

to do something to improve conditions in the shipping and shipbuilding fields, I send to the desk for appropriate reference a resolution which has been forwarded to me by the Portland, Oreg., branch of the Marine Cooks and Stewards, AFL.

Adopted at the regular meeting of the organization on March 9, 1954, it expresses convictions regarding shipping needs and policies that show a real sense of awareness of the problems facing our Nation in this field, so important both to the peacetime economy and the security of these United States.

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

A RESOLUTION (COMMISSION ON FOREIGN ECONOMICS POLICY—RANDALL REPORT)

Whereas the Commission on Foreign Economic Policy, more commonly known as the Randall report, has been directed by the Congress to examine and determine in the field of foreign economic policies the correct approach to foreign aid; and while this report is quite extensive and covers many problems, this resolution is primarily interested in the section relating to merchant marine policy; and

Whereas at present the United States merchant fleet, under the Merchant Marine Shipping Act, enjoys the benefit of handling 50 percent of the Government-financed cargoes, which in turn employs American seamen and also helps maintain a healthy and active American merchant marine; and

Whereas the recommendation of the Commission is to repeal this section of the Merchant Marine Act, on the basis that it compels the countries receiving dollar assistance to spend a part of this money on freight services which they could render to themselves at a much cheaper rate; and

Whereas 50 percent of these cargoes are still available to foreign shipping and no such consideration is given to American ships by any foreign country; and

Whereas this policy would result in foreign shipping interests underbidding American shippers and would result in more American ships being laid up or being sold to foreign-flag owners and would double the unemployed number of American seamen, which would affect all American workers in shipyards and all other industries, and weaken our present standard of living; and

Whereas this recommendation would result in the deterioration of our merchant marine as a military auxiliary in a case of national emergency and would place us at the mercy of foreign nations whose ships would be unavailable to us in any such emergency; Therefore be it

Resolved, That this union go on record in rejecting this recommendation by this Commission as detrimental to the good and welfare of the American people and that officials and members of this union are hereby instructed to do everything possible to prevent any changes in the law as it now stands in regard to the 50-percent clause; and be it further

Resolved, That we not place our security for the future in foreign ships in case of another war; that we meet this situation now by maintaining an adequate merchant marine which would guarantee employment to the existing trained personnel and give fair competition to the operators; and be it further

Resolved, That this resolution be endorsed by all other legitimate maritime unions and that copies be sent to President Eisenhower,

favorable Senators and Congressmen, and that we request the president of our international, Harry Lundeberg, to have the entire American Federation of Labor help us to stop this contemplated scuttling of our American merchant marine; and be it further

Resolved, That we make the press aware of our action.

MARINE COOKS & STEWARDS, AFL,
PORTLAND BRANCH.
SAILORS UNION OF THE PACIFIC,
PORTLAND BRANCH.

RECESS TO MONDAY

Mr. KNOWLAND. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 8 o'clock and 45 minutes p. m.) the Senate took a recess until Monday, March 29, 1954, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 25 (legislative day of March 1), 1954:

COAST AND GEODETIC SURVEY

Robert F. A. Studds to be Director of the Coast and Geodetic Survey for a term of 4 years, effective May 12, 1954.

TO BE CAPTAINS IN THE COAST AND GEODETIC SURVEY

Walter H. Bainbridge
Carl I. Aslakson
Paul A. Smith

**POSTMASTERS
CALIFORNIA**

Lois C. Doss, Forestville.
Floyd Erdman, Herndon.
William J. Kelly, Penngrove.

COLORADO

Charles E. Robison, Crowley.

IDAHO

Frederick D. Shaw, Spirit Lake.

ILLINOIS

Fred H. Lancaster, Macon.
Leo C. Franklin, Prairie du Rocher.

IOWA

George W. Hepworth, Chelsea.

KANSAS

Louis B. Perkins, Elkhart.
Walter W. Beggs, Ensign.
Donald E. Burgardt, Park.
Clare S. Knerr, Talmage.

MAINE

Charles R. Hubbard, Jr., North Berwick.

MICHIGAN

Mary M. Mitchell, East Leroy.

MINNESOTA

Richard A. Heald, Ogilvie.
Hilbert B. Anderson, Winthrop.

NEW JERSEY

George H. McCullough, Glassboro.

OREGON

Louis E. Walker, Jr., Brownsville.

PENNSYLVANIA

Raymond L. Rupert, Sykesville.

VERMONT

Frank D. Eggleston, East Dorset.

WISCONSIN

William H. Behrens, Brodhead.
William L. Chesley, Oconto.
Levern V. Newman, Platteville.
Willie A. Johnson, Whitehall.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 25, 1954

The House met at 12 o'clock noon. The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty and ever-blessed God, in whose presence the greatest and wisest are but babes, lift us now to Thyself and endue us with the spirit of insight and understanding.

We humbly confess that we are often tempted to become discouraged and cynical when we find ourselves baffled and perplexed by problems for which we have no adequate solution.

Show us how we may drive away those dark clouds which eclipse our vision of that divine greatness which is too wise to err and that divine goodness which is too kind to injure.

May we daily experience a new nativity of faith and hope as we seek to lead groping humanity out of darkness into the glorious liberty of the sons of God.

Hear us in Christ's name. 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 a concurrent resolution of the House of the following title:

H. Con. Res. 214. Concurrent resolution expressing the sense of Congress that the Sanitary Engineering Center, Cincinnati, Ohio, should be known as the Robert A. Taft Sanitary Engineering Center.

UNCALLED-FOR ATTACK ON THE PRESIDENT

Mr. DEROUNIAN. 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 New York?

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, we have heard a lot about name calling recently from the Democratic side of the aisle, so that it came as a shock to me, a very great shock, to read in the issue of Newsday, March 23, 1954, published in my district, and the Long Island Daily Press of the same date, a news story of the statements uttered by a Member of this body about our President. Our colleague the gentleman from New York [Mr. CELLER], as he addressed the Great Neck Democratic Club Monday night, is quoted in Newsday as follows:

GREAT NECK.—In a blistering indictment of the Republican administration, Repre-

sentative EMANUEL CELLER, Democrat, last night branded President Eisenhower a coward. * * * "When history is put down," he roared, "It will clearly indicate how cowardly was this man in the White House." And further along in the news story, Mr. CELLER is quoted as saying, " * * * It is against the Rules of the House to make derogatory remarks about a Senator, but in the face of the iniquities * * * I rip up all the rules. They mean nothing to me."

Mr. Speaker, these days when the Democrat Party accuses the Republicans of name calling—when the Democrat Party talks of respect for the rights of private citizens—is it not improper and disrespectful that a Member of this House, who has for so long been chairman of the Committee on the Judiciary and is now the ranking minority member, should have the effrontery to call our great President a coward? Is it not a sad reflection on the state of mind of the gentleman from New York that he should make such an inflammatory statement when he, above all, should be a man of judicious mind and temperament. What the gentleman from New York [Mr. CELLER] proposes, I submit, is that the President turn away from the proven, truly American way of doing things, and engage in name calling and attempted purges. We saw too much of that in recent years, and it runs counter to everything that we expect of the dignity of the Presidential office, to say nothing of that office's proper relationship to the other branches of our Government.

Mr. Speaker, the American people would not buy this statement about a man who led the American armies in Europe and who went to Korea even before he took the oath of office as President, to help solve that tragic situation. History has already proven that the unfortunate statement attributed to the gentleman from New York is without basis of fact. Our President does not engage in personal vituperation and vulgar name calling and does not believe in government by purge. Apparently the gentleman from New York wants both.

Mr. Speaker, the gentleman from New York [Mr. CELLER] owes the President of the United States a full apology, and it should be forthcoming immediately. I hereby ask the Democratic leadership whether or not it agrees with the gentleman from New York that President Eisenhower is a coward. If it agrees, let it say so. If it does not agree with its Democratic spokesman from New York, the Democrat Party owes an apology to the President of the United States and to this House.

SPECIAL ORDER GRANTED

Mr. BROWNSON asked and was given permission to address the House today for 15 minutes, following the legislative business of the day and any other special orders heretofore entered.

THE 133D ANNIVERSARY OF GREEK INDEPENDENCE

Mrs. ROGERS of Massachusetts. 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 gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, today marks the 133d anniversary of Greek independence, for it was in 1821 that these gallant and courageous people rose against their enemy oppressors under the leadership of Archbishop Germanos and commenced their struggle for national liberation. This valiant strife was not to be in vain, for by the Convention of London of May 7, 1832, Greece was recognized as an independent nation.

The present-day Greek, wherever he may be, is fittingly proud of his great ancestors, Aristotle, Demosthenes, Socrates, Plato, and others who were instrumental in developing the first great civilization of the Western World. Much that the average American and European values in modern civilization has been handed down from the early Greek people. Greek philosophy, science, art, literature, and architecture have profoundly influenced western developments in these various cultural fields. We Americans are also aware that many of the basic ideas of practical democracy and the rights of the individual originated and were nurtured in this small peninsula.

The retention of freedom has, however, been no facile task for the Greek people, for from the initial days of independence they have had to resist time and again the aggressive designs of their predatory neighbors.

Recent history, especially, exemplifies this indomitable desire and resoluteness to retain their hard-earned freedom. The world has marveled at their courageous stand against the Fascist and Nazi invaders and later against the threat of Communist tyranny. Their ultimate victory over communism has been a source of inspiration for the millions of people in a great part of the world's area where the basic ideas of democracy have been obliterated by totalitarian oppression.

The American people, from the days of 1821 to the present, have helped the Greek people in their struggles to achieve and maintain their independence. Moreover, the United States is fully conscious of the honor and the advantages of having a vigorous nation such as the Greeks by our side in the struggle against Russian communism. The fact that recent United States aid has been given to Greece without any territorial or material gains on our part indicates to the Greek people that there is no imperialistic intent on the part of the United States, but only a desire to assist in sustaining Greek independence.

On this the 133d anniversary of Greek independence the noble spirit of the Greeks is perhaps best expressed in the words of their leader, King Paul, in an address delivered before the United Nations General Assembly, during his

recent trip to the United States, when he said:

With internal political stability and possessing armed forces whose organization, fighting spirit and reliability are universally recognized, Greece stands alert. * * * Should the powers of destruction at any moment dare to interfere in an attempt to strangle the salutary work of the United Nations, Greece stands ready to throw herself at once into the struggle at the services of the world organization.

In my home city of Lowell we are very proud of our American citizens of Greek ancestry. Their family life represents the finest. They have contributed many to the learned professions. Lawyers, doctors, teachers, and the clergy cooperate together with Mr. Citizen to give the community a neighborly spirit. They have contributed greatly to the defense of our country. They are among my close friends and for many years I have been grateful to them for their loyalty and honorable spirit.

Throughout the Commonwealth of Massachusetts there are many Americans with the excellent and noble background of the culture of Greece. Our commonwealth and our country is a much improved place for life and living, for the strength of our defense, for the sturdiness of our character, for genuine happiness because they are with us, in the building of this the greatest democracy on earth.

Mr. O'HARA of Illinois. 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 Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, it is a source of great pleasure to me to join with others in the Congress of the United States in this observance of March 25, the Greek Independence Day.

Considering that ancient Greece was the cradle of democracy and that modern Greece continues to make large and strengthening contribution to the world in which we live, it seems to me most fitting that the session of this distinguished body of the lawmakers of this democracy should open today with tributes to the Greeks.

I am thinking especially of the men and women of Greek birth or blood who are such a vital, dynamic, and sustaining part of the great city of Chicago. Not the least of these is Nicholas Melas, my own fraternity brother, who has made outstanding contribution to the field of industrial relations at the University of Chicago. There are many others whom I wish to honor myself by mentioning, but first, Mr. Speaker, I should address myself to the facts of history.

LOVE OF FREEDOM

March 25, the beginning of the Greek war for independence, marks a renaissance of that love of freedom and justice which is part of the inheritance bequeathed by ancient Greece to the modern world.

The submergence of the Greeks under Turkish rule after the fall of Constantinople in 1453 did not lead to the total

destruction of the Greek inheritance, for the Turks with their not inconsiderable gift for management, allowed Greek institutions to survive in many areas, and made use for their own ends of the inherent Greek systems of local government and administration even as the Romans had done before them in Greek lands. This fact may partially explain the present-day phenomenon of victor and vanquished of the war for independence—1821-29—standing together today as bulwarks of democracy against Communist aggression.

With due regard for the Republic of Turkey, the fact that she stands as a champion of democracy must be attributed at least in part to the subtle penetration of Greek ideals during that period when Greek love of freedom and justice was ostensibly submerged in a government marked by tyranny and cruelty. Whatever the reason, and it is unquestionably a combination of Greek influence and Turkey's traditional hatred of Russia, the democracies are more secure because of the positive, hardheaded determination of these allies that Russia shall not pass the Dardanelles.

SEND TROOPS TO KOREA

The Turks were the first to send troops to Korea, at a time when even we were not sure that the Reds would not drive our outnumbered forces into the sea. Turkish dislike of Russia of course is grounded in bitter experience. In Korea the Turks were fighting communism, not Russia. It is logical, therefore, to assume that Turkish determination to hold back the Reds in Korea stemmed from the remarkable progress in democracy Turkey has made since World War I. Greece and Turkey, the poorest countries in NATO, kick in 40 percent of their budgets for defense. Today these two nations are presenting a smooth, hard front against the Reds.

While the Truman doctrine committed the United States to the defense of Greece and Turkey, the spirit that made American arms and ammunition effective was the spirit of love of freedom and justice which was the spirit of ancient Greece.

CIVIC SENSE IS HIGH

The civic sense of the Greek is highly developed. The order of AHEPA, the highest exponent of Hellenic ideals in the new world is a living, working organization breathing the democracy and love of country of the Greek citizen. It is dedicated to the task of preparing the individual to exercise the rights and duties of American citizenship, intelligently, courageously, and unselfishly. Greek immigrants organized AHEPA to help them orient themselves in American life through a knowledge of every phase of American history and tradition, government machinery and civic customs.

The success of this effort can well be illustrated by pointing to contributions made to business, professional, and civic life by citizens of Greek birth or descent. My list is incomplete but it serves the purpose.

The legal systems of antiquity, followed by the codes of the Byzantine World point to Greek ability in the field of law. From my own Chicago comes Hon. James K. Chelos, an eminent jurist, James Geroulis a member of the staff of our great State's attorney, John Gutknecht; Paul Demos, Athanasios A. Pantelis, Dimetrios Parry, George S. Spannon, and many others.

FIRST GREEK-AMERICAN JUDGE

Judge Chelos was elected to the bench in November of 1952. He was the first Greek-American in the State of Illinois to wear the judicial robe. I was present at the ceremonies attending his inauguration. There was present a great throng of well-wishers, all sensing the historic significance of the occasion. Greece, which in the centuries long gone had built the foundations of logic, of equity, and of law was to have sitting in judgment in a Chicago court one of Greek blood. I am happy to report, Mr. Speaker, that the record of Judge Chelos in the close to 2 years that he has worn the judicial robe has measured up to the finest traditions of the bench.

