on some subject is to be found in four lines which Edwin Edmund Markham shortly before he departed this life gave me in his own handwriting. These are the lines:
>
> "He drew a circle that shut me out,
> Heretic, rebel, a thing to flout;
> But Love and I had the wit to win;
> We drew a circle that took him in."

The circle that he drew today was around general debate, but he would not let us in. That is why we must resort to use of the 5-minute rule to present our side.

As I see this legislation it is not a complicated matter. It is a simple matter of right and wrong—of righting a wrong that was committed 2 years ago.

Here we have two separate and distinct retirement systems, both of them contributory on the part of the eventual beneficiary: The Railroad Retirement Act, financed by money paid in by the employees of the railroads, and the social-security system on the other hand, from nonrailroad employers and the employees. Both are administered by the Federal Government. Both have separate funds. Both have separate laws under which they operate. They have their separate and individual schedule of benefits and contributions, and are administered by different agencies. Yet, the two systems were tied together in 1951, much to the dismay of rail employees. I recognize that perhaps neither of these systems, with their present schedule of benefits, is actuarially sound. That being true, then I believe it is the duty of the Congress to attack these deficiencies individually and separately, by correcting social security to make it stand alone, and by correcting the Railroad Retirement Act to make it stand alone. Both should be

made actuarially sound, without having to lean on the other for support. I do not believe in making one system atone for the sins of the other, yet that is what we did in 1951, when we tied the two together. Can there be any justice in saying to a man, "Now you pay in your share of these funds down through the years, and when you reach 65 you can retire at a specific stated amount"; then, when the time comes for him to retire, you find he has become entitled to retirement compensation on the basis of services performed on another job, you break your contract with him? No, as far as I see it, the dual-benefits restriction in the Railroad Retirement Act is morally indefensible. Certainly you can defend it on actuarial grounds. By the same token, you could defend the proposition of denying benefits to red-headed people. That would be actuarially sound, too, but it would be wrong. If the railroad retirement system cannot meet the test of this bill, it should be rewritten entirely, or repealed.

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

Mr. WILLIAMS of Mississippi. I yield.

Mr. HESELTON. Is it not also true that under no other pension scheme of the Federal Government does the same situation exist, as exists under the Railroad Retirement Act, and which we seek to correct today?

Mr. WILLIAMS of Mississippi. If I thought so, I would be introducing bills to repeal it.

Mr. ROGERS of Florida. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, while this is a very technical bill—that is, this railroad retirement and social security legislation—the amendment that we are considering today is very simple. It does not do anything except to correct the mistake or the error that was made in 1951 when we passed the law restricting what we refer to as dual benefits. We provided in 1951 that when a railroad man retired, after having worked for the railroad a number of years, he could draw a certain annuity. We further provided, after he retired and it became necessary for him to work again, to get a job, and he came under the social-security system, whatever retirement benefits he was entitled to under the social-security system, could not be added to what he had earned under the Railroad Retirement Act. In other words, he could not claim one. In other words, we penalized him for going out, after retiring from the railroad retirement system and getting a job that came under social-security. We said to him that his benefits under social security must be deducted. We said to him that it must be deducted irrespective of whether he got it or not.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. VAN ZANDT. Did not the Congress of the United States just arbitrarily alter a contract this man had with the Railroad Retirement Board?

Mr. ROGERS of Florida. There is no question about it.

Mr. VAN ZANDT. Without consulting him?

Mr. ROGERS of Florida. Without consulting him.

I want to say this further: Just presume that a man who had been in the railroad work for a number of years then gets a job that comes under the social-security system—provided he could get a job—if he got more than $75 a month he would lose the benefits under the social-security system and he would also lose his benefits under the railroad retirement system. Is that fair? Does that appeal to your sense of honesty and equity?

We made a mistake. We have injured 30,200 railroad men, and they are coming to us, they are pleading with us: "Won't you please correct it? Just correct it so if we do happen to retire from the railroad system and get a little job out here we are protected. We are paying for both systems; we paid for the retirement benefits, we have paid for the social-security benefits. Are you going to take them away from us?"

If that is your idea of justice, if that is your idea of dealing with your fellow man, God help you.

If a person pays taxes into two retirement systems such as the railroad and social-security systems he should be permitted to draw benefits from both.

Related to this criticism is the assertion that it is unfair, unfair to require a retired railroad annuitant to take a job covered by social-security, and pay the social-security taxes when he has no hope of receiving benefits under that system.

Mr. BATTLE. Mr. Chairman, the Committee on Interstate and Foreign Commerce is performing a service to the Congress and those interested in the Railroad Retirement Act by bringing out H. R. 356 for debate at this time. This gives us a chance to clear up inequities and misunderstandings about this legislation. I have been worried about this for some time since there seems to be something morally wrong about the way the basis act as amended has been working and I hope we can find the right answer today. As I understand it, under the operation 3 (b) of the act as it now stands we have a situation where a man in good faith pays taxes as required by law under two systems of retirement in anticipation of the day when he will be too old to work that he will be entitled to receive a small pension from each system and be able to afford the necessities of life. In most cases the thousands of persons who are affected by the social security offset provision had no choice about the retirement system under which they fell and were compelled to pay taxes. Many of them began working in the railroad industry and after many years of service during which time they paid railroad retirement tax as required by law they were forced out of the industry because of reductions in force, abandonment of their railroad or other causes.

Being unable to obtain similar employment with another railroad, many of them in their later years drifted into employment covered by the social-security program. After working for years under this system during which time they also paid tax for social-security benefits as required by law they retired. Having qualified and earned pensions under two systems of retirement as required by law they were entitled to receive a small pension from both railroad retirement and social security which they did.

This arrangement had the blessings of Congress when it passed both laws. Railroad retirement checks began coming through monthly and social-security checks began coming through simultaneously. In fact when the pensioner received his first railroad retirement annuity check a letter accompanied it telling him that a check in such and such an amount is enclosed and that during his lifetime each month he would receive a check for not less than that amount.

Then suddenly in 1951 he received a check from the Board and found it had been reduced by the amount of the check he received from social security.

Mr. Chairman, I ask in all seriousness, is it fair to collect by force a tax from a worker for his pension when he is not now eligible for that pension according to the law we passed in 1951? Let us review this whole thing today as thoughtful, responsible representatives of the people keeping in mind our duty to those who are so vitally affected as well as our duty to the interest of the public.

We should not in my opinion collect a tax for a specific purpose when our own law prohibits the money collected from being used for that purpose. Ladies and gentleman, I humbly submit at this time that we should make any changes necessary to make this legislation fair to all concerned but certainly we should correct the obvious inequities that have been pointed out here today.

Mr. WOLVERTON. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto end in 15 minutes.

Mr. HARRIS. Mr. Chairman, reserving the right to object, how many amendments are there at the desk?

The CHAIRMAN. There are two amendments at the desk, the Chair is informed.

Mr. HARRIS. And the gentleman from New Jersey is asking that the debate be limited to 15 minutes?

Mr. WOLVERTON. I was.

Mr. KERSTEN of Wisconsin. Mr. Chairman, I object.

Mr. WOLVERTON. Mr. Chairman, I move that all debate on the bill and all amendments thereto close in 20 minutes.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

The CHAIRMAN. Are there any amendments to the committee amendment?

Mr. KERSTEN of Wisconsin. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. KERSTEN of Wisconsin to the committee amendment: On page 2, line 9, strike out the period and add the following: "Except the term 'widow' shall also include the widows of employees who, prior to death, had not less than 30 years of service as defined in section 1 (f) of the Railroad Retirement Act of 1937, as amended, and who died in the period beginning August 29, 1935, and ending June

30, 1938, shall be deemed, solely for the purpose of a widow's age 65 annuity, to have died fully insured, within the meaning of section 5 (1) of such act: *Provided, however,* That any annuity awarded under this section shall be computed in the same manner as if such annuity had been awarded under section 5 (a) of such act: *Provided further,* That this section shall apply only with respect to widows who are not receiving monthly pensions (whether under public or private plans) based on the railroad service of their deceased husbands."