I should mention here another great Greek-American lawyer, with whom I was closely and affectionately associated for many years, A. A. Pantelis. It was he who was responsible for the founding of the Hellenic Post of the American Legion and the position of tremendous power and influence occupied by that post in the early formative years of the Legion.

Upholding the tradition of Hippocrates in the modern manner we have Drs. William D. Nestos, Basil J. Photos, Charles Spurrson, Nicholas Drake, and many others.

Greek enterprise in business life is well illustrated by such a man as Van A. Nomikos, vice president of the Independent Theater Owners Alliance, a former national president of AHEPA and currently president of the board of St. Constantine's Greek Orthodox Church; also my good friend and distinguished constituent, William Karzas, who has helped so mightily in the building of Greek-American prestige.

Leaving Chicago and the second district, to include a man of national prominence, whose name suggests itself in this connection, we count Spyros Skouras, president of the 20th Century Fox Films.

The modern Greek, like the Greek of ancient times, transfers business and financial success into public service. Again, in search of an example, I return to my own Chicago and the Second District to name Pierre De Mets, a businessman, also a member of the executive board of St. Constantine's Church and active in civic and charitable activities of which I shall name but two: La Rabida Sanitarium, where needy children suffering from heart ailments are treated, and the Mercy Hospital drive.

IN MANY FIELDS OF SERVICE

The name of Mrs. Theodore Ashford Askounis stands beside that of Jane Addams in the field of social service and

aid to immigrants. Prof. Theodore Ashford, formerly of the University of Chicago, now at Washington University, St. Louis, represents the contribution of Chicago's Greek population to the field of physical sciences.

In the field of politics brilliant representation is furnished by James M. Mezilson, able member of the staff of the senior Senator from Illinois.

During World War II, citizens of Greek origin with characteristic charity and patriotism reached out to aid their suffering brothers in Greece. Prominent in Greek war relief were G. T. Drake and John L. Manta, president of the Greek War Relief Association. Mr. Manta is also a founder and sponsor of the Greek Cultural Foundation at the University of Chicago whose purpose it is to promote the study of Greek culture.

In the field of music Chicago boasts of Nicola Moscona; while the fame of Demetri Metropoulis, of the New York Philharmonic, is international.

To name the Greeks who in the tradition of Thermopylae have fought, bled, and died for democracy in two world wars would require more space than is allotted to me here; so, I shall mention but one much-decorated hero of World War I, who sleeps in Arlington Cemetery—George Dilboy.

FOREIGN RESIDUAL OIL IS GRADUALLY DESTROYING THE BITUMINOUS COAL INDUSTRY IN PENNSYLVANIA

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, my congressional district located in the heart of Pennsylvania, has been classified as a critical area by the United States Department of Labor because of heavy unemployment in the coal, railroad, and related industries. At the moment it is estimated that 11 percent of employables are unemployed and forced to live on unemployment insurance and surplus commodities.

One of the major contributing factors to this acute unemployment situation in my congressional district as well as the State of Pennsylvania is the importation of foreign residual oil from the Caribbean area. If this Congress would impose a quota limitation on foreign residual oil, much of the existing unemployment would be alleviated simply because coal would regain its eastern seaboard market.

The dire plight of the bituminous coal industry in Pennsylvania is evidenced by the following statistics compiled by the Central Pennsylvania Coal Producers Association, Altoona, Pa. A study of these statistics shows a continuous decline in the total tonnage of bituminous coal since 1946, which means that thou-

sands of jobs of coal miners, railroaders, and others in related industries have been destroyed. At this point I should

like to call attention to the following compilation of figures for the period 1947 through 1953:

Total tonnage of bituminous coal produced and total number of men employed in the State of Pennsylvania, 1947 to 1953, inclusive, and January 1954

Year	Total net tons	Increase or decrease, preceding year	Number of employees	Increase or decrease, preceding year
1947	144,626,000		109,202	
1948	130,642,000	-9.67	110,326	+1.03
1949	87,095,000	-33.33	100,119	-9.25
1950	103,445,000	+18.77	94,514	-5.60
1951	106,676,000	+3.12	86,369	-8.62
1952	87,316,000	-18.15	76,676	-11.22
1953	90,513,000	+3.66	61,420	-19.90
Decrease since 1947	54,113,000	-37.42	47,782	-43.76
January 1953	8,012,067		65,089	
January 1954	6,688,034		56,668	
Decrease	1,324,033	-16.53	8,421	-12.94
Total decrease	55,437,033		56,203	

Mr. Speaker, the above figures show the adverse effect that foreign residual oil is having on the economy of Pennsylvania by the decline in the production of bituminous coal. Not only is the economy of Pennsylvania affected, but our national security is threatened by the closing of bituminous mines.

It is not difficult to realize that a decline in annual production of 55,437,033 net tons over a 7-year period, and a decline of 56,203 employees in the same period is devastating. Taking coal at an average value of \$5.75 a ton means a loss in revenue to the economy of central Pennsylvania of \$319 million. This, of course, does not measure the loss in rail revenue and other allied industry and, of course, we cannot by any means determine the sociological impact on the mining communities as a result of the unemployment of 56,203 men.

The Department of Mines of Pennsylvania states that from January 1, 1953, to March 1, 1954, 58 operating mines were closed in central Pennsylvania, resulting in the dismissal of 3,497 men. Many factors have contributed to this decline. Some of them are domestic and local in character. These the industry and communities are attempting to solve.

Mr. Speaker, the most damaging contributing factor, however, is the importation of residual fuel oil from foreign countries. In 1953 this imported residual displaced 33 million net tons of coal and we are told that it will increase in 1954. The majority of this oil came to the eastern seaboard, which is the natural market area for central Pennsylvania coal. The oil has its origin in Venezuela and the Dutch West Indies. It is produced with cheap labor and is afforded ridiculously low transportation rates which, together with other factors, places it in a preferred position price-wise with Pennsylvania coal.

Mr. Speaker, although residents of Pennsylvania are concerned with the welfare of the coal industry in Pennsylvania, there is, however, another aspect of the situation that should receive the serious consideration of our national Government.

The energy requirements of our Nation are increasing at a normal rate.

Our domestic sources of fuel supply are adequate to meet these normal demands. However, in abnormal times, such as we experienced in World War I and II, we have been sorely pressed for adequate fuel supply. In World War I our energy demands increased 31.6 percent in 4 years, and in World War II they increased 46.3 percent. Most of this increase in demand was met by increased production in the coal industry which reached its peak of 630 million tons in 1947 to 453 million tons in 1953.

In Pennsylvania, because of residual fuel oil competition and other factors, the production has declined from 145 million tons in 1947 to 91 million tons in 1953, or a decline of 37 percent. The decline is continuing. Production in Pennsylvania for January 1954 is down 16.53 percent compared with 1953. Because of this decline a great many mines have been closed and there has been a decline in personnel from 109,202 in 1947 to 56,668 in March 1954.

We in Pennsylvania know from experience that when a mine is closed it cannot be reopened. It fills up with water and caves in. Not only is this great quantity of valuable natural resource lost forever, but a source of supply that would be sorely needed in times of emergency is gone. Also, personnel to operate the mine in times of emergency would be unavailable.

In 1947 we produced nationally 139 million tons of strip coal. This was quick and easy coal. Because of depletion, it would not be available on the occasion of another emergency.

Another condition that is alarming in central Pennsylvania is the decline of the young men in the industry. In former times it was traditional for young men to follow in the footsteps of their fathers in the coal industry. However, with the mines closing as they are and operating part time, most of these young men are leaving the communities and seeking employment elsewhere.

There are various angles in this picture with which I am sure you are acquainted. We in Pennsylvania know that if something is not done immediately to alleviate the condition, central Pennsylvania as a coal-producing area

will dry up. This source of fuel supply will be lost and should an emergency arise, our National Government would experience difficulty in getting sufficient fuel to run the machinery. Oil would be suddenly cut off and what oil is available would be used, of course, to man our war machinery.

Mr. Speaker, in the interest of my own congressional district, the State of Pennsylvania, the coal industry nationally, and the welfare of our Nation, Congress is urged to support legislation that would restrict the importation of foreign residual fuel oil.

ASSAULT WITH A DANGEROUS WEAPON COMMITTED IN THE SENATE CHAMBER OR THE HOUSE CHAMBER

Mr. HALE. 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 Maine?

There was no objection.

Mr. HALE. Mr. Speaker, I have just introduced a bill which provides that a person convicted of committing an assault with a dangerous weapon in the Chamber of the Senate of the United States or in the Chamber of the House of Representatives of the United States may be punished by death or by imprisonment for any term of years or for life.

I was much impressed after the recent shootings in the House with the newspaper headlines, which were no doubt correct, that those guilty of that assault on the Members of the House could not receive capital punishment unless one of the Members of the House were actually to die.

That, I realize, is the common law of murder, but I think it is a little tough to insist that a Member of this body should die in order that his assailants may receive the most severe punishment known to our law.

Mr. Speaker, I do not consider that Members of this body or the other body should be privileged characters, but it does seem to me that when assembled in their respective Chambers an assault upon them, whether it is a discriminating assault or an indiscriminate assault, like that of March 1, is not just an attack on some people, but is, in effect, an assault on the Government of the United States.

DAIRY FARMERS FACE CRISIS

Mr. JOHNSON of Wisconsin. 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. JOHNSON of Wisconsin. Mr. Speaker, for the past 3 days I have taken the opportunity of drawing my colleagues' attention to the critical situation facing America's 3 million dairy

farmers after April 1, which is only 7 days hence.

On April 1 Secretary of Agriculture Benson, with the apparent or implied blessings of the administration, is set to fire an economic torpedo at the dairy farmers by lowering milk and butterfat support prices to 75 percent of parity. This economic torpedo, as I have stressed and pointed out to Members of the House, will set off other economic bombshells that will in time affect more people than dairy farmers.

Lowered dairy support prices will have its economic repercussions on the main street of hundreds of rural communities. In time the chain effects of recession will touch the labor, industrial, and financial segments of our whole economy. If this happens, I am sure that some of my colleagues will recall too late the warnings that I uttered here on the House floor.

Let me reiterate again the point that American dairy farmers have not been living for years next door to the Federal Treasury. I grant that the dairy-support program has cost the Government some money—but the cost can be no stretch of the imagination be branded as a generous handout.

Yesterday I stated that the total cost of the dairy-support program for the 20-year period, from October 17, 1933, to November 30, 1953, amounted to \$164.3 million. This figures out to \$8 million annually for the 20-year period. I believe that this is very cheap economic insurance to stabilize an industry with an annual income at the present time of \$4 billion.

I neglected to state in previous remarks that the cost of the dairy-support program represents only 13.7 percent of the total cost of all farm programs for the 20-year period I cited. Metropolitan press stories give the misleading impression that the dairy-support program has cost American taxpayers billions of dollars. Unfortunately, Secretary Benson has made little or no effort to correct this erroneous impression.

There is one subsidy program that has cost the Government billions of dollars. This subsidy is never publicized by those who shed crocodile tears over farm program costs. I refer to the \$40.7 billions given to business and industry for reconversion during and since the end of World War II. Incidentally, farmers helped to pay for some of the business and industry reconversion, but farmers did not complain on this score.

I should also like to draw attention to the fact that farmers were not given special consideration or tax amortization for their war-production efforts and reconversion to peacetime farming. Farmers had to pay their own way, and many of them had to borrow money to do it. No mention is made of this by the press when comments are made on subsidies.

Now that the dairy industry is in trouble, Secretary Benson has decided to cut dairy supports to 75 percent on April 1. It is for this reason that I introduced my bill, H. R. 8388, to extend dairy-support prices at 90 percent for another 120 days after April 1. The House Committee on Agriculture has only a few days

left in which to hold a hearing and report the bill out. If enacted into law, the bill gives dairy farmers 4 months grace and it also gives Congress time to consider some realistic dairy-support legislation as part of a general farm bill.

I hope that the committee realizes the seriousness of the dairy farmer's plight and acts now.

DAIRY PRICE SUPPORTS

Mr. WHITTEN. 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 Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I would like to commend our colleague the gentleman from Wisconsin [Mr. JOHNSON] for his timely and forceful efforts in support of his bill, H. R. 8388, continuing present support prices on dairy products for 4 months. I would like to point out once again why I think such an action is reasonable. In the first place, we are not today as a matter of Government policy offering dairy products on the world market at competitive prices. Two things are required to sell anything. One of them is to offer the product for sale and the other is to make the price right. In the case of dairy products, as a matter of Government policy, we are not offering the commodities for sale in world-market channels and neither are we making the price competitive. So as long as these products are held on our domestic markets and within the United States, and as long as a matter of Government policy we are not trying to sell them, I think the gentleman is clearly right in his efforts to postpone a reduction in existing farm income until something is worked out.

I agree we must use any farm commodity we support. I agree supply and demand must be tied together, but the farm income is not too high. We must correct the causes of our present problems and reducing farm income is not the cure.

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

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

There was no objection.

Mr. BLATNIK. Mr. Speaker, I, too, want to commend the gentleman from Wisconsin [Mr. JOHNSON] for the earnest efforts he has been making in appealing that Congress continue the 90 percent price supports on dairy products for 4 more months effective April 1. This is a perfectly sound, reasonable, and logical proposition, embodied in his bill, H. R. 8388. The Agriculture Committees in both Houses of the Congress are now reviewing the entire price support farm program, and it is obvious that dairy products are, and should be, part of the whole overall program and should be considered as such.

The farm problem is one of the most urgent problems which must be acted

upon by this Congress. Every businessman, merchant, professional person, laborer, and farmer will agree that the farm problem is important to the national economy and of concern to every one of us. It is important because the prosperity of the farmer is directly tied to the prosperity of the Nation.

It has been said that depressions are farm led and farm fed, that a recession in agriculture is the forerunner of economic dislocation. It cannot be denied that a farm recession is in the making, and becoming more acute, month by month. Farm income has dropped by about 18 percent during the last year and a half and is still falling. The farmer is getting a smaller and smaller share of every dollar the consumer spends. Last year the farmer got 48 cents out of the consumer dollar. Today he gets only 45 cents. This means that the farmer's living standards are going down. It means he has less money in his pocket to spend with the local merchant and to buy the products of industry. It is clear then that action by Congress is required to stabilize farm income at cost or production levels, and the farm issue looms as the No. 1 issue in this 83d Congress.

SPECIAL ORDER GRANTED

Mr. BYRD asked and was given permission to address the House for 30 minutes on Wednesday next, following the legislative program of the day and special orders heretofore granted.

FALSE ECONOMY IN RESOURCES DEVELOPMENT

Mr. KELLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. KELLEY of Pennsylvania. Mr. Speaker, the Federal Budget is a book about as big and thick and full of figures as the Pittsburgh telephone directory. And when you look up a number in this book, it is apt to be a big one—in the hundreds of millions, if not in billions.