Mr. WOLVERTON. Mr. Chairman, I reserve a point of order against the amendment.

Mr. KERSTEN of Wisconsin. Mr. Chairman, this amendment applies to a very narrow and a very small group of individuals who are perhaps the most worthy group of individuals involved in the entire railroad employee setup. This group is composed of the widows of those employees who died during the period between 1935 and 1938 and who were not covered by anything; employees who had a minimum of 30 years' service who died during that period leaving widows who had no benefit whatsoever, and it applies only to those widows who do not receive social security or any private pensions from railroad benefits of any kind whatsoever. These are the widows of the employees who built the railroads of this country.

I offered this amendment 2 years ago. I recall that the gentleman from Arkansas [Mr. HARRIS] looked upon it favorably at the time and said it was going to be studied, but, actually, the committee never got around to it. Mr. Matscheck reported at that time it would not increase the rates whatsoever. There were only several hundred people involved. The elderly widows of these long-time employees should be included within the definition of "widows."

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

Mr. KERSTEN of Wisconsin. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. I have asked the gentleman to yield in order that I may bring to the attention of the committee the fact that this amendment has never been offered to the committee. It has a lot of ramifications I am not sure of; in fact, I do not think it is germane, but I do not intend to press that point. I would rather have the Committee vote on it, believing that with the small amount of information we have the Committee would prefer probably to vote the amendment down.

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

(By unanimous consent, the time allotted Mr. WOLVERTON was given to Mr. KERSTEN of Wisconsin.)

The CHAIRMAN. Does the gentleman from New Jersey withdraw his point of order?

Mr. WOLVERTON. Mr. Chairman, I withdraw the point of order. I think that the gentlemen should bear in mind the committee realizes that there are many inequities of one kind or another that probably should be corrected, but we must do it in a careful, sound way. I was disappointed that the joint committee appointed previously did not come to any conclusions as they should. It is the intention of the Committee on Interstate and Foreign Commerce of the House to continue those studies into every phase and I can assure the gentleman that the question he has raised will have the consideration of the committee.

Mr. KERSTEN of Wisconsin. Mr. Chairman, may I say to the distinguished gentleman from New Jersey that this amendment was drafted with the assistance of Mr. Schreiber 2 years ago and was considered by both sides to be a meritorious amendment at that time. I would request the gentleman to withdraw his opposition to it or his hesitancy about it at this time for the reason there might be some ramifications because this only affects a very few people. It is limited to those widows whose husbands died during this period between 1935–38 and whose husbands had 30 years of service.

Mr. WOLVERTON. The gentleman has more knowledge of the subject than any member of the committee has. In the first place, I did not know Mr. Schreiber drew it and that would not necessarily recommend it to me, anyway. But the facts are that the committee has never had this matter before it, and I think you will agree with me that it should have.

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

The question is on the amendment offered by the gentleman from Wisconsin [Mr. KERSTEN].

The amendment was rejected.

(Mr. MCCORMACK asked and was given permission to yield the time allotted to him by Mr. CARLYLE.)

(Mr. MACK of Illinois asked and was given permission to yield the time allotted to him to Mr. BENNETT of Michigan.)

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. CARLYLE].

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

Mr. CARLYLE. I yield to my good friend, the gentleman from Massachusetts.

Mr. MCCORMACK. I simply wanted to say that I consider this bill to be very meritorious, and it will be a pleasure for me to vote for its passage.

Mr. CARLYLE. Mr. Chairman, I thank the gentleman. I shall support this bill in the form that it was reported by the committee, because it received careful study, and we heard from many important witnesses from many sections of this country. I think the opponents of this bill are taking a position that is difficult to defend. Their purpose is to take from certain railroad employees their monthly benefits under the Social Security Act. Now, it is not contended by anyone that any of the railroad employees have failed to pay for their retirement under social security from the date they accepted employment until the date they were retired, so how can we, in good faith, say that we are going to withhold from these retired employees, who have worked under social security, their benefits, when it is admitted by every person who is familiar with this subject that such employees have completely paid for their retirement benefits.

There has been some little suggestion here that perhaps there are some railroad employees who worked before 1937, that they have not paid the assessments that should have been made. However, that is not the position that is taken regarding those railroad employees who have not accepted employment and have not received social-security protection. It is admitted that a railroad employee who worked before 1937 or after 1937, when he retires, is entitled to benefits under the Railroad Retirement Act. So, then if he is, certainly there is no reason for us to say to the employees who have worked and paid for protection that they are not entitled to retain these benefits, when we are not alleging that they have not completely paid for them. This is good legislation, and I ask the members of this Committee to support it. Ordinary fairness would not permit us to deprive employees of a benefit to which they are clearly entitled by reason of the fact that they have paid for such benefits.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THORNBERRY].

(Mr. THORNBERRY asked and was given permission to yield the time allotted to him to Mr. PRIEST.)

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

Mr. PELLY. Mr. Chairman, as a member of the committee, I want to say I am going to vote for this bill. I think it is only a matter of fairness and justice to these 30,000 workers who have been discriminated against. I hope the committee will so vote.

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

(Mr. HESELTON asked and was given permission to yield the time allotted to him to Mr. PRIEST.)

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

(Mr. VAN ZANDT asked and was given permission to yield the time allotted to him to Mr. PRIEST.)

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

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

Mr. BENNETT of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT of Michigan: Page 2, after line 9, insert the following:

"SEC. 3. (a) The last sentence of subsection (f) of the first section of the Railroad Retirement Act of 1937, as amended (defining the term 'years of service'), is hereby amended by striking out 'one hundred twenty-six' and inserting in lieu thereof 'fifty-four.'

"(b) Section 2 (a) of such act (relating to eligibility for annuities) is hereby amended—

"(1) by striking out 'and shall have completed ten years of service,' in the first sentence; and

"(2) by striking out 'regular employment.' in paragraph 5 and inserting in lieu thereof 'regular employment and who (i) have completed ten years of service, or (ii) have attained the age of sixty.'

"(c) The last sentence of section 5 (f) (2) of such act (relating to lump-sum payments)

is hereby amended by striking out the following: ', except that the deductions of the benefits which, pursuant to subsection (k) (1) of this section, are paid under section 202 of the Social Security Act, during the life of the employee to him or to her and to others deriving from him or her, shall be limited to such portions of such benefits as are payable solely by reason of the inclusion of service as an employee in "employment" pursuant to said subsection (k) (1).'

"(d) The first sentence of section 5 (k) (1) of such act (relating to crediting of railroad service for the Social Security Act in certain cases) is hereby amended to read as follows: 'For the purposes of determining under title II of the Social Security Act entitlement to, and the amount of, (i) any insurance benefit for the survivor of an employee, or (ii) any lump-sum death payment with respect to the death of an employee, and for the purposes of section 203 of the Social Security Act, section 15 of the Railroad Retirement Act of 1935, section 210 (a) (10) of the Social Security Act, and section 17 of this act shall not operate to exclude from "employment," under title II of the Social Security Act, service which would otherwise be included in such "employment" but for such sections.'

"(e) Section 5 (1) (7) of such act (defining 'completely insured' employees) is hereby amended by striking out 'will have completed ten years of service and.'

"(f) Section 5 (1) (8) of such act (defining 'partially insured' employees) is hereby amended by striking out 'will have completed ten years of service and.'

"(g) The amendment made by this section shall take effect with respect to benefits accruing under the Railroad Retirement Acts and the Social Security Act after the last day of the month in which this act is enacted, irrespective of when service or employment occurred or compensation or wages were earned. All recertifications by the Railroad Retirement Board required by reason of the provisions of this section shall be made without application therefor."