These figures are the costs of various Government programs, and they look fat and swollen and extravagant. It is only when you break these figures down into specific programs, and into the details of those programs, that you can get any clear idea why they are so big, for usually the programs involved are big programs of vital importance to defense, to our economy, to our industries or to the lives and health of our people.

And it is only then that we can tell whether the periodic economy drives in Government originating either in the executive department or in Congress look as good in the cold light of detailed analysis of the programs affected as they did when lumped together in a big and happy-sounding economy headline in the newspapers.

In this connection, I have been studying in some detail the proposed \$20 mil-

lion budget for the United States Bureau of Mines. This budget, as submitted to Congress by the Eisenhower administration, makes Secretary of Interior Douglas McKay quite happy, for it shows a cut of about \$2,700,000 below the amounts appropriated by Congress last year and more than \$7 million below the previous year.

But I am afraid I cannot get very enthusiastic about the reductions. The more I study them, the more convinced I become that an ax was wielded on Mines Bureau funds by Interior Department brass hats who did not realize the damage they were thereby doing to the long-range economic future of our country.

SCOPE OF MINES BUREAU RESPONSIBILITIES

Some people have an idea that all the Bureau of Mines does is look after the coal mines. Important as that work is, it is only a part—far less than half—of the Bureau's activities. All of the natural resources of the Nation below ground—except water—are within the jurisdiction of this Bureau. And it is the Government's main research agency in the finding, conservation, and development of these resources on which our entire economy is based. Our sources of, methods of extraction of, and uses for coal, petroleum, natural gas, helium, iron ore, zinc, lead, copper—all the metals and nonmetallic minerals including the new wonder metals vital to atomic energy and other defense uses—depend to a large extent on Mines Bureau research.

Cutting Mines Bureau funds by \$3 million or \$7 million looks good on a budget sheet and helps the Department of the Interior to build up an impressive economy record—but the recent hearings by the House Appropriations Committee into the actual application of these cuts reveal an arbitrary and dangerous shortsightedness.

Coal research is cut by \$200,000; petroleum and natural gas research by \$93,000; synthetic liquid fuel research—conversion of coal to oil—by nearly \$300,000; research in minerals and metals necessary to modern manufacturing is reduced by nearly \$1,500,000.

The figures by themselves mean little until you read the somewhat apologetic but nevertheless clear warnings from Mines Bureau officials that they cannot do the jobs they would like to do under these revised figures.

They do not actually come right out and say the cuts are bad, because they are not permitted to do so. Under wraps and prohibited from asking Congress for a cent more than the Interior Department budget cutters have recommended, they merely acknowledged under questioning that the scope of their work will necessarily be reduced. The details of those reductions are now spread on the record, and should cause concern to every industry in America dependent upon Mines Bureau research for improved methods of recovery and use of our underground resources.

FALSE ECONOMY COMES HOME TO ROOST

We are going through now, by order of the administration in its budget-cutting drive, exactly the kind of thing we

experienced from the Republican 80th Congress in 1947, the first year of that term of Congress. Then, too, deep cuts were made into fundamental Mines Bureau research programs, on the claim they were saving the taxpayers money.

By the next year, they learned that most of the cuts they made had saved some dollars at the expense of major industrial progress in the United States. So they had to put all these funds back in the budget again. All the cuts had accomplished was confusion, chaos and delay in vital programs of research.

Fortunately, the highly successful mine safety program, which in its first full year of operation under the revised inspection law passed in 1952 resulted last year in the lowest fatality and injury rate in the coal mines in the history of the industry, was cut much less than other Mines Bureau programs—only \$55,000 below last year's \$3,700,000 appropriation. At least the administration did not want any blood on its hands from a slash in this fund, and for that we can all be grateful.

DAIRY PRICE SUPPORT PROGRAM

Mrs. PFOST. 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 gentlewoman from Idaho?

There was no objection.

Mrs. PFOST. Mr. Speaker, in view of Secretary of Agriculture Benson's firm refusal to hold in abeyance for 4 months his order reducing dairy support levels, I am today introducing a bill identical to the one previously introduced by my distinguished colleague, the gentleman from Wisconsin [Mr. JOHNSON]. These bills would continue on a temporary basis 90 percent price supports on milk and butterfat. At this time I ask the great House Agriculture Committee to give this legislation their immediate attention.

I talked by long distance this morning with a number of dairymen and representatives of the dairy industry in my own State of Idaho. They are unanimously of the opinion that a grave situation faces the industry if the Benson order is allowed to go into effect. They are aware, as I am, that the consumer may receive some benefits in a few cents' drop in milk and butter prices, and in these days of falling employment and worsening economic conditions, we all want to give the consumer a break. But in my opinion, it is foolhardy to think only of the few cents this order would save in the immediate present, and shut our eyes to its long-range repercussions to our economy as a whole. We all know that farm prosperity is the basis of prosperity of us all, and that we cannot afford to place in jeopardy any segment of our farm economy.

The Benson order would put in serious trouble the dairy farmers of my congressional district. Though the national average is 1 cow for each 7.4 persons, the average in Canyon County, my home county, is 1 cow for each 2 persons.

Hard upon the heels of Secretary Benson's announcement last month of the drop in dairy support prices, the largest creamery in my home county dropped the price of butterfat 3 cents. This happened just on the basis of the announcement. What the future holds is anybody's guess—and that guess is an apprehensive one. Add to this these facts: In 1952 the Canyon County price for butterfat in whole milk was \$1.18; in 1953 the price dropped to \$1.07½; last month the price was 89 cents.

The high price of feed is adding to the dairy farmer's dilemma. A severe drop in dairy prices will really lower the boom on him. If he is given until July 31, he will have an opportunity to readjust his schedule, and will have the advantage of spring pastures to supplement his high feed costs.

Mr. Speaker, April 1 is almost upon us. If the order to reduce the support price of dairy products to 75 percent of parity is allowed to go into effect next Thursday, it will indeed be April Fool's Day for the dairy farmer—and before long the consumer may realize it was April Fool's Day for him, too.

I urge the Agriculture Committee to consider immediately H. R. 8388 and H. R. 8558 to postpone the Benson order for 4 months. This will give Congress time to consider carefully the impending slash in dairy price supports. I ask each of you to join forces with my colleague and me in requesting consideration of this important legislation.

THE PRESIDENT OF THE UNITED STATES

Mr. CELLER. 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. CELLER. Mr. Speaker, I was informed that while I was attending a meeting of the Judiciary Committee the gentleman from New York [Mr. DEROUXIAN] made the statement that there was reflected in the Long Island press a statement to the effect that I called the President of the United States a coward.

I deny emphatically having made any kind of statement of that sort.

I said that I thought that when history was written with reference to the operations of a certain committee in the other body and the chairman thereof it would state that "the Republican administration had manifested considerable timidity and cowardice."

I did not intend thereby to involve personally the President of the United States. I did involve others.

I also said that when history is written it will be shown that the Republican administration, for example through its Secretary for the Army, had determined upon a very forthright, hard-hitting statement at the time of the investigation by that same committee of a battle-scarred general with many decorations, and then unfortunately the Secretary for the Army buckled before the impact and onslaughts of the gentleman

presiding on that committee and withheld that splendid statement. I could give many other examples of timidity manifested by the administration. Suffice to say it has been weak-kneed and cowardly in its reactions toward that certain chairman of that committee.

I have the greatest respect and honor for the President of the United States. He is a great soldier, an exemplary character, kind, humble, able. But he too could well manifest a far stronger and belligerent attitude toward this certain individual who is creating so much havoc.

STARVATION IN THE PHILIPPINES

Mr. BOW. 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 Ohio? There was no objection.

Mr. BOW. Mr. Speaker, it has come to my attention that it is estimated that 200,000 people in the Philippine island of Mindoro are facing starvation because of an infestation of rats.

We have spent vast millions in southeast Asia in arms and ammunition to defend against communism. I suggest that our Government could well fight communism in this instance by sending some of the surplus food to these people whom formerly we had under our protection and our flag and who now face starvation. I would suggest that our Government send surplus food to the starving people of the world as a humanitarian and effective manner of defeating the influx of the godless hordes.

GREEK INDEPENDENCE ANNIVERSARY

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I rise today to salute the heroic people of Greece on the occasion of the 133d anniversary of the independence of their small but great nation.

The courageous deeds of these people over many generations have been and will continue to be an inspiration to freedom-loving people the world over. I join with their admirers in the 28th Congressional District of Pennsylvania and throughout the United States in reiterating praise for their stoutheartedness and hopes and prayers for a bright and glorious future for this brave people who have done so much on behalf of the cause of freedom everywhere.

THE PRESIDENT OF THE UNITED STATES

Mr. BECKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an article from the Nassau County Review Star.)

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

There was no objection.

Mr. BECKER. Mr. Speaker, I am very glad the gentleman from New York [Mr. CELLER] took the opportunity to make the denial he did, because there appeared in the Long Island Press and Nassau County Review Star an article in which these statements are made:

Congressman EMANUEL CELLER, Brooklyn Democrat, last night accused President Eisenhower of "running an administration of fright and cowardice"—

Referring to the President of the United States. The article goes on to state that he also made the statement:

We have naught but silence from the head of the Republican Party in the White House. When history is written it will clearly indicate how cowardly was the man in the White House.

I say to the gentleman from New York that if he did not make such statement—and he denies he said it—that he write the papers of Nassau County and demand that they retract the statements immediately.

I include herewith the article to which I made reference:

CELLER SAYS IKE'S AFRAID OF McC

Congressman EMANUEL CELLER, Brooklyn Democrat, last night accused President Eisenhower of "running an administration of fright and cowardice."

Speaking before the Great Neck Democratic Club, CELLER said the President "should cut this man McCARTHY down to size, but instead, he refused to mention the rascal in all his utterances."

"We have naught but silence from the head of the Republican Party in the White House. When history is written it will clearly indicate how cowardly was the man in the White House."

Congressman CELLER, who represents the Rockaways in Queens in addition to his Brooklyn district, acknowledged in his Great Neck address that there "is a Communist threat to the United States."

But, he insisted, McCARTHY has created "an anti-Communist threat to our security by fighting communism with the weapons of communism (itself)."

Referring to McCARTHY's recent illness with laryngitis, CELLER said "it was caused by his morning gargle with lies."

Two Long Islanders, Bryan Hamlin, a Bridgehampton lawyer, and Edward T. Chase, an East Hampton public relations expert, are circulating a petition calling on President Eisenhower "to speak out against McCARTHY and his methods."

"We have 3,500 signatures to the petition," said Chase, "most of them since McCARTHY started his dispute with the Army."

THE SECRETARY OF AGRICULTURE AND BUTTER PRICES

Mr. JAVITS. 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 New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, I notice a rash of speeches this morning asking the Secretary of Agriculture to recede from his position on reducing supports for milk products, on April 1. Mr. Speaker, this is the first Secretary of Agriculture in some time—including the previous administrations—who bore

in mind that there are not only people who make butter, but who consume butter. I think he is to be congratulated upon what he has done. I think he is trying to see to it, in the interest of the consumer, to give him a break, and I urge the great Committee on Agriculture to think of the consumer, too. In addition, the Secretary of Agriculture has understood the complete fallacy under which we are operating today with surpluses piling up and with \$6.75 billion of Government money invested in them, and farm income at one and the same time falling. There must be something wrong somewhere, and it is the very scheme that has brought about this situation, this high fixed 90 percent of parity price support for milk products, so it must be wrong somewhere, too, and there is no use continuing an error which is hurting the farmer and hurting the consumer and yet that is what the 90 percent of parity price support people want to do.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House today for 20 minutes, following any special orders heretofore entered.

NEWSPAPER CRITICISM

Mr. HOFFMAN of Michigan. 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 Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, this idea of getting peeved about something in the newspapers that says something about you that you do not like is nothing to worry overmuch about.

There is only one good thing about that that I know of. If the papers are vicious enough and they use the wrong kind of language, you can get an hour on the floor on a question of personal privilege. That is, if the Speaker and the Parliamentarian agree with you that they have gone far enough to justify an explanation.

But the thing I want to suggest this morning—that is, the point I wish to make—is that, if the friends of Communists intend to try a Member of the other body—the chairman of a committee—and, in addition to their demands that he get off the committee and take no part in its deliberations, they demand that he be denied the privilege of cross-examining the witnesses who appear against him, then they ought to give him a bill of particulars so the people would know the exact charges that are made.

You know, even a chicken thief has to be told whose chickens he stole and how many there were, their value, before he can be brought to trial, and I think they ought to do that with our colleague in the other body. Let him have a chance.

Let him be tried by his peers. Let him be confronted by the witnesses. Let him have the right of cross-examination.

And while they are about it, let them, before they bring in a verdict, be sure that each is free of prejudice—has not

prejudged the case; has no personal knowledge of the alleged facts; has not expressed an opinion on the issue; has no desire to any part of the acclaim or publicity Joe has been getting.

In short, if they are to conduct a trial, as it appears they are, instead of a congressional hearing, let them follow trial procedure.

THIRD SUPPLEMENTAL APPROPRIATION BILL, 1954

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House or the State of the Union for the consideration of the bill (H. R. 8481) making supplemental appropriations for the fiscal year ending June 30, 1954, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be confined to 1 hour and a half, the time to be equally divided and controlled by the gentleman from Missouri [Mr. CANNON] and myself.

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

Mr. CANNON. Mr. Speaker, reserve the right to object, would the gentleman be willing to amend his motion by making it not to exceed 1 hour and a half?

Mr. TABER. Yes.

Mr. CANNON. In the event that debate is exhausted prior to that time, the bill could be read for amendment.

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

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

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. 8481, with Mr. MORANO in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TABER. Mr. Chairman, I yield myself 23 minutes.

We have before us a bill for \$394,521,596, a reduction of approximately \$29,500,000 from the estimates.

Also, there is included \$6,027,000 to meet direct obligations resulting from statutory requirements, audited claims, and that sort of thing, for the District of Columbia, which will come out of District revenues.

I will not spend very much time on most of the items. The items for the legislative and the judiciary I think will speak for themselves. They are items that had to be provided for the operation of the courts and the legislative establishment.

The items for State, Justice, and Commerce I shall leave to the members of the subcommittee handling that bill. The items for the Treasury I shall leave to the members of the subcommittee handling that bill, if any explanation of those is necessary.

I shall discuss briefly chapter 5, for the Department of Health, Education, and

Welfare. There are some items included that I think will need no explanation. There are others that may require some little explanation. The figures on page 19 of the report cover items that were unanimously agreed to in the committee, and I believe there will not be very much question about them. However, I should be glad to answer any questions that may come up.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield at this time?

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

Mr. SEELY-BROWN. Can the gentleman advise us as to the availability of funds for carrying out the provisions of Public Law 246 as authorized in the last days of the last session of Congress?