Mr. BENNETT of Michigan. Mr. Chairman, this sounds like a complicated amendment but is as a matter of fact a very simple one. What it does is to correct the greatest inequity that presently prevails in the railroad retirement system. The committee bill deals with an inequitable situation that affects at most about 3,400 employees. This amendment affects 5 million employees. They were taken out from under the Railroad Retirement Act by the 1951 amendments, by the requirement that is now in the law and which this amendment would repeal, that any railroad worker who has less than 10 years service on a railroad automatically goes to social security whether he wants to or not. The money he has paid for the 9½ years or whatever time it may be that he has worked under the railroad retirement system, less 1½ percent which is transferred to social security is taken away from him. In many cases it amounts to as much as $1,800 If you want to correct inequities, and that is what you are talking about here—everybody in cpposition to this says this is not a question of keeping the retirement fund solvent, what we are trying to do is to correct inequities—as I say, if you want to correct inequities, let us do it for the 5 million people who were arbitrarily and unlawfully transferred to social security without their permission.

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

Mr. BENNETT of Michigan. I yield.

Mr. HARRIS. Did not the gentleman support this viewpoint 2 years ago and insist that the 10-year men be transferred?

Mr. BENNETT of Michigan. Yes, and so did the gentleman from Arkansas.

Mr. HARRIS. No, I did not.

Mr. BENNETT of Michigan. The gentleman from Arkansas supported this provision as it was finally adopted.

Mr. HARRIS. No; the gentleman knows I did not support that.

Mr. BENNETT of Michigan. The gentleman supported the view I am advocating here in the first instance. But he was a member of the conference committee which required men with less than 10 years of railroad service to transfer to social security. Certainly I supported it, and I supported the dual benefits provision because we were providing millions of dollars in benefits and we had to provide some revenue. We did not increase the taxes, and so these two methods were devised. Now, you say one of these methods has been found to be inequitable. If it is inequitable in the case of 3,500 people under this dual-benefits provision, certainly it is inequitable for these 5 million people, who have been transferred to social security, without their consent, and at a great loss to them.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, I am well aware at this hour after a hard day—and, indeed, a hard week—the Members are just a little weary—so am I. But in these last few minutes of debate on this bill I hope to bring to the attention of the Committee a few points which I believe are worthy of our consideration. First, with reference to the amendment offered by my colleague the gentleman from Michigan [Mr. BENNETT], let me make this statement very clear: Two years ago on the floor of the House I made a speech opposing that 10-year provision. I just read that speech in the RECORD of October 4, 1951. I opposed it then, and I opposed it vigorously, just as I oppose the same provision we are seeking today to repeal. I do believe the provision is an inequitable one and I opposed it on that ground. But on this occasion I cannot conceive of the Committee of the Whole or of the House approving an amendment on which there have been no hearings. If the amendment should be adopted, I can visualize a situation developing that would create as much or more confusion than was created last fall when this dual-benefits provision caused in many instances the Railroad Retirement Board to overpay annuitants for many, many months, and then all at once have to cut off their checks completely until that overpayment was made good. We do not wish here on the spur of the moment, without any committee hearings, to adopt an amendment such as has been proposed by my good friend the gentleman from Michigan [Mr. BENNETT]. This amendment, if adopted, also would result in the throwing out of balance of the railroad retirement fund at the rate, I believe, of $63 million a year. My good friend earlier in the day made a very forceful argument on the soundness of the railroad retirement fund. By this amendment, of course, if there is any question of soundness, he would propose now to make it even more unsound.

With reference to the dual-benefits provision, it has been well discussed and I believe the issue is clear before the House. With reference to the cost of the amendment, I want to say that if 0.15 of 1 percent of the payroll is going to jeopardize the railroad retirement fund, then this Congress had better rewrite the entire bill and not proceed with it for another day. If the fund is on ground so shaky that 0.15 of 1 percent of the estimated actuarial evaluation will throw it completely into jeopardy, then the Congress had better do something about it.

It does not make a logical argument to me that that is the case. This provision should be repealed. I am thoroughly willing to go along with the gentleman from Michigan [Mr. BENNETT], when we can have some hearings, toward repealing that 10-year provision. I said 2 years ago that if we placed 10-year men under social security this year, in a few more years they will want to put 15-year men and 20-year men under social security, and you will have no railroad retirement.

I made that speech in my district, and I told the nonoperating brotherhoods of that district who were then in favor of it that I opposed it then. I do not believe it is a good provision, but certainly let us not confuse the issue today and adopt that amendment creating what I believe would be utter confusion as far as the administration of the Railroad Retirement Act is concerned, during the next 6 months or even the next year.

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

Mr. PRIEST. I yield.

Mr. HARRIS. There is one thing that has not been brought out. Is it not a fact that the railroad-retired employee may qualify under civil service, and he would draw full civil-service retirement and at the same time railroad retirement? In other words, he would not be penalized if he were drawing under another system and civil service?

Mr. PRIEST. That is true. While there has been a great deal of theoretical discussion about prior service this afternoon, I think we should recognize, in one last word, that the excessive rate paid by railroad employees and their employers in comparison with social security, has been high in order to help take care of prior service. So let us not confuse that particular issue. The question before us is simple. It is whether a person who has retired from railroad employment and entitled to railroad employment benefits, may supplement his meager benefits under some employment covered by social security, and then receive whatever he may be entitled to under that law. They are two separate acts. I believe we must, in fairness and justice, adopt the bill reported by this committee; repeal that dual-benefit provision. I hope the amendment offered by the gentleman from Michigan [Mr. BENNETT] will be voted down and we may look into it perhaps in another year and bring it back here, because I think it is an inequity, and I am for taking out

all of the inequities from this bill. Today we can begin with the dual-benefit provision, and I hope we shall vote down this amendment and then approve the bill with the overwhelming vote I believe it deserves.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. PRIEST] has expired.

The Chair recognizes the gentleman from California, [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, the Committee on Interstate and Foreign Commerce would like to bring to this House always measures that are carefully considered. The gentleman from Michigan [Mr. BENNETT], is a member of the committee, but he did not offer this amendment in the committee for its consideration.

The pending bill deals entirely with persons who are already on the retirement rolls. They are annuitants. They are old people, over 65 years of age. The amendment which has been offered deals with those who have worked less than 10 years, and I doubt if any of them are on the retirement rolls at this time.

For those reasons we ask that you vote down the pending amendment and then approve the bill.

Mr. JAVITS. Mr. Chairman, I have received statements in opposition to this bill from A. E. Lyon, executive secretary, Railway Labor Executives' Association, and Ernest H. Benson, national legislative representative, Brotherhood of Maintenance of Way Employees, which follow:

RAILWAY LABOR EXECUTIVES' ASSOCIATION,
Washington, D. C., July 6, 1953.

Hon. JACOB K. JAVITS, *Member of Congress, United States House Office Building, Washington, D. C.*

DEAR CONGRESSMAN: The Railway Labor Executives' Association, which represents some 80 percent of the Nation's organized railroad employees, is opposed to any amendments to the Railroad Retirement Act at this time.

We hope that you will have an opportunity to read the attached statement which outlines our position in this important matter.

Sincerely yours,

A. E. LYON,
Executive Secretary.

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES,
Washington, D. C., July 15, 1953.

Hon. JACOB K. JAVITS,
United States House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: On July 13, 1953 a rule was granted on H. R. 356, known as the dual-benefits bill, which would amend the Railroad Retirement Act.

For your information it is stated that the railroad brotherhoods favoring this legislation represent about 225,000 of the railroad employees in the United States. The total number of such employees is 1,500,000 and about 30,000 of them would benefit by the passage of H. R. 356. Of this small number at least two-thirds have never paid anything into the Railroad Retirement Fund.

Railway Labor Executives' Association, representing 80 percent of all the railroad employes, is very much opposed to any change in the Railroad Retirement Act at this time, as proposed by H. R. 356. Social Security and Bureau of the Budget officials, as well as the Association of American Railroads, are all opposed to H. R. 356.

It is my earnest hope that you will vote against the passage of H. R. 356.

Very truly yours,

ERNEST H. BENSON,
National Legislative Representative.

The rank-and-file opposition to this bill from the great proportion of those who are concerned with the railroad retirement fund demonstrates that we should give attention to this pronounced view and at least recommit the bill to the committee under these circumstances for a complete appraisal of the situation and a determined effort to look after these rank-and-file interests appropriately. This is my conclusion after hearing the debate today.

Mr. REES of Kansas. Mr. Chairman, I rise in support of the legislation now pending. The measure should, in my opinion, be approved without opposition. Unfortunately, it does not go as far as it should. It could be in some respects more liberal without adding injury to those affected by reason of its approval.

There are additional amendments pending before the committee that ought to be included that would further take care of inequities in the present law. H. R. 5065 that I have submitted to the committee would clear up a further inequitable situation presently existing with respect to disability retirements.

This legislation will entitle the spouse of a disability annuitant under the Railroad Retirement Act to receive a spouse's annuity in the cases where the spouse is 65 years of age or older, and the disability annuitant is under age 65. The provision for payment of an annuity to the spouse would be subject to all of the conditions and limitations imposed by the present law on other spouses' annuities, plus additional conditions to insure that such new spouses' annuities will start and stop with the disability annuities upon which they are based.

This legislation will clear up an inequitable situation which exists with respect to these disability retirements. Under present law, for example, as the committee knows, a railroad worker may retire on account of age while in perfectly robust health. If his spouse also has reached age 65, she is entitled to an annuity equal to one-half her husband's annuity or pension, but not more than $40 a month. The husband may then proceed to obtain gainful employment elsewhere, if he desires to supplement his annuity, without affecting his spouse's entitlement to her annuity. I have no quarrel with that; indeed, I think it is a wonderful thing and hope every annuitant may have such outside employment just as long as he so desires. Our retired people who have worked long and faithfully should have all possible comforts of life, especially when they earn them by their own work.

But yet, in the case of a fellow railroad worker who retires on account of total disability under the act, at say age 62, and whose spouse is 65 or older, the spouse is entitled to no annuity under present law. Financial distress and even severe hardship result in some of these cases.

This fellow worker generally is precluded by his disability from obtaining gainful outside employment, although he may be both willing and anxious to do so. Moreover, it is very likely that such life savings as this fellow worker and his spouse have been able to accumulate by careful management throughout his working years are seriously depleted or exhausted by medical and other expenses incident to the cause of his total disability. Doctor bills and hospital bills and medicines do not stop, either, with a worker's retirement. In view of all of these factors, it seems obvious that here, in the case of the disability retirement, is where an annuity for a 65-year-old spouse is needed far more urgently than in many other situations.

It is recognized that the present law which permits the spouse of a disability annuitant to receive an annuity only if both the spouse and the annuitant are age 65 or over, conforms, in respect of these specified minimum ages, to the ages established under the old-age and survivors' insurance law. It is understood that this was done to bring the age requirements in line with those of the social-security program. However, the social-security program has no provision for disability retirement. There is no parallel in that program for the disability annuitants and their spouses who would be covered by this legislation now before the committee. There are a great many other differences between social security and railroad retirement, not the least of which is the higher contribution. These railroad workers are entitled to a fair return in relation to their contribution.

I feel that the committee will particularly appreciate my deep interest in the matter of retirement annuities of all kinds because as chairman of the Post Office and Civil Service Committee, Federal employee retirement is my special concern. I may point out that under the Civil Service Retirement Act, benefits otherwise payable are not reduced just because either a wife or a husband happens to be under age 65. While the wife of an annuitant receives no separate annuity in her own name, the husband's annuity is sufficient in amount to provide for her as well. In no case—whether retirement is at any of the ages provided for by law or is for total disability—can an annuity be denied because one of the parties is younger than the other. As one example of the treatment of an annuitant's spouse under the Civil Service Retirement Act, the annuitant may elect to provide an annuity for his surviving spouse by voluntarily reducing his own annuity during his life. The spouse's annuity is equal to 50 percent of the original annuity. It cannot be reduced simply for the reason that the spouse or the annuitant was or is under 65—regardless of the significance of that age in the social-security program.

The cost of this legislation would be relatively insignificant when compared with the total expenditures being made under the railroad-retirement program. According to the 1951 annual report of the Railroad Retirement Board, nearly $369 million were paid in railroad retirement and railroad unemployment insurance benefits in the year 1950–51. The preceding year's benefits totaled $444.8 million. Cumulative benefits

were $2,861,000,000. The same annual report shows that 72,307 disability annuitants were receiving an average monthly payment of $81.52, which is $1.23 below the average of all annuities. Assuming, from this average annuity, that an average spouse's annuity under H. R. 5065 would be the maximum of $40 per month, it would appear that there are about 2,600 individual cases in which the spouse of a disability annuitant would be eligible under this legislation to receive a much-needed annuity. This figure is reached on the basis of the Railroad Retirement Board estimate of the cost of this legislation as set forth in the printed hearings before the Joint Committee on Railroad Retirement Legislation on Senate Concurrent Resolutions 51 and 56, 82d Congress. The cost of granting this additional annuity would be paid out of the railroad-retirement fund.

Of course, I shall support the pending measure. I hope the Committee will give further consideration to other inequities that ought, by all means, to be corrected.

Mr. CROSSER. Mr. Chairman, I ask unanimous consent to proceed for 4 minutes to answer two statements that I think should be cleared up.

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

Mr. HALLECK. Mr. Chairman, there was a limitation on time. The gentleman from Ohio has spoken. Many Members are anxious to get away. I certainly do not want to be discourteous, but I do feel constrained to object, in view of the limitation of time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BENNETT].

The amendment was rejected.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CANFIELD, 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. 356) to amend the Railroad Retirement Act of 1937, as amended, pursuant to House Resolution 336, reported the bill back to the House with an amendment adopted in the Committee of the Whole.

PROGRAM FOR WEEK OF JULY 27

Mr. HALLECK. Mr. Speaker, I ask unanimous consent for recognition in order to announce the program for next week.

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

There was no objection.

Mr. HALLECK. I might say, Mr. Speaker, and to the Members that I prefer to make the announcement now because if there is a rollcall—there may not be, but if there is—the Members will be wanting to get away after their names are called.

Mr. Speaker, I propose that today we adjourn over until Monday next.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

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

There was no objection.

Mr. HALLECK. I might say that as things have worked out I think that we probably can take care of all the rules that are outstanding providing for the consideration of legislation Monday that would be in order on Monday. I had hoped that some matters that must be disposed of before we adjourn might have been reported and rules granted tomorrow so that we could dispose of them Monday, but that has not developed.

We may have a conference report ready for filing tomorrow.

COMMITTEE ON APPROPRIATIONS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow to file reports.

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

There was no objection.

Mr. HALLECK. Let me say, Mr. Speaker, that I have talked to the leaders in the other body; we have discussed our program; at the White House this morning we discussed it, and among ourselves during the day; and I predict with very high confidence that if we are ready to work next week, and that means some night sessions, and we get the proper sort of cooperation which I am quite sure we shall have, that we can adjourn sine die by the end of next week.

Monday is District day, and I have said also that we would call the Consent and Private Calendars again.

CONSENT AND PRIVATE CALENDARS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order on Monday next to call the Consent and Private Calendars.

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

There was no objection.

Mr. HALLECK. We hope then to take up the conference report on H. R. 5141, which creates a Small Business Administration.

H. R. 6131, loan of naval vessels;

H. R. 5741, Trading With the Enemy Act;

H. R. 5976, to amend the Natural Gas Act.

There is not a rule on this, so that could not come up Monday, I might say for anybody who is interested.

S. 2097, appropriations for the Eklutna project, in Alaska.

If a rule is granted, and it is hoped that a rule can be granted on Monday, we will take up then on Tuesday H. R. 6481, dealing with emergency immigration.

There is also a bill from the Senate: (S. 2417) to establish a commission on Judiciary and Congressional salaries.

This has been referred to the Judiciary Committee and I trust action can be had on that.