Mr. TABER. Yes. There was no provision made, there was no budget estimate submitted, and the members of the subcommittee were not aware of any acute situation, and are not now, except legislatively. The situation is this: There was \$70 million provided for the operation of the new school-building activity in the last appropriation bill before adjournment. Of that, \$35 million has been obligated and \$35 million remains. Unless there is a very marked speeding up of the operations of the Department—greater than was ever had before—that will be amply sufficient to carry them through the 1st of July. There is pending a budget estimate of \$40 million for the continuation of the consideration of title III and title IV grants under that situation. The committee will have hearings on that item and when the regular appropriation bill comes in they will do what the situation that develops seems to require.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

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

Mr. SEELY-BROWN. Do I correctly understand the gentleman to say there are presently available sufficient funds to pay 70 percent of the entitlements?

Mr. TABER. I have not discussed that feature of the bill yet, but I will in a moment, unless there are some questions that relate to the new operations. If there are any questions relating to the new operations, I would be glad to discuss them.

Mr. SEELY-BROWN. By "new operations" the gentleman means those entitlements which were declared valid between June 30, 1952, and the present time?

Mr. TABER. Yes.

Mr. SEELY-BROWN. I thank the gentleman.

Mr. TABER. I have discussed those, and I think I have covered that subject as thoroughly as it can be covered at the moment.

Now I will go into the question with respect to the old funds under Public Law 815 of the 81st Congress. If I recall correctly, that resulted something like this. I will not try to give the detailed figures, but there was provided something in the nature of \$341,500,000, of which approximately \$340,022,000 has been obligated. There is, as I understand, something in the nature of \$95 to \$98 millions representing certain projects that had pre-

viously existed and to which consideration had been given.

When Public Law 246 was passed and became law last August there was in it a subsection, on page 7 of the printed statute, paragraph (e) in section 2, which stated that not to exceed \$55 million was authorized to be provided for handling entitlements that had previously existed, but that not to exceed 70 percent of the unpaid entitlement or any claim of entitlement should be paid. That item has never had any consideration in the Appropriations Committee except a short hearing that we had on Tuesday afternoon.

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

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

Mr. PERKINS. May I ask the gentleman what has been the attitude of the Health, Education, and Welfare Department concerning this appropriation?

Mr. TABER. I found that out on Tuesday afternoon. I found that the new Commissioner of Education, Mr. Brownell, about 2 weeks ago submitted to the Secretary a request that a budget estimate be requested to meet the situation, and the situation described in section 209. She, however, had not up to that time submitted any request to the budget, and the budget knowing nothing about it, and our committee knowing nothing about it and its regular hearings being about completed, and not knowing anything about the urgency of it, did not consider it.

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

Mr. TABER. I yield.

Mr. BARDEN. As I understand, the gentleman is speaking of the \$55 million item, which is up for an amendment?

Mr. TABER. Yes.

Mr. BARDEN. As you know, there has been considerable discussion about the \$55 million amendment, and then for the \$58 millions for the completion of the requests coming in. Let me say at this point, I think the gentleman is acting wisely and in accordance with good policy, and certainly for the protection of the House and everybody else in determining that the item of the \$58 million is unwise to handle at this time because there are only about half of the requests in. They have not been worked up. They have not been determined as to amount. I do not think we should call upon the Committee on Appropriations to take steps on that item at this time. I think that is the consensus of opinion of the members of the Committee on Education and Labor which handles such legislation. On the \$55 million item, I must say there has been some criticism floating around as to the manner in which the Department has handled this matter. But I want to say this to my distinguished friend, the gentleman from New York [Mr. TABER]. There certainly can be no criticism of him or his committee for the manner in which they handled it because the Department simply intended to veto this piece of legislation by inaction. They just held their hands. They did not request it of the Budget Bureau, according to what they said, and the Department did not

bring it to the attention of the committee of the gentleman from New York, chairman of the Appropriations Committee. So when he was alerted about it, I must say that the gentleman took every step to act expeditiously and wisely. I think at this point, it is probably safe to say that there will be an amendment offered to take care of the \$55 million, which was part of the \$98 million originally passed by the House. Then we went into conference with the other body, and the other body and the House agreed to \$55 million by reducing some of the applications or disregarding some of the applications for buildings that were commenced before the act was passed and then by reducing the amount further by providing for 70 percent which would cover minimum school facilities instead of complete school facilities. That left the \$55 million. That money has been authorized twice by this House. It was authorized once. The time ran out and it was reauthorized last year. The reason for this action at this time, and the reason I think the gentleman realized that it required unusual procedure was because the time expires as of this coming June 30 for action, and it caught the gentleman from New York in a rather uncomfortable position, and I am in accord with him. He has made a quick thorough search of the problem.

Mr. TABER. The committee intends to—and the gentleman from Illinois [Mr. BUSBEY] will—offer an amendment which will put the \$55 million in the bill with such restrictions as will insure that it be paid out only in accordance with the provisions of the statute.

Mr. BARDEN. That is right.

Mr. TABER. And, frankly, I want to say to the gentleman from North Carolina and to the others here that we have had this matter up with the General Accounting Office, and we have their assurance that they did not believe that this situation would permit the payment of anything to any district which did not have or was not presently contemplating the construction of a school or did not have children in it that would qualify.

We believe that it is fair; and, frankly, I do not know whether the \$55 million would all be required.

We were in hopes that we might have an opportunity to go into the matter in such way that we could know; but as we cannot—the sentiment of the House seems to be overwhelming in favor of putting it in—we might just as well bow to sentiment and take our medicine whether we have the disease or not.

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

Mr. TABER. I yield.

Mr. BARDEN. I would like to mention this: These entitlements, or applications under the law coming from the districts that were worked up, certified and approved, and so forth—there is a bare possibility that there may be some change in conditions and certainly neither the House nor the gentleman nor I expect any funds to go where the need does not exist, where the building has not been built, or to pay for a building that has been built or to be built.

Mr. TABER. That is right.

Mr. BARDEN. That is what we included in the law. If there is a possibility that it does not take the \$55 million, that is well and good and we can save that much.

Mr. TABER. It will revert back to the Treasury.

Mr. BARDEN. At the same time I think it would be wise if the gentleman would consider also adding in the amendment if the reverse were true that it be paid pro rata instead of just taking it on a first-come-first-served basis.

Mr. TABER. I would be glad to add it. The reason I did not do it offhand was because it might be regarded as legislation; but I would be glad to add that to the amendment if we can get by with it.

Mr. BARDEN. I think the gentleman from New York and myself are in good enough standing with the membership of this House that we can get by with it.

Mr. TABER. I hope so.

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

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

Mr. DONDERO. Are we to understand then that the amendment will be offered to provide \$55 million to take care of schools in distressed areas?

Mr. TABER. This amendment will be offered to take care of these old—I might say dead items at the present time, although the education department has not been through them for the last year and three-quarters and does not know anything about them or their status, and it will be supposed to take care of those old items. It will have nothing to do with new schools.

Mr. DONDERO. One further question: At the top of page 9 of the bill \$55 million is provided for Federal-aid highways. Is that part of the \$575 million annual authorization of the Congress 2 years ago?

Mr. TABER. It is a part of the unappropriated funds of previous authorization acts. Just exactly what date it was authorized, I have not the information in front of me to show; but it is expected this will carry the Bureau of Public Roads to the 30th of June.

Mr. DONDERO. To take care of the Federal part that is allocated to the States for matching money to be applied on the highways?

Mr. TABER. That is as I understand it.

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

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

Mr. DOYLE. May I say to the gentleman that I received a letter this morning from Mr. Lillywhite, to whom I made inquiry about the Bellflower School District in my congressional district, and with reference to the figures which the gentleman has read he said:

In order for them to receive the full entitlement, the full amount of \$95,500,000 would have to be appropriated, and not the \$55 million.

Mr. TABER. We have no authority to put in anything beyond \$55 million. That is the limit of the authorization

and we cannot go beyond that because it would be subject to a point of order.

Mr. DOYLE. I thank the gentleman.

Mr. TABER. That is the situation as it exists today.

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

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

Mr. KNOX. I refer to the Department of Labor appropriation of \$7,551,100 and reading from the bill it is stated: "which shall be available only to the extent that the Secretary finds it necessary to meet increased costs of administration resulting from changes in State law or increases in the number of claims filed and claims paid." That is from the bill.

Mr. TABER. I am not going to answer that question. I wish the gentleman would ask that of the gentleman from Illinois [Mr. BUSBEY], because he has the detail on that. I am not able to cover the detail on every single item.

Mr. KNOX. I withdraw my question.

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

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

Mr. TOLLEFSON. The gentleman has said he would not discuss the State, Justice, and Commerce items, but I would like to ask a question he can answer. There was some concern about the reduction in operation subsidy funds in the bill by the sum of \$10 million. Can the action of the committee or should the action of the committee be construed in any way as repudiating a just obligation of the Government?

Mr. TABER. No. There was a general feeling in the committee that that item should be carefully investigated. We felt that before we went any further with it we should have a study made of their actual situation, the way they are making their contracts, and whether or not the people who have been getting the subsidies have complied with what was intended in connection with the income-tax feature.

Mr. TOLLEFSON. May I ask the gentleman if that investigation is going to be made during this present session?

Mr. TABER. We expect it to be made promptly, and whatever it shows will give us a clue to the situation that might develop.

Mr. TOLLEFSON. So that if the investigation shows the vouchers are valid and the contracts under which they are made are valid, then the committee will come out with a request for funds?

Mr. TABER. What the committee will do will depend on the situation that develops as to whether or not something is needed within the authorization.

Mr. TOLLEFSON. In other words, if the vouchers are valid and just they should be paid?

Mr. TABER. That is correct.

Mr. Chairman, I yield 8 minutes to the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Chairman, the bill before us today includes five items for the Departments of Labor and Health, Education, and Welfare. The total requests for these items amounted to \$83,850,000. The committee has recom-

mended that \$76,201,100 be appropriated. This is a reduction of \$7,648,900 from the estimates.

The first item in this chapter of the bill is \$7,551,100 for grants to States for the administration of unemployment compensation and employment service programs. The request was for \$14,500,000. This request was to cover the following items of increased cost, realized or anticipated, by the States and the Department of Labor:

First. Increased workload because of the increased number of unemployment-compensation claims under the regular program.

Second. Increased workload in connection with the increasing number of claims under the program for unemployment compensation for veterans.

Third. Increases in State salaries.

Fourth. Increased costs which would result from a change in the present policy of reporting claims biweekly to a policy of reporting each week.

Fifth. Additional activities in connection with employment services.

Sixth. Increased expenses resulting from increased purchases of supplies, increased postage reimbursement, and increased retirement contributions.

The committee has allotted, in full, the amount requested for meeting basic salary expenses accountable to workload increases in connection with the unemployment-compensation program. The committee has not allotted funds requested for State salary costs nor for changing the present policy with regard to biweekly reporting, in connection with unemployment compensation.

It has only been about 8 months since the 1954 act was passed, and the committee was not convinced that any real emergency exists, in connection with these 2 items, which would require revision of the basis upon which this act was passed. These matters are being given very careful consideration in connection with the budget request for 1955.

The committee did not allow any additional funds for the increased activities contemplated by the budget in connection with employment-service activities. There are some activities in this category which appear to the committee to be unnecessary under present conditions. For instance, the committee was not at all convinced that funds should be appropriated for teacher-placement services. It was brought out, in connection with the hearings on the 1955 budget, that 11 States have a specific division established for such a service, and that other States handle this service in connection with their regular activities. This work, of course, is paid for in full out of the funds appropriated under this head.

Under the appropriation recommended in the bill, it will be necessary for the States to absorb the relatively small incidental costs, such as increased expenditures for supplies, retirement contributions, and postage reimbursement.

The next item in the bill is unemployment compensation for veterans.

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

Mr. BUSBEY. I yield to the gentleman from Michigan.

Mr. KNOX. I asked the question of Mr. TABER, and the gentleman from New York [Mr. TABER] asked that I refer this question to the gentleman from Illinois [Mr. BUSBEY]. In the bill we have the language, "\$7,551,100, which shall be available only to the extent that the Secretary finds necessary to meet increased costs of administration resulting from changes in a State law or increases in the numbers of claims filed and claims paid."

Then when I read the report I find it says:

The allowance will provide in full for the net basic expenses requested for workload increases in connection with unemployment compensation claims but disallows funds requested for State salary increases.

The reason I bring that up is this. In the State of Michigan we have a constitutional amendment that provides that the civil service commission of the State shall set all salaries and wages and that it shall become mandatory upon the agency to pay those salaries or wages which have been put in effect by the civil service commission.

Today we have an order from the civil service commission in Michigan to raise the salaries and wages of State employees in the amount of \$6 million. What I fear is that unless the gentleman can assure me that this will be absorbed through some additional funds going to the State of Michigan, we will have to have a decrease in the number of employees, which will directly reflect upon the ability of the agency to make the payment benefits to those who are entitled to them under the Unemployment Compensation Act.

Is it the opinion of the gentleman from Illinois that this is rigid and that there will be no salary increases absorbed under this particular fund for which we are appropriating at this time?

Mr. BUSBEY. I think the latter statement of the gentleman from Michigan is correct.

I may also state that, in instance after instance in the Federal Government, the various departments and agencies are being compelled to absorb not only salary increases, but also, in practically every case, the cost of penalty mail that has been put upon the various agencies.

Mr. KNOX. I am not going to offer an amendment for an increase. I want to get further information on it. I assure the gentleman I will take the matter up with the Senate and see what will be the ultimate outcome.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield.

Mr. SMITH of Wisconsin. In my State of Wisconsin we are faced with the situation where unemployment compensation benefits are being slowed up because of the lack of administrative help. If this cut goes into effect and as the unemployment increases it seems to me we are going to be severely handicapped. At this moment I am inclined to offer an amendment to increase the amount.

Mr. BUSBEY. We have taken that into consideration. The amount that is allowed in the bill takes into consideration this additional load that has been

put on the States because of increased unemployment.

Mr. DONDERO. Will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from Michigan.

Mr. DONDERO. I want to confirm what my colleague from Michigan [Mr. Knox] had to say. I have also received telegrams from the employer members of the Unemployment Compensation Commission of my State showing exactly the same condition to exist there. How they are going to get the money to pay this additional amount unless we provide it, I do not know.

Mr. BUSBEY. May I state for the record that I had not received one single communication from an employer in the State of Illinois, and they have had to contend with the same thing. As a matter of fact, we laid off 122 people, but I do not think the program has been crippled.

The next item in the bill is unemployment compensation for veterans. The total requested for this item was \$20,500,000. As you will recall, \$15 million of this amount was included in the Second Supplemental Appropriation Act, which has now become law. Since action on that bill, the committee has had an opportunity to study this matter further, and is recommending that the remaining amount of \$5,500,000 be appropriated in this act. Under the Veterans' Readjustment Assistance Act of 1952, these payments are mathematically computed. Except for determining the eligibility of individual applicants, there is no administrative control over expenditures under this appropriation.