Then we will proceed if bills are reported and rules are granted, with:

H. R. 6052, postal rates.

H. R. 6016, foreign relief bill;

S. 15, Additional Judges Act; and

Three investigative resolutions: House Resolution 217, foundation investigations; House Resolution 296, Texas City investigation; and House Resolution 346, Lithuanian and other nationalities.

It is my understanding that the other body proposes to take up the emergency immigration bill on Monday and that they hope to take up the mutual security appropriation bill on Wednesday. If they dispose of it on Wednesday that will leave the matter only for conference action. I think we can all see from that that while we have a number of matters to dispose of, by a willingness to work rather long hours I am confident we can dispose of the matters next week that are before us.

If there is any other program, we will announce it as quickly as possible. Night sessions might well be necessary. So I trust any dinner engagements that might be made will be left a little flexible.

Conference reports, of course, are in order at any time.

SMALL BUSINESS ADMINISTRATION

Mr. WOLCOTT submitted a conference report and statement on the bill (H. R. 5141) to create a Small Business Administration and to preserve small business institutions.

AMENDING AN ACT OF CONGRESS APPROVED MARCH 4, 1915

Mr. MILLER of Nebraska submitted a conference report and statement on the bill (H. R. 1802) to amend the act of Congress approved March 4, 1945.

AMENDING THE RAILROAD RETIREMENT ACT OF 1937, AS AMENDED

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. BENNETT of Michigan. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The Chair has served notice that he would recognize a Member on the Democratic side to offer a motion to recommit if they so desired.

Mr. CROSSER. Mr. Speaker, I defer to the gentleman from Michigan.

The SPEAKER. The Chair seeing no one rise on the Democratic side recognizes the gentleman from Michigan [Mr. BENNETT].

Mr. BENNETT of Michigan. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BENNETT of Michigan. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BENNETT of Michigan moves to recommit the bill, H. R. 356, to the Committee on Interstate and Foreign Commerce.

Mr. WOLVERTON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. BENNETT of Michigan. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1802) entitled "An act to amend the act of Congress, approved March 4, 1915 (38 Stat. 1213), as amended."

FILING ACCOMPANYING VIEWS ON HOUSE REPORT NO. 857

Mr. LANTAFF. Mr. Speaker, I ask unanimous consent to file accompanying views on House Report No. 857 which has heretofore been printed.

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

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, I desire the same right to reply to the gentleman's accompanying views and have until Monday night and have them printed together.

The SPEAKER. Is that agreeable?

Mr. LANTAFF. I have no objection, Mr. Speaker.

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

There was no objection.

SPECIAL ORDER GRANTED

Mr. BOW asked and was given permission to address the House for 30 minutes on Thursday next, following any special orders heretofore entered.

GENERAL LEAVE TO EXTEND

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on H. R. 356.

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

There was no objection.

SIGNING ENROLLED BILLS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next, the Clerk be authorized to receive messages from the Senate, and that the Speaker be authorized to sign any enrolled bills and joint resolutions passed by the two Houses and found truly enrolled.

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

There was no objection.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight Saturday night to file a report on H. R. 3898.

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

There was no objection.

POSTMASTER GENERAL ARTHUR E. SUMMERFIELD

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

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

There was no objection.

Mr. CANFIELD. Mr. Speaker, as chairman of the Subcommittee on Treasury-Post Office Departments of the Committee on Appropriations, I am intimately acquainted with the plans and accomplishments of Postmaster General Arthur E. Summerfield.

I know that the Post Office Department, for the first time in many years, is being operated in an efficient business-like manner by the Postmaster General and his able associates.

I know that postal service has already been improved in some 200 major United States cities and that these improvements are made by better use of facilities and personnel at slight, if any extra cost to the taxpayers.

I know that service has been improved in certain rural areas of the country by consolidating mail routes, eliminating out-moded post offices, and extending rural free delivery service—all at a considerable saving of the taxpayers' dollars.

I know, too, that the Post Office Department is making better use of modern transportation facilities to speed up the delivery of the mails—and doing so at savings to the taxpayer.

The efficiencies which the Postmaster General already introduced into the Department will save the taxpayers more than $150 million next year. This is what was cut out of his budget, with his concurrence. The transfer of airline subsidies, formerly charged to the Post Office Department, to the Civil Aviation Board and the increases in parcel post rates and miscellaneous fees will further reduce the estimated postal deficit for 1954 from a beginning of $746 million originally proposed by the preceding Postmaster General to less than half the amount—$315 million.

Three hundred and fifteen million dollars is still a huge deficit. It represents a loss of more than a million dollars every working day of the year but it is as low as the Postmaster General can now bring it without the further help of Congress through increases in postal rates.

The proposals now before the House Post Office and Civil Service Committee for postal rate increases of $240 million annually will bring the huge postal deficit into reasonable balance for the first time in many years. It is a modest, practical and realistic request which I trust this House will adopt speedily when the bill comes before us for action.

To tolerate a philosophy that postal deficits should not be controlled encourages indifference to mounting costs and is unconscionable today when we must balance our Federal budget to make our Nation secure, safe, and solvent.

We hear much talk about Government economy. If we are to have genuine Government economy, each Department of the Government must practice what it preaches, must put its own house in order.

The Post Office Department, the largest nonmilitary Department of the Government, is making valiant efforts to do its share in helping balance the national budget. It deserves our wholehearted support in its efforts to bring the postal deficit within reasonable balance through economies and administrative actions of its own, supplemented by moderate and long overdue adjustments in postal rates.

PERMANENT CONSUMER CREDIT CONTROL DESIRED BY FEDERAL RESERVE OFFICIALS AND ADMINISTRATION

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 10 minutes.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. PATMAN. Mr. Speaker, there is a very strange and unusual combination that has recently come to light here in Washington. For the last few years, the Federal Reserve officials have been trying to make it plain that the System is an independent agency and is not connected directly or indirectly with the

executive branch of the Government, only admitting that the agency is a servant of Congress, having been created by Congress in 1913. But the last few days, evidence is unmistakable that there is a very pleasant and effective alliance existing between the Board of Governors and the administration in power.

Does this mean that the Board of Governors are only against an administration in power that is for fair interest rates, such as fixed during World War II as a pattern?

TWO HUNDRED DOLLARS EXTRA PER ANNUM FOR FAMILY OF FIVE

Does it mean that the Board of Governors is perfectly willing to get along with the administration that has already fixed a pattern of interest rates that will cost every man, woman, and child an additional $40 per annum? That is what the pattern of interest rates fixed with the present administration will cost—$40 per capita. All the debts of the Nation—public and private—aggregate over $600 billion. The pattern of interest rates recently fixed by the administration will cause a minimum increase of 1 percent, which is over $6 billion or approximately $40 for every man, woman, and child. This means in the future that a family of 5 will have to spend $200 of its earnings for interest instead of using the $200 to buy better food, better clothing, and more conveniences and comforts of life. It will mean $200 less for a family of 5 to spend for production of the farm or factory, and will result in a diversion of money that has heretofore gone into the bloodstream of business and commerce and helped to keep the country prosperous and healthy into the hands of those who do not need and will not buy an extra pair of shoes, an extra suit of clothes, an extra loaf of bread, or any kind of appliance or automobile.

In my remarks of Wednesday of this week, I mentioned the fact that on that very day a meeting was held at the Statler Hotel at which Mr. William Martin, Chairman of the Federal Reserve Board, made a talk to car dealers and finance company representatives, in which he made it plain that he was speaking for the Federal Reserve Board and the administration in power, in advocating permanent consumer credit controls. He failed to sell the group on the idea, and newspaper items indicate that he backtracked considerably after being quizzed by the critical and suspicious group for almost 3 hours. But it should not be overlooked that the Federal Reserve Board has more controls in mind and will not relax its efforts to get them, judging the future by the past.

It is my considered opinion that if something is not done about the Federal Reserve System, Mr. Martin and his crowd will really wreck the country next time.

I am inserting herewith a statement appearing in the Wall Street Journal of yesterday, concerning the Staler Hotel meeting, sponsored by the Board of Governors of the Federal Reserve banks and the administration in power.