The next item in the bill is payments to school districts for operation and maintenance of schools in federally impacted areas. The full amount of the budget request for \$5,850,000 is included in the bill. This will bring to \$72,350,000 the total amount available for these payments in fiscal year 1954. The Office of Education officials testified that this amount would be sufficient to pay 100 percent of the entitlements under Public Law 874, as amended by the last session of Congress.

The next item in the bill is salaries and expenses for the Bureau of Old-Age and Survivors' Insurance. The funds which this bill would make available come from the Old-Age and Survivors' Insurance trust fund, rather than from the general funds of the Treasury. The amount recommended is an increase in this limitation of \$996,000, the amount of the budget request. This represents the cost of penalty mail, which must be paid by the trust fund in 1954, under Public Law 286 of the Eighty-third Congress. This additional expense comes on top of a fairly substantial increase in workload above that upon which the original 1954 appropriation was based. No funds have been requested, nor any recommended in the bill for this increase in workload. However, the committee felt that it would be impossible for the Bureau to render the services which are expected of it if they were required to absorb both the cost of increased workload and the penalty mail cost.

The next item in this chapter is grants to States for public assistance. The

committee was requested to include \$58 million for this purpose. This amount was composed of \$54,500,000 for payments to recipients and \$3,500,000 for State and local administration. The committee has allowed the full amount requested for benefits payments. Grants for this purpose are figured on a mathematical formula prescribed in the basic law, and the Congress has no alternative but to appropriate funds which are necessary, as a result of this calculation. The committee has reduced by \$700,000 the amount requested for State and local administration, and has included a provision in the bill which will limit to \$2,800,000 the amount that can be used for this purpose.

The committee will expect a much better explanation and justification for the budget covering the item of State and local administration when the Bureau presents the budget for 1955 than they were able to give, in connection with the supplemental request. Last year the committee recommended the full amount of the budget request of \$1,340 million for grants to States for public assistance. This budget included \$77,500,000 for grants to States for State and local administration. When the supplemental request was presented to the committee, the budget schedule indicated that not \$77,500,000 was budgeted for this purpose, but \$79,200,000, even though there had been no increase in the total funds appropriated since the original 1954 act. The committee had taken no action whatsoever, nor had the committee even been advised of this rather substantial change in the amount budgeted for administration. The justifications which accompanied the budget schedules for the supplemental did not even mention this fact, nor did the general statement presented by the acting head of the Bureau. On top of the increase which the Bureau had already made, they included \$3,500,000 in the supplemental request.

Had it not been so late in the fiscal year, I personally would have been in favor of reducing the request of \$3,500,000 much more than we have, or perhaps disallowed it entirely.

Unless the Members have additional questions on any of these items, I will not take up any further time of the committee.

Mr. CANNON. Mr. Chairman, I yield such time as he may require to the gentleman from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. Chairman, I wish to point out the serious reduction in this bill in the appropriations to the Department of Commerce for paying operating-differential subsidies to American shipping concerns engaged in foreign commerce.

The Department asked for \$29½ million to meet existing contractual obligations for subsidy payments. The committee bill provides only for \$19½ million. This is a reduction of \$10 million, or more than one-third of the amount requested.

The amount asked by the Department is not merely an estimate of future requirements. As of March 5, 1954, the Department had in its hands processed vouchers in the amount of \$29,924,963.

This is some \$400,000 above the figure requested, a figure which this bill has reduced by more than one-third.

Mr. Chairman, the operating-differential subsidy program is, in my opinion, vitally necessary if we are to maintain a strong merchant marine. These payments are needed to permit the operators to meet foreign competition with operating costs considerably below ours. The subsidy rate of payment is based on five cost items—wages, subsistence, maintenance, insurance, and stores and supplies.

To give but one example of the difference between American costs and foreign costs, the wage cost per voyage day for one United States operator in 1951 was \$666; for foreign operators this wage cost varied from \$384 to as low as \$167. In other words, the average wage cost per voyage day for the foreign competitor ranged from 42 percent to as low as 75 percent below the cost to the American operator. The disparity is even greater today. Our lines could not stay in business very long without the subsidy program.

Under existing law, the Department has entered into long-term contracts with 15 lines to make these subsidy payments. These lines have scheduled extensive foreign service, and they have set up long-range programs to replace obsolete vessels as required by their contracts. If we fail to carry through with our part of the bargain, we not only renege on our contractual obligations, but we deal a serious blow to the maritime industry. Justice and policy require that Congress appropriate the full amount of the Department's request.

This is not the time to cut these funds. The operators are finding that their cash position is tight; they need the money which the Government by contract is obligated to pay, and they need it now.

The maritime industry is seriously alarmed at the significance of the cut, not only for what it means today, but for what it means to the future of the program. I should like to read a telegram I have just received from the president of the Pacific Far East Line, Inc., one of the firms holding contracts with the Federal Government under the program:

SAN FRANCISCO, CALIF., March 24, 1954.
HON. DON MAGNUSON,
Merchant Marine Committee,
House Office Building,
Washington, D. C.:

We are greatly disturbed to learn that House Appropriations Committee has refused to pass the \$29½ million budget of Commerce for operating differential subsidies currently due and payable and have instead trimmed this amount by some \$10 million. Know that you yourself are quite familiar with fact that the amount submitted by Commerce was least possible net to meet obligations of current vouchers which are part of definite obligation under bona fide contracts with United States Government for services rendered by the operators concerned. This fact must, however, have escaped Chairman CLEVENGER of Appropriations, otherwise cannot conceive of his suggesting that Government ignore or disavow good faith legal contract obligation. Furthermore, in case of our company, we have in the first year of our contract obligated ourselves to something in excess of \$16 mil-

lion for 3 new mariners now building and are deeply agitated over portent of such action.

How are we ever to fulfill our commitment and put these vessels into operation if we are faced with the prospect that Government may at any time revoke its reciprocal commitment? Will appreciate your best efforts to correct this damaging inequity and to get some reassurance that operators endeavoring to implement Merchant Marine Act and its objectives can rely upon that act for protection as well as obligation, and that Congress will not destroy private industry's faith in long-term commitments and vessel-replacement programs such as noted above.

T. E. CUFFE,
President, Pacific Far East Line, Inc.

It is regrettable, Mr. Chairman, that the committee has cut by more than one-third the funds the Department needs today to meet outstanding contractual obligations. I hope that this serious oversight speedily can be corrected.

Mr. CANNON. Mr. Chairman, I yield such time as he may require to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, I favor the proposed so-called Fogarty amendments and the proposed Busbey amendment to make possible additional educational funds for federally impacted areas.

I am strongly in favor of these proposed amendments to provide for past entitlements and for current ones under the educational program. I understand that the committee may agree to part of the proposals and that others may be submitted in the next bill to be before us on this question. In enacting Public Laws 815 and 874 of the 81st Congress, Congress recognized the obligation of the Federal Government to assist in the education of the children of servicemen and defense workers under circumstances where there was a particular burden on a local community.

There are two strong reasons why the Federal Government has this obligation: First, the Federal Government's defense installations are exempt from local real-estate taxes. Thus, without this legislation, the Federal Government does not accept the usual responsibility of the property owner to pay taxes necessary for free public education. Second, while taking land off the tax rolls, the Federal defense activity brings an influx of children of servicemen and defense workers who must be educated.

These two circumstances create an obligation. But it is not just a matter of obligation. It is a matter of necessity. Some communities are simply unable without this assistance to provide sufficient school housing and operating expenses under these circumstances.

Last year Congress renewed its recognition of the Federal obligation in this field by extending Public Laws 815 and 875 in amended form.

The President has also recognized the Federal responsibility in this field. In his state of the Union address last year, he said:

One phase of the school problem demands special attention. The school population of many districts has been greatly increased by the swift growth of defense activities. These activities have added little or nothing to the tax resources of the communities

affected. Legislation aiding construction of schools in these districts expires on June 20. This law should be renewed, and, likewise, the partial payments for current operating expenses for these particular school districts should be made, including the deficiency requirement of the current fiscal year.

This program is not to be confused with various proposals which have come to be known as Federal aid to education. It is in sharp contrast to such proposals in that it is in fulfillment of a direct Federal obligation arising out of the carrying on of a defense activity. It is in the nature of a contract arrangement between Federal and State Governments. The Federal Government says in effect to the States, "We will pay you to educate children for whose education we are responsible." It is in no sense a gift to the States without consideration.

The proposed Fogarty and Busbey amendments seek only to make appropriations to cover authorizations made in Public Law 246, enacted last August 8. This statute was enacted with an overwhelming majority in the House. For these and other reasons, Mr. Chairman, I urge adoption of these amendments.

Mr. CANNON. Mr. Chairman, I yield such time as he may require to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, with reference to this item of \$55 million which has been mentioned by me and others already, may I state that in the great 23d Congressional District, in Los Angeles County, there are some school districts which, under this sum of \$55 million, will only finally receive up to 70 percent of the total money they formerly had good and sound reason to believe they would receive from this Congress. To illustrate the problem in my Congressional District, I say that I have in my hand here 2 letters from Mr. Lillywhite, of the Department of Health, Education, and Welfare, Washington, D. C., dated March 18, 1954, and March 23, 1954, respectively, in which he frankly states as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
OFFICE OF EDUCATION,
Washington, D. C., March 18, 1954.

HON. CLYDE DOYLE,
House of Representatives,
Washington, D. C.

DEAR MR. DOYLE: Reference is made to your letter of March 4, 1954, accompanied by a communication from Superintendent W. Norman Wampler of the Bellflower city school district, Bellflower, Calif. (California 54-C-247).

Mr. Wampler outlines the problem confronting his district and suggests two lines of approach as a solution to his problem. We are submitting herewith comments on his suggestions.

With reference to the district's first approach to secure the \$620,569 outstanding entitlement under title II of Public Law 815, Congress in the closing days of the first half of the 83d Congress authorized an appropriation of \$55 million to pay these claims up to 70 percent on any individual claim. However, no funds were appropriated and under the terms of the authorization passed, this terminates June 30, 1954. So any appropriation made under this authorization would have to be made before June 30, 1954. In order for them to receive full entitlement, the full amount of \$95,500,000 would have to be appropriated and not the \$55 million authorized.

With reference to the second approach, that of having the Presidential determination of areas under section 305 (a) (3) expedited, there is not much which we can report at the present time except to say that discussions are going on and planning being done to work out this matter. From day to day, we are expecting the go-ahead signal on this matter but as yet, it has not materialized. We are expecting it at any time now.

We trust this information will enable you to advise Mr. Wampler and also assist you in carrying out the purposes suggested in the last paragraph of your letter.

We appreciate your interest in this application, and if there is any further information which we can supply, we shall be happy to do so.

Sincerely yours,
B. ALDEN LILLYWHITE,
Associate Director for
Federally Affected Areas.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
OFFICE OF EDUCATION,
Washington, D. C., March 23, 1954.
HON. CLYDE DOYLE,
House of Representatives,
Washington, D. C.

DEAR MR. DOYLE: Reference is made to your letter of March 18, 1954, which refers to the application of the Bellflower City School District, California 54-C-247, under the provisions of Public Law 815, as amended. You inquire what priority is now assigned to this district and whether or not it has been raised.

The first priority assigned tentatively to this project was 14.2. Under date of December 20, 1953, the applicant submitted a revision of the data in his original application which raised the priority to 24.3. This priority counts the 305 (a) (3) pupils as eligible. Therefore, the priority is still tentative, since the Presidential determination of the area under this section has not as yet been made.

The reply to your letter of March 4, 1954, was mailed out of this office on March 18, 1954. If you have not received it, please let us know, and we will send another copy. We appreciate your interest in this applicant, and if we can supply any additional information please call upon us.

Sincerely yours,
B. ALDEN LILLYWHITE,
Associate Director for
Federally Affected Areas.

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

Mr. DOYLE. I yield to the gentleman from Illinois.

Mr. BUSBEY. Of course, the gentleman knows that the Congress has no right to appropriate funds that are not authorized. The \$55 million is the full authorization.

Mr. DOYLE. I realize that, but that does not alter the fact, in my judgment, that as soon as possible the Congress should authorize enough to help these impacted school districts to receive the full amount to do the job which should be done.

Mr. BUSBEY. May I say that, in my opinion, the whole program should be reviewed at this time, due to the fact that many defense industries have been closed down in certain localities, expensive installations have been curtailed to a great extent, and we ought to know just exactly what the situation is at the present time in these communities.

Mr. DOYLE. I think that is true, and the sooner we know what the facts are the better it will be for the children of the country.

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

Mr. DOYLE. I yield to the gentleman from West Virginia.

Mr. BAILEY. I probably can clarify the point for the gentleman from California. There are two things that contributed to reducing that item from \$98 million to \$55 million. We enacted last year Public Law 246. A lot of the old projects that were under Public Law 815 have been processed under Public Law 246, which cut down some of the \$98 million. Then in Public Law 246 we changed it so that it would be on the basis of unhoused school children and that resulted in another slice off. So all we actually need is \$55 million.

Mr. DOYLE. I thank the gentleman who I pleasantly recall came to my native State of California a few years ago for Congress and gave his high talents to sponsor necessary legislation in the interests of our schools all over our Nation. I urge this Congress to see that the full anticipated amount of the total of \$95,500,000 is available as soon as practical to do so.

Another important step which should be promptly taken by the executive department as soon as practical is the presidential determination of their areas in southern California, and elsewhere too, as allowed by the present existing law.

I shall gladly support the amendment announced to increase the appropriation, and I am pleased that the majority party leadership favors it on the floor today, even though it was not budgeted and even though the Director of the Budget has not approved it.

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, on last Friday I served notice on the full Committee on Appropriations that I was going to offer two amendments to this supplemental bill to provide—first, \$55 million for school construction under the old act, Public Law 815, and \$58 million under the act, as amended last July by unanimous vote of the House. I understand the leadership on the other side of the aisle met around noontime today, and decided on an amendment which will affect one-half of that sum. I inquire of the chairman of my subcommittee, the gentleman from Illinois [Mr. BUSBEY] if he has an amendment which he intends to offer to that part of the bill when we get to it?

Mr. BUSBEY. I do have an amendment to offer for the \$55 million.

Mr. FOGARTY. That is just for the \$55 million?

Mr. BUSBEY. That is all.

Mr. FOGARTY. I think under the circumstances that if that is amended, and no strings attached to it, to include the \$55 million for construction under the old entitlements, I will go along with the amendment. But, I think the membership should be advised also, there is still due as far as we can determine from the Department of Education, \$58 million under the new act to meet 100 percent of all the applicants for construction under the act, as amended last July. There is \$40 million budgeted in the bill, which we will have up sometime in the

latter part of April or May. This, I presume, will be on the regular appropriation bill, and I now want to advise the House that I will at this time, reserve the right that, if the committee does not put in enough money under the new entitlements under the act, as amended, I intend to offer an amendment at that time on the floor of the House to make the amount sufficient to cover 100 percent of the entitlements under the act, as amended.

Mr. BUSBEY. Of course, the gentleman knows he does not have to reserve the right to make the amendment?

Mr. FOGARTY. I was just saying that as a figure of speech to make sure that you knew, and that every other Member of the House knows today what I intend to do if the committee, of which you are the chairman and I am a member, does not see fit to increase that amount to meet 100 percent of the obligations that this Congress has laid down.

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

Mr. FOGARTY. I yield.

Mr. NICHOLSON. Will this proposed amendment by the committee of half of this amount take care of the schoolhouses that have already been built?

Mr. FOGARTY. This \$55 million primarily is to reimburse those school districts that built these schoolhouses and were never reimbursed for their Federal share—yes. The other \$58 million is new money under the act, as amended last July, as I understand it.

There is one other thing I do want to mention, and that is there was some discussion a little while ago about the cut in the employment services where they asked some \$14 million, and the committee allowed \$7 million. We have been cutting this fund every year. I have maintained in past years that this three-tenths of 1 percent, which is collected from the employers countrywide, is turned into the Treasury of the United States for the purposes of defraying expenses of administration of employment services in every State of the Union. The Federal Government is making about \$60 million profit on this three-tenths of 1 percent every year. Why in the world the committee and the Congress refuses to appropriate sufficient funds to administer this program, when actually it is not coming out of the Federal Government's Treasury, I do not understand. In fact, since the program has been in operation, the Federal Government has made a profit of between \$600 million and a billion dollars according to what might be termed expenses.

I think the committee went too far on that again this year, and I hope that when we have the regular appropriation bill before us—I made the suggestion in the committee on this supplemental bill—that we establish a sufficient amount of money in the contingent fund which this committee established 5 or 6 years ago that would meet increases in work load, increases in State salaries, and changes in State laws that could not be foreseen at the time the Bureau of the Budget, the Federal Security Agency, or our committee dealt with the problem.

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

Mr. FOGARTY. I yield.

Mr. BUSBEY. Did I understand my good friend from the great State of Rhode Island to say these moneys are not appropriated out of the Treasury? It was my understanding that the money went right into the Treasury the same as income taxes do.

Mr. FOGARTY. I do not think I said quite that. I did say that this 0.3 percent is collected from the payrolls for the purposes of administering this law in the various States; in other words, it is collected and turned into the Treasury of the United States, and then the Treasury of the United States dispenses it to the local States to pay their expenses. It is not the same as income tax at all; it has no relationship to income tax or any other tax.

This 0.3 percent is for the specific purpose of paying for the administration of this program, and the Federal Government this year will make a profit of \$60 million on that one item alone. I think that when we are taking in funds like that it is the responsibility of this Congress to see to it that the States get back their share. It comes out of the States to the Federal Treasury to administer this program equitably and fairly, especially in these days when we have high unemployment over the country.

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

Mr. FOGARTY. I yield.

Mr. GARY. While these funds go into the Treasury they go in as trust funds reserved for specific payment, do they not?

Mr. FOGARTY. No; it is not the same as a trust fund, not like the old-age and survivors' insurance; no, they are paid directly into the Treasury, but they are not taxes to constitute revenue for the carrying on of the general expenses of the Federal Government; they are taxes to bring in revenue to carry out the administration of this program.

Mr. GARY. Reserved for that particular purpose.

Mr. FOGARTY. Yes.

Mr. GARY. Just as other trust funds, to fulfill a particular purpose.

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

Mr. FOGARTY. I yield.

Mr. FORAND. Is it not a fact that these funds are not collected as general revenue but represent money collected and placed in the Treasury for a specific purpose? The intent of Congress was that this fund should be used for the purpose of administering this law, but the Government has been dealing with it as though it were a part of the general revenue.

Mr. FOGARTY. The gentleman is absolutely right.

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

Mr. FOGARTY. I yield to the distinguished gentleman from West Virginia.

Mr. BAILEY. I would like to direct the gentleman's attention again to the \$55 million item in the appropriation for the Department of Education. In

answering the inquiry of the gentleman from Massachusetts [Mr. NICHOLSON], the gentleman from Rhode Island left the impression that the majority of the \$55 million was to reimburse school districts for projects already constructed.

I may advise the gentleman from Rhode Island that only a reasonable percentage of that, probably 20 or not more than 30 percent, will be used for that purpose.

I may advise the gentleman further that there are now some 220 districts that were given allocations under Public Law 815 a few years ago, that have gone ahead with their own local financing, but there has not been made available a single cent of Federal money to match the local contributions, and the projects are idle now, construction waiting on Federal money. That will account for more than 50 percent of the \$55 million.

Mr. FOGARTY. I want to thank my distinguished friend from West Virginia. He knows more about the original law than I, for he was one of the fathers of the law when it was enacted in 1950. The statement of the gentleman from Massachusetts, I believe, was that a school had been built in his district, the money paid out by the local district, but never repaid by the Government because we did not appropriate the money. This \$50 million will take care of that situation.

Mr. BAILEY. And it would take care of the other situation, too?

Mr. FOGARTY. Yes.

Mr. CANNON. Mr. Chairman, I yield 8 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I merely wish to call attention very briefly to some of the testimony with reference to the refugee program. Many of you will recall that last year President Eisenhower recommended that 240,000 refugees be admitted to the United States. The Congress on August 7 passed a bill authorizing 214,000 refugees, 5,000 of which were adjustments for those already in the United States. This act, therefore, provides for the admission of 209,000 refugees not now in the United States.

The Congress at that time appropriated \$3 million to carry out that program. The department requested in this bill an additional \$1,560,000 to finance its operations to the end of this fiscal year, which would be June 30 next. The committee went rather fully into this request, and I think the testimony which appears beginning on page 300 of the hearings and particularly at page 311 will be interesting to the Members of the Congress. Up to the present time, they have spent \$672,000. During the 7 months that the program has been in progress less than 50 visas have been issued, and according to the best information that we can obtain, only 6 refugees have been admitted to the United States. Now, that is over \$100,000 per refugee.

I like to be fair in these matters and I think for the sake of fairness it should be stated that the officials in charge of this program claimed that it was neces-

sary for them to prepare and plan the program. They likened it to building a railroad. They said they had to build a railroad to the refugees to get them out. Now they say the railroad is completed; the refugees are clamoring for tickets, but they cannot take them aboard because they are screening in this country the employees who are going to screen the refugees in foreign countries.

My distinguished colleague from New York then took up the inquiry, and you will note the testimony which he developed on page 314. Mr. Alexander had been one of the leaders in the IRO and the displaced persons program, and the gentleman from New York [Mr. ROONEY] suggested to Mr. Alexander that they had already screened employees under the IRO and displaced persons programs and asked why they could not use some of those. The reply was that the Committee on the Judiciary in the other body had ordered that no employees from the IRO or the displaced persons program at the policy level should be employed. That means, of course, that people with experience are barred from this program.

Then, if you will look on page 318, you will find that the question was asked if they could not have screened these employees while they were building the railroad so that when the passengers were ready to embark, they could then screen the passengers and take them aboard. The reply was that "many times your hindsight is better than your foresight."

May I say that our subcommittee turned down the request for the additional \$1,560,000, and I think very properly so, because clearly the program is not progressing as had been anticipated and it is doubtful whether they can spend between now and June 30, the entire \$3 million which has already been appropriated for that purpose.

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

Mr. GARY. I yield to the gentleman from Iowa.

Mr. GROSS. Was that the only explanation your committee got for the establishment of this figurative railroad and for the spending of this \$672,000 to bring 6 refugees into this country?

Mr. GARY. If you will read the testimony, you will find that that is the explanation.

Mr. GROSS. I have not had the opportunity to read the testimony. I certainly want to commend the gentleman for explaining to us what has happened in this case.

Mr. GARY. I thought the Members of the Congress would be interested in the present status of the program.

Mr. GROSS. This sort of thing is indefensible to me that they could spend \$672,000 to bring 6 refugees into this country, and then have the State Department come before the committee and ask for 991 more employees on top of that record. I commend the gentleman.

Mr. GARY. The record speaks for itself.

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

Mr. GARY. I yield to the gentleman from New York.

Mr. JAVITS. Does not the gentleman feel that this is verging up into a national scandal; if we passed a bill authorizing the admission of over 200,000 refugees and admitting only 6, that we ought to have a look at this situation to see if it is not falling over its own feet or if Mr. McLeod of the State Department is following the intent and desire of Congress in respect of this legislation. I am for it. It is a wise and considered element of the policy of the United States and should get moving or we should know why.

Mr. GARY. I will say to the gentleman that I personally have never been enthusiastic about the program. But I stated in committee to the State Department officials who appeared before our subcommittee that in my judgment the act either should be carried out or repealed.

Mr. JAVITS. I will say to the gentleman that I am enthusiastic about the program and I am going to look into this matter carefully, and to do my utmost to lay the situation before the House.

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

Mr. GARY. I yield to the gentleman from Iowa.

Mr. GROSS. If the act is repealed forthwith, that cannot be too soon, as far as I am concerned.

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, while I have now been a member of the Committee on Appropriations for many years, I have never seen such appropriations abracadabra as is going on here today. It would seem that the alleged Republican budget-cutting drive has gone into reverse. To find my distinguished and sincere friend, the chairman of the full Committee on Appropriations, the gentleman from New York [Mr. TABER], a party to inserting \$55 million in this bill today without a request for it from President Eisenhower's Bureau of the Budget is something I never expected to witness.

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

Mr. ROONEY. I yield to the distinguished chairman of the full committee.

Mr. TABER. I wonder if the gentleman from New York [Mr. ROONEY], my dear friend of long standing, feels that he will have to vote for that amendment?

Mr. ROONEY. I shall be glad to follow the learned gentleman with regard thereto. He is the great saviour of the taxpayer's dollar. His party is the party which is going to balance the budget. What kind of budget balancing is this?

I have in my hand Report No. 1372 on the pending Third Supplemental Appropriation bill, 1954, the report from the distinguished Committee on Appropriations, and on the very first page the gentleman from New York [Mr. TABER] says:

Budget estimates considered by the committee total \$424,090,496. Appropriations recommended total \$394,521,596, a reduction of \$29,568,900.

At the meeting of the full House Committee on Appropriations last Friday it

was claimed that this \$29,568,900 was a substantial savings for the taxpayers, amounting to 6.9 percent of the amount of the requested budget estimates. But now, when the gentleman adds to the amount approved at the meeting of the full committee last Friday, to-wit: \$394,521,596, the amount \$55 million, which the gentleman from New York [Mr. TABER] knows has not even been requested by Mrs. Hobby, the Eisenhower Bureau of the Budget, or the Eisenhower administration, we have the sum of \$449,521,596, or \$25,431,100 over and above the amount which the Eisenhower administration requested. Instead of a savings, as alleged in this report, of \$29,568,900, or 6.9 percent of the amount of the budget estimates, John Q. Taxpayer is in the hole to the extent of \$25,431,100.

The distinguished gentleman from Virginia [Mr. GARY] made mention here today of the fact that it has cost over \$600,000 to date to bring in six refugees. It is indeed an unfortunate situation when, although the authorizing law was enacted on the 7th of August of last year, and although at that time the Eisenhower administration was given an appropriation of \$3 million, only six refugees have been brought in to date. Our consulates abroad, and in particular those in Italy, have lists of prospective immigrants in five figures, in tens and twenties and fifty thousands, who have been carefully interviewed and checked and looked up and down and backwards with regard to their entry as prospective decent citizens into the United States. But it seems that only good and deserving Republicans may go abroad to screen those already screened by the consulates and the Foreign Service. They don't want experienced personnel. Let me call your attention to the following colloquy which appears in the printed hearings on this bill:

Mr. ROONEY. Under the Displaced Persons Act of 1948, you brought in over 200,000 aliens, did you not?

Mr. ALEXANDER. That is right.

Mr. ROONEY. And your experience has shown that only dozens, or thereabout, of those people were bad security risks; is that true, as far as you know?

Mr. ALEXANDER. A small number.

Mr. ROONEY. An infinitesimal number?

Mr. ALEXANDER. Yes; relatively.

Mr. ROONEY. What happened to the personnel that worked on that program?

Mr. ALEXANDER. It folded up and they are gone, and out of the Government.

Mr. ROONEY. Could you not get those people?

Mr. ALEXANDER. We had to—

Mr. ROONEY. They did a good job. Why couldn't you get them?

Mr. ALEXANDER. We had a directive from the Judiciary Committee, not to hire anyone who had anything to do with policy on the IRO or the DPC program.

Mr. ROONEY. Oh, I see.

The third matter which I shall bring to the attention of the House concerns the administration's now famous numbers game. On the Saturday evening before last our former colleague, Vice President RICHARD M. NIXON, in his widely publicized and televised speech told the American public that—

This administration recognizes the danger of Communist infiltration in the United States.

The Vice President went on to say:

I have here a breakdown of the files of over 2,400 people who have left the Federal payroll either by resignation or discharge under this program since May, and the great majority of these, incidentally, were inherited from the previous administration.

This is what their files show: 422 of the files showed that they contained information indicating subversive activities or associations.

The Vice President then said that he thought—

All of you will agree that people with information like that in their files shouldn't be working for the Federal Government. That's what we think, and that's why they aren't working for the Federal Government today. Now, that's what the administration in the executive branch has done.

This may all be very well and good, but what about these Government employees who the Vice President says were engaged in subversive activities? If that allegation is the truth, then why have not these subversive employees been prosecuted for a felony? There is a law on the statute books known as Public Law 759 of the 81st Congress, enacted in 1950, which provides as follows, at section 1209:

Provided further, That any person who . . . advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this or any other act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year.

The Communist Party has been found by the Subversive Activities Control Board to be an organization which advocates the overthrow of the Government of the United States by force or violence. I say, Why have not these Government employees engaged in subversive activities whose files were mentioned by the Vice President in his broadcast a week ago Saturday evening been prosecuted under this law?

I asked this same question of the Assistant Attorney General, in the absence of Attorney General Brownell before our committee, and the following is the answer, later submitted for the record. The Assistant Attorney General could not answer this question at the moment of the hearing. Later submitted by the Department of Justice was this statement, which appears at page 229 of the printed hearings:

The records of the Department do not disclose that any indictments have been returned or prosecutions brought under the provisions of this statute.

The statute I have mentioned has been in every appropriation bill for at least 6 or 7 years. It is permanent law. It certainly goes back far enough to cover people who were engaged in subversive activities while they were Government employees. I say to President Eisenhower and the administration that the sooner you get to prosecuting these Communists and subversives, whom you say you found in the Government, the better. The American public is entitled to know what you are going to do about this.