It is as follows:

MARTIN ASKS PERMANENT CREDIT CURB POWER FOR RESERVE IN PRIVATE TALK

WASHINGTON. — Federal Reserve Board Chairman William Martin was reported to have told the National Automobile Dealers Association that he would like the Board to have the permanent authority to control consumer credit although he wouldn't use the authority right now.

Frederick J. Bell, executive vice president of the 34,000-member NADA, quoted Mr. Martin as saying in a private speech that he would have used such authority in the past if he had it.

Mr. Bell made it plain that fear of a possible administration request for credit-curbing powers from Congress had prompted the all-day NADA meeting here yesterday. However, he said that to his knowledge, the administration has no present plans to ask for such authority in the next legislative program it will present to Congress in January.

However, he labeled Mr. Martin's statement advocating permanent authority for credit control as an administration position, and protested it repeatedly in his meeting with the press, saying new-car dealers see no need for credit regulations.

Mr. Martin's speech was in fact entitled "The Administration's Position on Consumer Credit in the Automobile Industry." The meeting at which he made the talk was not open to the press.

Automobile credit, as reported by the Federal Reserve Board, hit $9.4 billion at the end of May—about $2.9 billion or 45 percent higher than a year ago.

Mr. Bell emphasized, however, that there is nothing alarming about these figures and that it was a healthy sign. He added that there has been no growth in the number of people who can't meet monthly payments on autos.

When asked about the business outlook for automobile sales in the last half of this year, the NADA spokesman said: "I don't see anything to worry about." He added, however, that competition is more keen than in the past and that the dealers are returning to more normal merchandising conditions.

Hefty doses of consumer credit, in the past, have been a big stimulant to auto sales. Credit helped finance a larger proportion of autos purchased last year than in any other postwar year, according to the Federal Reserve Board.

Board figures show that 57 percent of those persons buying new cars last year borrowed part of the purchase price. In 1951, the percentage was only 47 percent and in 1950 it was 46 percent. On used car purchases, those using credit amounted to 65 percent last year, 60 percent in 1951 and only 57 percent in 1950.

Congress, earlier this year, voted against giving the Federal Reserve Board authority to control consumer credit.

REPRESENTING THE ADMINISTRATION

In the article by Mr. Nelson M. Shepard that appeared in the Washington Star of yesterday concerning this same meeting, it was stated:

Chairman William McChesney Martin, Jr., of the Federal Reserve Board, in a private talk before the conference, said he had been requested by Secretary of the Treasury Humphrey to speak on behalf of the administration.

NO FREE MARKET

In my remarks on Wednesday, I also made reference to the fact that there is no free market for the United States Government in the sale of huge amounts of bonds and securities to finance the public debt. In the American Banker of yesterday, July 23, Mr. Marriner S. Eccles, who was Chairman of the Federal Reserve Board for probably a longer period of time than any other person ever held that position, is quoted as saying in a talk before the Stanford University Business Conference at Berkeley, Calif., within the last few days, that "the idea of a free or unmanaged money market was supposed to go out in 1913 when the Federal Reserve System was created." The officials of the administration who contend that it is fair for the United States Government to be required to pay any rate of interest forced upon it by a few money lenders who control the market are certainly not working in the interest of the United States Government. It is my belief that the Board of Governors of the Federal Reserve System are bordering on unpatriotism in failing to support our Government in time of need. An excuse is given—not a good reason—for this devastating, unfair, and cruel action. The Federal Reserve System makes money easy or tight as it desires—that is what the System claims for itself.

TIGHT MONEY—RAISE INTEREST—EASE MONEY

Recently, we had an outstanding example of the System permitting money to get real tight to justify the issuance of long-term bonds, bearing the highest rate of interest in 20 years, but soon thereafter easing the money market by permitting through one mimeographed statement the banks to create upon their books $5½ billion with which they could buy bonds or make advances for stock purchases or gambling transactions or for any other purpose. The point is the money is tight or easy according to what the System desires.

The present policy of the Board of Governors is not in the interest of the United States Government, but is in the interest of Wall Street banks. Twenty-one of the New York City banks have profited more from the reductions in the reserve requirements than all the other banks of the Nation combined.

OLD DOLLAR OR 1939 DOLLAR IF RETURNED TO NOW WOULD DOUBLE ALL DEBTS

Mr. PATMAN. Mr. Speaker, many people are contending that we should make the dollar more valuable and do it quickly, that they should return to the 1939 dollar.

If we returned to the 1939 dollar, we would be forcing a dollar that is worth twice as much as the present dollar, which means that the people would have to pay $2 for every dollar that they owe and the taxpayers on the Federal debt would have to do likewise.

It would be like a farmer borrowing money from his local bank to raise wheat that was worth $3 a bushel. After planting his crop, cultivating it, and harvesting it on the basis of $3 wheat and paying prices on that basis for his labor, machinery, and other expenses, he discovers when he harvests the wheat, he

can only get $1.50 a bushel. The farmer is in the same position as the country would be in returning to the 1939 dollar. The farmer is required to pay $2 in what he has to pay with for every dollar borrowed.

Recently the president of the Woodmen of the World made a statement concerning this matter which is very interesting. It was published in the Times-Herald this morning and is as follows:

OLD DOLLAR WOULD BREAK UNITED STATES, SAYS INSURANCE MAN

(By Walter S. J. Swanson)

A man who manages $190 million in insurance assets looked back through 54 years of investment experience here Thursday and said it's a lot of bull for people to talk about going back to the old dollar. If we do it will break the country, he declared. The speaker was De Emmett Bradshaw, who still personally checks on every bond and every mortgage that goes into the portfolio of the Woodmen of the World Life Insurance Society, and has compiled an investment record that is the envy of many other insurance companies. He is 84 years old, active as a 50-year-old, and looks almost that young.

Headquarters of the Woodmen, and of Board Chairman Bradshaw, is in Omaha, Nebr., where ideas of national fiscal management apparently differ from those in the Capital. For Bradshaw contended that the recent $1 billion offering of 3¼ percent long-term Government bonds was not wise fiscal policy but simply a dangerous plaything of the Treasury.

He said the rise in interest rates and the tightening of money supply caused by that action were both excessive and that the 3¼-percent rate was higher than necessary.

He predicted that interest generally would come down again as the Government is forced to ease up on the money supply.

The Woodmen of the World is a large insurance organization with some $600 million insurance in force.

The group is now concluding a national convention here at the Statler.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks was granted to:

Mr. Bow and to include extraneous matter.

Mr. ADAIR and to include an editorial.

Mr. FARRINGTON.

Mr. LANE in two instances.

Mr. DEMPSEY and to include extraneous matter.

Mr. SUTTON and to include a letter.

Mr. HOLTZMAN (at the request of Mr. FALLON) in two instances.

Mr. GRANAHAN and to include a newspaper article.

Mr. GARY and to include an editorial.

Mr. ANDREWS and to include an address delivered by the Honorable Harry K. Martin.

Mr. PELLY and to include an editorial.

Mr. DAWSON of Utah and to include extraneous matter.

Mr. DAVIS of Georgia in three instances and to include extraneous matter.

Mr. BROWN of Georgia and to include an editorial from the Atlanta Constitution of July 23.

Mr. PRIEST in two instances and to include newspaper articles.

Mr. HELLER in four instances and to include extraneous matter.

Mr. ROGERS of Texas and to include extraneous matter.

Mr. IKARD in two instances and to include newspaper articles.

Mr. FRIEDEL and to include a letter.

Mr. REAMS and Mr. DONOHUE and to include extraneous matter.

Mr. COLE of New York in connection with a committee report relating to the disappearance of Major Hallahan during World War II.

Mr. GWINN in two instances and to include extraneous matter.

Mr. WOLVERTON in two instances and to include speeches.

Mr. POFF.

Mr. WOLCOTT.

SENATE BILL, JOINT RESOLUTION, AND CONCURRENT RESOLUTION REFERRED

A bill, joint resolution, and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2417. An act to provide for the creation of a Commission on Judicial and Congressional Salaries, and for other purposes; to the Committee on the Judiciary.