Mr. CANNON. Mr. Chairman, I yield the balance of the time to the distinguished gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, of course, we know that when the amendment stage is reached, we are going to witness an interesting and somewhat unusual picture of an amendment being offered to increase this bill \$55 million, with the approval of our distinguished friend, the gentleman from New York [Mr. TABER]. To me, that is really making history. My purpose in addressing the committee on this occasion is to call attention to an item in the budget message sent up by President Eisenhower, which the committee eliminated, and to urge that it be adopted by the Committee of the Whole when I offer the amendment to put it back in the bill. I think arguments should not be necessary to satisfy the membership on both sides of the aisle on this particular proposition. We all know that unemployment is increasing, and I am not going to discuss the factors or the influences at this time, but I am going to discuss a matter which the President recommended and which this committee eliminated, which I think should appeal to each and every one of us as a desirable thing for the House to do to support the President. In the President's budget message, there was an item of \$1,281,300 for the payment of claims weekly from April 1 to June 30. That simply means that the Congress appropriated money which in turn is allocated to the several States, as we know, for the payment of administrative expenses in connection with the payment of unemployment compensation enabling the several States in their wisdom, if they so desire, to make weekly payments to those entitled to unemployment compensation under the State law rather than biweekly payments. I hardly think any argument in favor of that action is necessary or should be necessary. Prior to September of last year, the Congress always appropriated money so that the several States could make weekly payments. In the Truman budget of last year, the total budget was \$218 million. The Eisenhower budget was \$213,600,000 and in that there was included enough funds to permit the several States to make weekly rather than biweekly payments, if they so desired. The committee reported out a bill for \$187,300,000. That is the sum which passed the House. As it passed the Senate, the bill provided for \$197,100,000 and the conference agreed upon \$192,205,000. As a result of that cut, the several States were compelled to go on a biweekly payment, assuming that they did not want to do so. Some of the States do make weekly payments. They have to make it up out of their own State funds appropriated for that purpose. President Eisenhower in his budget recommendation of last year contemplated that the appropriations should be made so that the several States could make weekly payments of unemployment compensation.

I might say for the benefit of my colleague that so far as I can find out, prior to last September and the period previ-

ous to that there were but two States in the Union that paid on a biweekly basis, which was action on the part of those States.

In this supplemental budget recommendation the President specifically included \$1,281,300 for this purpose; but the subcommittee and the full committee eliminated this with some other items, and while I favor them, I am not including the other items in my amendment. My amendment goes to one proposition: That we ought to appropriate the money to enable the several States of the Union if they so desire, between April 1 and June 30 of 1954—for the remainder of this fiscal year—to make unemployment-compensation payments weekly rather than biweekly.

As I said, I do not think argument is necessary. We are all reasonable ladies and gentlemen; we all want to do the right thing. I think we all realize that those who are getting unemployment compensation are not possessed of much of the world's spoils. I think we realize the importance of that money going to them weekly rather than biweekly. You and I cannot judge this question based upon our own financial position, because at least we have a dollar in our pocket; it must be considered from the angle of the person who is without employment, not only that person but his family, and the importance of that check coming to them for whatever period is prescribed by State law, weekly rather than biweekly.

I think it would be an entirely sound thing to do and a fair thing to do, and a humane thing to do, for you and me to put these things back into the budget recommended by President Eisenhower enabling the several States to make weekly payments of unemployment compensation rather than to make payments every 2 weeks. At the proper time, when the bill is read under the 5-minute rule, I shall offer such an amendment. I hope before that time arrives that the chairman of the subcommittee, the chairman of the full committee, and the other members of the committee will confer and accept the amendment or agree to have the amendment offered by one of the Republican members of the Committee on Appropriations. I have no pride of authorship; I get no pleasure out of feeling that it is my duty to offer this amendment because I wish it was in the bill; I am thinking of about 3,500,000 persons who are out of employment at the present time with many others. But they are receiving unemployment-compensation checks, and I am thinking of the importance of weekly payments to them at this time rather than payments every 2 weeks.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. ROBSION of Kentucky. What was the situation in this regard in 1950 when there were 4,500,000 out of work? Were they paid every week or biweekly?

Mr. McCORMACK. I am unable to answer the gentleman, but I will accept his statement as to what the condition was; I am not making any controversial

remarks on this occasion. If the gentleman says it was the same situation—I have no knowledge of it—I will accept his word. But that does not justify the same procedure at this time.

Mr. ROBSION of Kentucky. I asked for information.

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

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, I would like to speak on the section of this bill which has to do with appropriations for the Department of Health, Education, and Welfare. While I feel that northern Virginia could be one of the wealthiest communities in this country, I regret having to state that most dairy cows in the United States are better housed than many of our school children. That is a fact. Most dairy cows are better housed than many of our school children in northern Virginia. You may say to me, that is a local problem, a State problem, and we should not call upon the Federal Government for aid. That is partly true, except that the Congress has recognized as a part of its responsibility an obligation to these communities in the enactment of Public Laws 815 and 874, as amended by Public Laws 246 and 248.

Since I have been a Member of Congress I have seen several Members of this body who have found it necessary to take the floor of the House and repeatedly point out that Public Laws 815 and 874 were not Federal aid to education. I imagine on several occasions prior to the 83d Congress, and since the time 815 and 874 were enacted, several Members found it necessary to clarify that issue.

I realize that Public Laws 815 and 874 are confusing, they are complicated, and it is necessary to use repetition in order to emphasize what is the purpose of the measures. At the risk of being somewhat repetitious myself, I would like to try to simplify what is the true purpose of these measures.

They simply do this: They provide for payment by the United States to school districts or local communities that have suffered from the impact of Federal installations in their areas, to be used for assistance in the construction and maintenance of schools, and are based upon a formula which has to do with the number of children of Federal employees attending the schools in those areas.

Why do we pay these communities on a formula which is based on the number of children of Federal employees? We all know it does not cost any more to educate the child of a Federal employee than it does to educate the child of anyone else. These Federal employees are generally an asset to the community. They raise the standard of living, they raise the educational and intellectual background of the citizenry, they have a great deal of civic interest and citizenship participation. In addition, in the areas that have been impacted by Federal employees we find that crime and delinquency are a great deal lower.

Why then should we pay these communities for the children of Federal employees? Many Members of this body, I know, have served in various capacities in local governments as mayors and as members of city councils. You know that the economy of every community is based upon a certain amount of revenue coming from residents, local business and industry. We all know that the residents, that is houses and homes, will not pay a sufficient revenue to the township to support the schools in the area. We must receive a large portion of our revenue in these local communities from the industry in those communities. The Federal Government moves into a community, it becomes a part of the industry of that community and brings in people who must be provided with community facilities. Those communities do not receive payment in lieu of taxes from the Federal Government for the property the Federal Government owns. In addition, the Federal Government moves into an area and it can move out again at any rate at which it would like to move out, sometimes suddenly and without notice. Therefore, the Congress in recognizing that it was imposing a hardship on these communities, enacted Public Laws 815 and 874 and set up this particular formula, which meant that the Congress was recognizing a small portion of its obligation to the various communities that have suffered from this impact.

As a result of this action of the Congress, the communities acted accordingly. They drew plans, let contracts, bonded their communities and set out with a school construction program. But, then, what happened? Congress changed its mind. They said, "We are not going to fulfill our obligation. We are not going to do what we promised we would do," which meant that many Members of Congress have had to come back every year with hats in their hands, with humility, begging for these funds to be appropriated by Congress, which merely means that Congress would be meeting their obligation which they previously promised they would do, to these various communities. In Public Law 815 there has been \$440 million authorized. There are 941 school districts, school areas, involved. About half of these school districts, about 500, have received all the money which Congress promised them. About 200, 25 percent of them, only got part of their funds, and 200 others did not get a dime. We have appropriated all of this \$440 million with the exception of \$98 million, and we cut that down last year in an authorization bill to \$55 million. I am very happy to find here today that the gentleman from Illinois [Mr. BUSBEY] is going to offer an amendment to restore that amount.

Now, I think every Member of this Congress can take pride, point with pride, at a reduction in expenditures last session of \$14 billion, but I do not think that we can point with pride to economy in Government if we are going to arrive at that economy by refusing to meet our just and legal obligations to pay a just and honest debt. Every Member of this body can reduce his personal expenditures, economize on his personal budget,

by merely refusing to pay his just and legal debts, but we cannot economize in this Government by refusing on the part of this Congress to meet its just and legal obligations. I further understand that the gentleman from Rhode Island [Mr. FOGARTY] will offer an amendment to appropriate \$58 million to take care of the construction of schools for this year's construction program.

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

Mr. BROYHILL. I yield to the gentleman from Illinois.

Mr. BUSBEY. I would just like to say that if we had stopped appropriating some of these billions of dollars for what I call Operation Rathole all over the world, we would not have to be in here taking up the time of the Congress fighting about pennies in trying to take care of our own people. I think it is high time that a few of us think about our own people and take some of the money from the foreign-aid program and put it into these worth-while programs, such as those in the Department of Health, Education, and Welfare that I have wrestled with since I have been in Congress.

Mr. BROYHILL. I have no quarrel with the gentleman on that. However, whatever we do with our friends abroad we cannot do it at the expense of our school children in this country.

Mr. BUSBEY. Does not the gentleman believe we ought to think of our own people first?

Mr. BROYHILL. Yes. I do not like to be dramatic or try to be emotional about this thing, by saying that we are jeopardizing the education of all our children. Regardless of what Congress does, I think our people will find some ways and means to educate our children. We might have to educate them in cow barns and lower the salaries of our teachers, not pay them an adequate amount, and sacrifice some other community facilities, but somehow we will find ways and means for educating our children. But, that does not relieve the Congress of meeting its obligations to our various communities.

So, I urge every Member of this body to support both amendments, the Busbey amendment and the Fogarty amendment, which will do nothing more than permit Congress to meet its obligation, what they actually promised these communities they would do.

Mr. TABER. Will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from New York.

Mr. TABER. I would assume that the gentleman wants to do the right and honest thing. I wonder if he understands that there has already been appropriated toward that new program that was set up, \$70 million.

Mr. BROYHILL. I do.

Mr. TABER. And that only \$35 million has been obligated and that the balance, \$35 million, will carry through the balance of this fiscal year; that there is a budget estimate pending of \$40 million to start the new year with, and that the committee has not yet held hearings on it and we do not know what the

picture is. We have been told, however, that out of the \$146 million of claims at least 10 percent will not be valid, and so we cannot go ahead and we ought not to go ahead and do something foolish and provide funds that are not necessary and cannot be used.

Mr. BROYHILL. The figures that I have received from the Department of Health, Education, and Welfare, which were based on the authorization bill last year, show that we need an additional \$58 million to meet our responsibility.

Mr. TABER. Pardon me. I have the figures here, but they do not show that. I will show the gentleman the statement that we have received from them, that probably is the same that the gentleman received, and if he will look it over, he will see that that is not correct.

Mr. BROYHILL. Would the gentleman support an amendment that would provide funds that the Department of Health, Education, and Welfare stated would be necessary?

Mr. TABER. They do not know what is necessary.

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

Mr. HOWELL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. HOWELL. Mr. Chairman, it is my belief that the sum of \$7,551,100 is inadequate for the proper administration of unemployment compensation by the States during the remainder of this fiscal year. I believe the amount should be restored to the original \$14,500,000 requested by the Department of Labor. I base my belief on the experience of the New Jersey Division of Employment Security during this current fiscal year.

Because of budget cuts enacted during the first session of this Congress, the New Jersey Division of Employment Security was forced in August to lay off 500 employees at a time when the number of claims was increasing. Overtime operations were eliminated, claimants were placed on a biweekly reporting schedule, and 12 part-time local offices were closed. By the end of November, a critical situation had developed with nearly 65,000 backlogged claims on hand awaiting the writing of checks. Temporary relief was obtained in December when \$500,000 was made available through a State appropriation from the agency's auxiliary compensation fund.

In commenting on this chaotic situation, which resulted in widespread hardship among New Jersey workers who had lost their jobs, the commissioner of labor and industry pointed out that adequate financing of employment security administration by the Federal Government is of primary importance to the welfare of the State. He further stated that breakdowns in operations under the instability of the present system of budgetary grants cause delays in benefit payments to unemployed workers when the income is most needed.

The sum appropriated by the Federal Government for the fiscal year 1954 for

the State administration of unemployment compensation is \$192,205,000. This figure is approximately \$5 million less than the amount appropriated for this purpose by the budget of the Democratic administration for the fiscal year 1953.

In the face of this reduction, joblessness has risen to higher levels during the current fiscal year, and threatens to remain at this higher level. The most recent report of the Labor Department states that the number of initial claims for unemployment compensation for the week ending March 13 was 310,363. The number of new claims for the same week last year was 170,116. This is an increase of 80 percent over the 1953 level of new claims for unemployment compensation.

The Department of Labor requested the sum of \$14,500,000 in supplemental appropriations for the remainder of this fiscal year. This request has been cut back to \$7,551,100 by the Appropriations Committee. I fail to see how this reduction can be justified in the face of the flood of new claims coming into unemployment compensation offices these days. I believe the loss of a man's job is severe enough a hardship to endure without encountering delays in receipt of unemployment compensation checks. These workers paid into the unemployment fund when they had jobs, and they have every right to expect that the Federal and State governments will see to it that they receive checks promptly when they are so urgently needed.

DISASTER LOAN REVOLVING FUND

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Chairman, last July, Congress authorized \$150 million to meet the emergency in drought areas, particularly with reference to the problem which had developed in livestock areas due to the severe drought and falling prices. This money was provided as follows:

Economic disaster loans.....	\$30,000,000
Special livestock loans.....	60,000,000
Emergency feeding program....	40,000,000
Total, disaster loan fund.....	130,000,000
Production and subsistence loans.....	20,000,000
Grand total.....	150,000,000

Latest estimates indicate that the emergency feeding program will run in excess of the original estimate of \$40 million. Offsetting this, however, it now appears that there will be an unused balance for economic disaster loans which can be transferred to cover this increase. The language in the bill is recommended to accomplish this.

The additional amount is needed to reimburse the President's disaster relief fund for the \$10 million advanced from that fund last fall to cover the emergency hay feeding program established in cooperation with the 12 drought disaster States to supplement the program for

providing feed concentrates from CCC stocks.

FOREST SERVICE—FIGHTING FOREST FIRES

The serious drought conditions throughout the country last year resulted in an unusually heavy forest fire season. More fires occurred, they burned much stronger than usual, and they lasted longer and were much more difficult to handle. For example, during brief periods in August more than 1,000 lightning fires were started in northern Idaho and Montana. Similar situations developed in other areas of the West.

The number of fires between July 1 and November 30 during the 3 years of 1950, 1951, and 1952 averaged a little above 4,000. During the same period in 1953 the number exceeded 5,500.