S. J. Res. 96. Joint resolution to strengthen the foreign relations of the United States by establishing a Commission on Government Use of International Telecommunications; to the Committee on Foreign Affairs.

S. Con. Res. 43. Concurrent resolution tendering the thanks of Congress to Gen. Peyton C. March, former Chief of Staff of the Army; to the Committee on Armed Services.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4484. An act to amend section 365 of the act entitled "An act to establish a code of laws for the District of Columbia", approved March 3, 1901, as amended, to increase the maximum sum allowable by the court of assets of a decedent's estate for funeral expenses.

H. R. 5227. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1954, and for other purposes;

H. R. 5804. An act to authorize the Secretary of the Interior to grant easements for rights-of-way, over, through, and under the parkway land along the line of the Chesapeake and Ohio Canal, and to authorize an exchange of lands with other Federal departments and agencies, and for other purposes; and

H. J. Res. 253. Joint resolution to amend the joint resolution of June 16, 1938, creating the Niagara Falls Bridge Commission.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2078. An act to provide for the orderly transaction of the public business in the event of the death, incapacity, or separation from office of a disbursing officer of the military department.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 4484. An act to amend section 365 of the act entitled "An act to establish a code of laws for the District of Columbia," approved March 3, 1901, as amended, to increase the maximum sum allowable by the court out of assets of a decedent's estate for funeral expenses;

H. R. 5227. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1954, and for other purposes;

H. R. 5804. An act to authorize the Secretary of the Interior to grant easements for rights-of-way through, over, and under the parkway land along the line of the Chesapeake and Ohio Canal, and to authorize an exchange of lands with other Federal departments and agencies, and for other purposes; and

H. J. Res. 253. Joint resolution to amend the joint resolution on June 16, 1938, creating the Niagara Falls Bridge Commission.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 19 minutes p. m.) the House, under its previous order, adjourned until Monday, July 27, 1953, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

871. Under clause 2 of rule XXIV, a letter from the Assistant Secretary of Agriculture, transmitting the report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease for the month of June 1953, pursuant to Public Law 8, 80th Congress, was taken from the Speaker's table and referred to the Committee on Agriculture.

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. H. CARL ANDERSEN: Committee on Appropriations. House Joint Resolution 305. Joint resolution making additional appropriations for the Department of Agriculture for the fiscal year 1954, and for other purposes; without amendment (Rept. No. 922). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee on the Judiciary. H. R. 4319. A bill to authorize tax refunds on cigarettes lost in the floods of 1951; without amendment (Rept. No. 932). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 4551. A

bill to amend the Reclamation Project Act of 1939 removing authorization of projects by the Secretary of the Interior; without amendment (Rept. No. 933). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALE: Committee on Interstate and Foreign Commerce. H. R. 6434. A bill to amend sections 401 and 701 of the Federal Food, Drug, and Cosmetic Act so as to simplify the procedures governing the establishment of food standards; without amendment (Rept. No. 934). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 6485. A bill to preserve the eligibility for outpatient dental care of certain veterans whose eligibility was adjudicated by the Veterans' Administration prior to July 1, 1953; without amendment (Rept. No. 935). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHORT: Committee on Armed Services. H. R. 1245. A bill to provide for the conveyance of a tract of land in Dane County, Wis., to the Wisconsin State Armory Board; with amendment (Rept. No. 936). Referred to the Committee of the Whole House on the State of the Union.

Mr. CUNNINGHAM: Committee on Armed Services. H. R. 2842. A bill to authorize the Secretary of Defense to transfer certain land and access rights to the Territory of Hawaii; with amendment (Rept. No. 937). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN of Michigan: Committee on Government Operations. House Resolution 263. Resolution disapproving Reorganization Plan No. 9 of 1953; without amendment (Rept. No. 939). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN of Michigan: Committee on Government Operations. House Resolution 264. Resolution disapproving Reorganization Plan No. 10 of 1953; without amendment (Rept. No. 940). Referred to the Committee of the Whole House on the State of the Union.

Mr. HINSHAW: Committee on Interstate and Foreign Commerce. S. 1402. An act to amend the Air Commerce Act of 1926, as amended, to authorize navigation of foreign, nontransport, civil aircraft in the United States through reciprocity and under regulations of the Civil Aeronautics Board; with an amendment (Rept. No. 941). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 130. A bill to amend section 1 of the act approved June 27, 1947 (61 Stat. 189); with amendment (Rept. No. 942). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLCOTT: Committee of conference. H. R. 5141. A bill to create the Small Business Administration and to preserve small-business institutions and free, competitive enterprise (Rept. No. 943). Ordered to be printed.

Mr. MILLER of Nebraska: Committee of conference. H. R. 1802. A bill to amend the act of Congress approved March 4, 1915 (38 Stat. 1214), as amended (Rept. No. 944). Ordered to be printed.

Mr. MEADER: Committee on the Judiciary. House Joint Resolution 250. Joint resolution authorizing the recognition of the 200th anniversary of the founding of Columbia University in the city of New York and providing for the representation of the Government and people of the United States in the observance of this anniversary; with amendment (Rept. No. 945). Referred to the Committee of the Whole House on the State of the Union.

Mr. MEADER: Committee on the Judiciary. House Joint Resolution 290. Joint resolution creating a committee to assist in the celebration of the 200th anniversary of the Congress of 1754, held at Albany, N. Y., on June 24 of that year; with amendment (Rept. No. 946). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 6504. A bill for the relief of sundry claimants, and for other purposes; without amendment (Rept. No. 921). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 754. An act for the relief of Ethel Hudson Morrison; without amendment (Rept. No. 923). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 953. An act for the relief of Mary Thaila Womack Webb; without amendment (Rept. No. 924). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 2022. A bill for the relief of Don B. Whelan; with amendment (Rept. No. 925). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2421. A bill for the relief of Frank L. McCartha; with amendment (Rept. No. 926). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 3232. A bill for the relief of Dennis F. Guthrie; without amendment (Rept. No. 927). Referred to the Committee of the Whole House.

Mr. RODINO: Committee on the Judiciary. H. R. 3725. A bill for the relief of Curtis W. Strong; with amendment (Rept. No. 928). Referred to the Committee of the Whole House.

Mr. RODINO: Committee on the Judiciary. H. R. 4615. A bill for the relief of Joseph S. Aldridge; without amendment (Rept. No. 929). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 5616. A bill for the relief of Leon H. Callaway and others; without amendment (Rept. No. 930). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 6196. A bill for the relief of Duncan M. Chalmers, and certain other persons; without amendment (Rept. No. 931). Referred to the Committee of the Whole House.

Mr. CUNNINGHAM: Committee on Armed Services. H. R. 6025. A bill to authorize the Secretary of the Army to grant a license to the Leahi Hospital, a nonprofit institution, to use certain United States property in the city and county of Honolulu, T. H.; without amendment (Rept. No. 938). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H. R. 6505. A bill to amend the Social Security Act so as to change the formulas for computing the Federal share of State public-assistance programs; to the Committee on Ways and Means.

By Mr. DURHAM:

H. R. 6506. A bill for the relief of the city of High Point, N. C.; to the Committee on the Judiciary.

By Mr. ENGLE:

H. R. 6507. A bill to amend the Tariff Act of 1930, so as to impose a duty upon the importation of montan wax produced in certain Communist-controlled countries or produced from raw materials originating in such countries; to the Committee on Ways and Means.

By Mr. HOLTZMAN:

H. R. 6508. A bill to amend the Social Security Act to provide that, for the purpose of old-age and survivors insurance benefits, retirement age shall be 60 years; to the Committee on Ways and Means.

H. R. 6509. A bill granting exemption from income tax in the case of retirement annuities and pensions; to the Committee on Ways and Means.

H. R. 6510. A bill to allow a parent, under certain circumstances, to deduct for income-tax purposes amounts paid for the care of children while the parent is working, and to allow an income-tax exemption for any child who is supported by the taxpayer and who is a member of his household; to the Committee on Ways and Means.

H. R. 6511. A bill to increase the personal income-tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemption for old-age or blindness) from $600 to $1,000; to the Committee on Ways and Means.

By Mr. KING of California:

H. R. 6512. A bill to amend the Tariff Act of 1930, so as to impose certain duties upon the importation of tunafish, and for other purposes; to the Committee on Ways and Means.

By Mr. OAKMAN:

H. R. 6513. A bill requiring the filing with certain agencies of the Federal Government of a complete disclosure of expenditures and contributions made to influence Federal legislation; to the Committee on the Judiciary.

By Mr. SMITH of Mississippi:

H. R. 6514. A bill for the relief of the town of Lambert, Miss.; to the Committee on the Judiciary.

By Mr. ALLEN of California:

H. R. 6515. A bill to establish a postal rate-making procedure in the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. CRETELLA:

H. R. 6516. A bill to amend the Tariff Act of 1930 (U. S. C. 1946 ed., title 19, sec. 1001, schedule 3); to the Committee on Ways and Means.

By Mr. GUBSER:

H. R. 6517. A bill to amend section 402 (a) (7) of the Social Security Act, so as to reduce the amount of the deductions which may be made on account of outside income from the benefits payable with respect to needy dependent children thereunder; to the Committee on Ways and Means.

By Mr. LANTAFF:

H. R. 6518. A bill to authorize a preliminary examination and survey of the Florida Straits, for flood control and navigation purposes; to the Committee on Public Works.

By Mr. PATTEN:

H. R. 6519. A bill to authorize the Secretary of the Interior to convey certain land to the city of Tucson, Ariz., and to accept other land in exchange therefor; to the Committee on Interior and Insular Affairs.

By Mr. SHORT:

H. Con. Res. 170. Concurrent resolution tendering the thanks of Congress to Gen. Peyton C. March, former Chief of Staff of

the Army; to the Committee on Armed Services.

By Mr. MULTER:

H. Con. Res. 171. Concurrent resolution favoring universal disarmament; to the Committee on Foreign Affairs.

By Mr. HILLINGS:

H. Res. 351. Resolution designating one staff member as administrative assistant; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JONAS of Illinois:

H. R. 6504. A bill for the relief of sundry claimants, and for other purposes; to the Committee on the Judiciary.

By Mr. AYRES:

H. R. 6520. A bill for the relief of Paolino Berchielli, wife Heda and daughter Alba; to the Committee on the Judiciary.

H. R. 6521. A bill for the relief of Giovanni Conti; to the Committee on the Judiciary.

By Mr. BENDER:

H. R. 6522. A bill for the relief of Darwish Abdel Kareem; to the Committee on the Judiciary.

H. R. 6523. A bill for the relief of Emile N. Ghantous; to the Committee on the Judiciary.

H. R. 6524. A bill for the relief of Kaiser J. Rashid; to the Committee on the Judiciary.

By Mr. BERRY:

H. R. 6525. A bill authorizing the issuance of a patent in fee to Ruth Long Crow Running Horse; to the Committee on Interior and Insular Affairs.

By Mr. CLARDY:

H. R. 6526. A bill conferring jurisdiction upon the United States District Court for the Eastern District of Michigan to hear, determine, and render judgment upon certain claims of Mr. and Mrs. Donald D. Parrish; to the Committee on the Judiciary.

By Mr. HRUSKA:

H. R. 6527. A bill for the relief of Enriqueta Maria Magdalena Hasal; to the Committee on the Judiciary.

By Mr. KING of California:

H. R. 6528. A bill for the relief of Ramon Fabie, Regina Policarpio Fabie, and Ramon Fabie, Jr.; to the Committee on the Judiciary.

By Mr. LANTAFF:

H. R. 6529. A bill for the relief of Raleigh Hill; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 6530. A bill for the relief of Lexmi Kant Nagaich; to the Committee on the Judiciary.

By Mr. NEAL:

H. R. 6531. A bill for the relief of Pauline H. Corbett; to the Committee on the Judiciary.

By Mr. RABAUT:

H. R. 6532. A bill for the relief of Fouad Mikhail Zada; his wife, Sabat Zada, nee Leon or Laoun; and their minor child, Michel; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 6533. A bill for the relief of Mrs. Marion Margaret Leigh; to the Committee on the Judiciary.

By Mr. HOSMER (by request):

H. J. Res. 306. Joint resolution to release and quitclaim to Olin S. Proctor certain submerged lands within the Continental Shelf and beyond the 3-mile boundary line, Long Beach, Calif.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

398. By the SPEAKER: Petition of New England Region of Hadassah, Boston, Mass., requesting the approval of the mutual security bill and to include economic and military assistance to Israel and the Near East; to the Committee on Foreign Affairs.

SENATE

SATURDAY, JULY 25, 1953

(Legislative day of Monday, July 6, 1953)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Rev. Ralph C. John, Ph. D., the American University, Washington, D. C., offered the following prayer:

Eternal God, our Heavenly Father, in whose presence a thousand years are as a day: Incline Thine ear to hear our petitions, bend Thy presence to minister to our needs.

Our hearts this day are saddened by the passing of one who has merited Thine own commendation: "Well done, thou good and faithful servant; thou hast been faithful over a few things; I will make thee ruler over many. Enter thou into the joy of thy Lord." We thank Thee for the depth of his integrity, for the diligence of his service, and for the warmth of his presence in his relationships with Thy people and with Thee. Our faith is that he has passed from our side and sight to Thy mansions above, to live forever in the light of Thy love and in the company of all the saints who now from their labors rest. Make the benediction of Thy spirit to rest upon him, and upon us, that the incidents of time may be seen in the ranges of eternity.

Bless this Senate, and these Senators, custodians of a sacred trust, as they fulfill the demands of public office and divine obligation. This we ask in Jesus' name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Friday, July 24, 1953, was dispensed with.

MESSAGE FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 356. An act to amend the Railroad Retirement Act of 1937, as amended; and

H. R. 6342. An act to amend the Public Buildings Act of 1949 to authorize the Administrator of General Services to acquire title to real property and to provide for the construction of certain public buildings thereon by executing purchase contracts; to extend the authority of the Postmaster General to lease quarters for post-office purposes; and for other purposes.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H. R. 157. An act to provide that the tax on admissions shall not apply to moving picture admissions; and

H. J. Res. 228. Joint resolution to permit the entry of 500 eligible orphans under 10 years of age, adopted abroad or to be adopted in the United States by United States citizens serving abroad in the United States Armed Forces or employed abroad by the United States Government.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Edwin R. Price, of Kentucky, to be a member of the Federal Coal Mine Safety Board of Review, vice Joseph G. Solari; referred to the Committee on Labor and Public Welfare.

CALL OF THE ROLL

Mr. KNOWLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	McCarthy
Anderson	Hendrickson	McClellan
Barrett	Hennings	Millikin
Bennett	Hill	Monroney
Bridges	Hoey	Morse
Bush	Holland	Mundt
Butler, Nebr.	Humphrey	Neely
Carlson	Hunt	Payne
Case	Ives	Potter
Chavez	Jackson	Purtell
Clements	Jenner	Robertson
Cooper	Johnson, Colo.	Russell
Cordon	Johnson, Tex.	Saltonstall
Daniel	Kefauver	Schoeppel
Dirksen	Kennedy	Smathers
Douglas	Kerr	Smith, Maine
Duff	Knowland	Smith, N. J.
Dworshak	Kuchel	Sparkman
Ellender	Langer	Stennis
Ferguson	Lehman	Symington
Fulbright	Long	Watkins
George	Magnuson	Welker
Gillette	Malone	Wiley
Goldwater	Mansfield	Young
Griswold	McCarran	

Mr. SALTONSTALL. I announce that the Senator from Maryland [Mr. BEALL], the Senator from Ohio [Mr. BRICKER], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Ohio [Mr. TAFT], and the Senator from Delaware [Mr. WILLIAMS] are necessarily absent.