Furthermore the situation in such areas as Colorado and South Dakota will be bad again this spring as a result of the extreme deficiency of snowfall this winter. There have been some fires in these areas already this winter, in a period of the year which is traditionally free of fires.

In the regular bill for 1954 we provided the usual \$6 million for this purpose. Through January it had been necessary to spend over \$9 million, and there is little doubt but that several more million will be required by June 30.

This deficiency will provide a total of \$10,500,000 for the 1954 fiscal year. There is some possibility that even this amount may not be sufficient.

COMMODITY CREDIT CORPORATION

At the time the administrative authorization of \$17,100,000 was provided last year, the estimates of volume of commodity loans and purchases for the year were about normal.

Since the enactment of the regular bill, the volume of transactions for wheat, corn, cotton, and dairy products has increased tremendously. For example, the volume of loans for wheat is now estimated at 67 percent higher than was forecast last spring. The acquisition of corn is running 44 percent higher, loans on cotton will be 60 percent higher, and acquisitions of dairy products is about 170 percent higher.

Based on indications of sizable increases in these programs, the Director of the Budget authorized the CCC to operate on a deficiency basis beginning last September, acting under his authority contained in the Antideficiency Act. Accordingly, this item is in the nature of a true deficiency rather than a supplemental request.

In reviewing the estimate, the committee reduced the amount based on actual obligations through February 28. The \$2 million provided should carry the present force through the balance of the year and allow room for some expansion to meet the further workload increases related to loans and purchases expected in May and June.

FARM CREDIT ADMINISTRATION

The funds provided in the bill are needed to take care of three categories of additional expense resulting from the Farm Credit Act of 1953. That act separated the Farm Credit Administration

from the Department of Agriculture and created a new 12-man board of directors. The amount recommended consists of the following:

1. Personnel, travel and other expenses of the new board.....	\$67,000
2. Creation of new Legal Division to perform the work formerly furnished by the Solicitor of Agriculture.....	35,000
3. Additional administrative and supervisory expense resulting from separation from Department of Agriculture.....	18,000
Total.....	120,000

This item is also a deficiency, since the Director of the Bureau of the Budget authorized Farm Credit to operate on a deficiency basis beginning last December.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

MARITIME ACTIVITIES

Operating-differential subsidies

For an additional amount for "Operating-differential subsidies," \$19,500,000, to remain available until expended.

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

Mr. Chairman, during general debate I brought to the attention of the chairman of the Appropriations Committee [Mr. TABER] an item appearing in the bill covering ship-operation subsidies. The item in the bill is \$19.5 million, a reduction of \$10 million from the Department's request. In response to a question which I put to the gentleman from New York [Mr. TABER], I understood that the reason for the reduction in the request was that the committee was not entirely satisfied with the vouchers which had been approved, nor perhaps with the contracts under which they were approved, and, possibly, with some of the procedures. The gentleman informed me, as I understood him, that the committee would investigate the matter, and if the vouchers were found to be valid and justifiable they would be paid; further, that in no sense should the action of the committee be considered in any way as a repudiation of the Government's obligation.

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

Mr. TOLLEFSON. I yield to the gentleman from New York.

Mr. TABER. The last part is correct, but as to the other part there were several other things, including the method of handling their income, and their exemptions and preferences, and that sort of thing, that we will have to go into. It will involve quite a lot of items. We will try to do whatever is right after we have our picture. There is no repudiation of any obligation. We want to have the thing developed so that we can know just exactly what the situation is.

Mr. TOLLEFSON. I appreciate that. I want to make clear the other statement I understood the gentleman to make—that if upon the investigation which I understand the committee is to make it is found that these particular vouchers are justifiable and are legitimate they will be paid.

Mr. TABER. Of course, I cannot guarantee they will be paid, but the committee will consider them and I am sure they will approve what they think is justified.

Mr. TOLLEFSON. I thank the gentleman.

This reduction of the request has had some effect upon the shipping industry. It has raised some questions in their mind, and perhaps justifiably so because they had not known exactly what was in the mind of the committee when it made the reduction.

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

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

Mr. PHILLIPS. I share the same concern the gentleman shares about the validity of the obligation and the obligation imposed upon us, but I have looked into the matter and I am satisfied this is in no sense a repudiation of the obligation, and that those bills which can be justified before the committee will be paid. I also confirm the desire of the committee to see that they are promptly audited and that the items in them are properly reported to the committee.

Mr. TOLLEFSON. I thank the gentleman.

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

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

Mr. BOW. May I make inquiry of the gentleman whether the legislative committee is making any inquiry or investigation of the subsidies and the manner in which they are being considered?

Mr. TOLLEFSON. Yes. The committee will go into not only the operating subsidy question but also the construction differential subsidy matter. However, I have suggested to the chairman of the Committee on Appropriations that in respect to this particular matter his committee go into it because they know what questions they have in mind and perhaps could get a quicker answer to the problem which confronts them than our committee. But we are going into this entire subsidy program before the end of the session and we hope that by the end of the session we will have some matters to present to you.

Mr. BOW. Do I correctly understand the gentleman intends to conduct an investigation other than the hearings?

Mr. TOLLEFSON. Yes, indeed. As a part of the hearings there will be investigation.

May I say a word about this subsidy question, because, as I have indicated, this action has had some impact upon the industry. Starting last year, when Congress adopted a private financing law, we sought to get private financing of ship construction. To date we have been able to get not one dollar of private financing.

One of the reasons for our inability to do so has been the general feeling on the part of the lending institutions—I am not talking about the shipping industry, I am talking about financial institutions, now—that the attitude of the Government toward these subsidies is very uncertain.

(On request of Mr. McCORMACK, and by unanimous consent, Mr. TOLLEFSON was allowed to proceed for 5 additional minutes.)

Mr. TOLLEFSON. I thank the gentleman from Massachusetts.

The private-financing institutions have been reluctant to finance ship construction because they have not been certain what the policy or the attitude of the Federal Government itself has been toward the subsidy program.

The ship-subsidy program and philosophy is a rather complicated and involved one, and I do not expect that I shall be able to go into it in detail here, but I would like to discuss it very generally and very briefly because it is of considerable importance to the security and welfare of the United States. The question which Congress must answer constantly is this: Does the United States want a strong and adequate merchant marine? If the answer is in the affirmative, and it always has been as far as I can see in the record, then inevitably it means that we must have a subsidy program—an operation subsidy and a construction subsidy because obviously in this country we cannot build ships as cheaply as they can build them abroad, nor can we operate them as cheaply. That policy has been supported by every Maritime Commission that has been appointed. It has been supported by a number of Presidents, including President Eisenhower. I want to read a communication from him dated in 1952. I will only read a part of it wherein he says:

In 1944, from London, I said, "When final victory is ours, there is no organization that will share its credit more deservedly than the American merchant marine."

We were caught flatfooted in both World Wars because we relied too much upon foreign-owned and operated shipping to carry our cargoes abroad and to bring critically needed supplies to this country.

America's industrial prosperity and military security both demand that we maintain a privately operated merchant marine adequate in size and of modern design to insure that our lines of supply for either peace or war will be safe.

I consider the merchant marine to be our fourth arm of defense and vital to the stability and expansion of our foreign trade.

The same type of statement was made by President Wilson, President Roosevelt, and by President Truman.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. ALLEN of California. I commend the acting chairman of the Committee on Merchant Marine and Fisheries for the statement he is making. I would like to commend him even more for the activity and interest that he has engendered by the leadership that he has given to the committee. I think I speak the minds of all the Members in saying that we appreciate very much his leadership and the renewed activity that has come to the committee on which we serve.

Mr. TOLLEFSON. I thank the gentleman very much for his kind remarks. And may I say to the House that the gentleman from California [Mr. ALLEN] is one of the outstanding authorities on

merchant-marine matters. We are fortunate, indeed, to have him not only on our committee but as a Member of Congress.

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

Mr. TOLLEFSON. I yield.

Mr. McCORMACK. Mr. Chairman, I understand there are only 25 ships in American yards today under construction and 11 of them are registered under the flags of other nations.

Mr. TOLLEFSON. I am not certain as to the figures, but I have no doubt that the gentleman from Massachusetts is correct.

Mr. McCORMACK. And the 11 ships of other nations are being constructed here because the production facilities of these foreign nations are being taxed to capacity, and that is the only reason they are being built in this country.

Mr. TOLLEFSON. That is right.

Mr. McCORMACK. Ship construction abroad, particularly in England, is very intense and very feverish; is that not correct?

Mr. TOLLEFSON. Most of the great nations of the world have recognized and are still recognizing the importance of a merchant marine. For that reason they are outdoing us in new ship construction. We have dropped to fourth place, and if we continue our neglect of our own merchant marine needs we will drop further than that.

Mr. Chairman, on March 2 I addressed this distinguished body on the proposition that the United States needs and must have an adequate merchant fleet in peace as in time of war.

In that statement I pointed out the appalling cost of maritime myopia which history has proved time and time again, and I stated that one of the tragedies of history is that its lessons are so seldom learned, so often ignored.

How can we so soon forget that our neglect of the merchant marine in World War I cost this Nation over \$3 billion and that in World War II we again spent over \$12 billion to build the ships that were necessary to victory?

But there is another side of this story that needs to be told and retold because we were better prepared in World War II than in World War I and our preparedness paid rich dividends to the Nation.

Prior to the First World War we had so neglected our shipping that we were carrying only 9 percent of our own foreign trade. We were at the mercy of foreign merchant fleets and we paid dearly for our mistakes for we were caught in the pinch of shipping rates controlled by foreign nations which for general cargo skyrocketed 1,117 percent. Who paid for that mistake? The answer is plain—the American taxpayer paid and paid again.

The cost of our lack of a sound maritime policy was so staggering—so convincing that in 1920 we passed a Merchant Marine Act in which the Congress declared it to be the policy of the United States to do whatever may be necessary to have a merchant marine of the best equipped and most suitable vessels sufficient to carry the greater portion of our commerce and serve as a naval or military auxiliary in time of war.

Sixteen years later the Congress reaffirmed this basic philosophy but this time with even greater emphasis.

This, gentlemen, was the Merchant Marine Act of 1936 which was enacted on June 29, 1936, after almost 2 years of investigation and debate. It stands today as the Magna Carta of the American merchant marine—the cornerstone—indeed the very foundation of our national maritime policy.

Was it a wise decision the Congress made in 1936? Let me refer you to the language of the Harvard report of 1945 which said, and I quote:

Because of the 1936 act the United States had both a nucleus of modern merchant vessels before the disaster at Pearl Harbor in December 1941 and the machinery for greatly expanding ship production to meet the extraordinary requirements of World War II.

Was it a good business decision? Let us face the facts. Let the record speak for itself.

When World War II broke out the principal pool of privately owned new ships available for war service were the ships built and building for the subsidized lines under the 1936 act. Our Government realized substantial dollar benefits from its original investment in the construction of these ships at a time when the world price of tonnage was soaring.

Unlike the situation in World War I when, as I have said, shipping rates for general cargo skyrocketed to 1,117 percent, general cargo rates in World War II increased by 70 percent. Our prudence—our foresight—paid dividends. We were no longer at the mercy of foreign shipping.

We were not completely ready for the enormous demands made on our merchant shipping but we were better prepared than ever before in our history. The 1936 act had given us a head start—a nucleus of ships and sailors and management know-how on which we built the merchant marine which according to Fleet Admiral King proved to be "an integral part of our country's armed might in time of crises."

There were many who recognized the contribution which our American merchant marine made to the winning of the ultimate victory. But none could speak with greater authority—with more conviction—than the great military leader of World War II—who today serves his country as the President of the United States.

On October 3, 1952, President Eisenhower stated:

In 1944, from London, I said, "When final victory is ours, there is no organization that will share its credit more deservedly than the American merchant marine."

We were caught flat-footed in both world wars because we relied too much upon foreign-owned and operated shipping to carry our cargoes abroad and to bring needed supplies to this country.

America's industrial prosperity and military security both demand that we maintain a privately operated merchant marine adequate in size and of modern design to insure that our lines of supply for peace or war will be safe.

I consider the merchant marine to be our fourth arm of defense and vital to the stability and expansion of our foreign trade.

Yes, the policies in the 1936 Merchant Marine Act have proved to be sound, prudent, and economic.

Why, then, it is that they are so misunderstood? I confess that I am shocked and bewildered at times by the lack of even elementary understanding of the policies—the objectives of this our basic maritime law. It is precisely because we are again faced with the results of such misunderstanding that I address myself to a particular phase of our 1936 act. Nor is this the voice of a single Congressman because a majority of my colleagues on the Merchant Marine and Fisheries Committee share my convictions and join in my apprehension.

I have before me Report No. 1372, 83d Congress, 2d session, containing on page 10 under the heading "Maritime Activities—Operating Differential Subsidies," the following sentence—and I quote:

The bill includes \$19,500,000 additional for this item, a reduction of \$10 million in the budget estimate.

Such a simple statement to convey so much meaning. But what exactly does it mean?

Gentlemen, it means that the Government of the United States will not be able to honor its contractual commitments. It means that the faith and credit of our Nation is in jeopardy. Is it economy? The answer is emphatically, No. Do we wipe out our debts by postponing the payment of our just and legal obligations? The answer is obvious.

Let me explain what I mean. Let me explain why a majority of the Merchant Marine and Fisheries Committee has authorized me to clarify this situation and attempt to rectify it.

When the Department of Commerce requested this additional amount of \$29,500,000 for "Operating-differential subsidies," it said, and I quote:

Funds made available under this appropriation are for the purpose of paying amounts due the subsidized operators under the terms of existing contracts. Fund authority is not used to incur new obligations, but to make payments under existing obligations.

Let me emphasize that the statement refers to "existing contracts" and "existing obligations." Who are the contracting parties? On the one hand we have the ship operators, on the other the United States. Have the ship operators fulfilled their obligation under the contracts? The answer is in the records of the Maritime Administration. They have operated American-flag ships, with American crews for a stipulated number of voyages on routes declared to be essential to the commerce of the United States. In addition, they have complied with all the restrictions imposed upon them by our Government. Yes, the record is plain, the Maritime Administration has certified that these lines have lived up to their end of the bargain by approving the vouchers submitted by the lines as contract payments for contract services.

When were these services rendered? For what period were these obligations incurred? Of the total amount requested in this supplemental, \$7,600,608

was for the calendar years 1947 through 1952, \$4,989,237 was applicable to the third quarter of calendar year 1953, and the remainder was applicable to the fourth quarter of calendar year 1953.

It is plain that these are not forward commitments. They are neither "guess-timates" nor estimates. These are for approved vouchers. They are bills due and payable. Do we economize by not paying our bills? Since the operators have fulfilled their obligations can the United States do less?

Possibly the action of the Appropriations Committee in cutting this request for a supplemental appropriation is the result of a misunderstanding of the law which authorizes these contracts.

Under authority of title VI of the Merchant Marine Act of 1936, as amended, operating-differential subsidies may be paid to United States citizens operating vessels in the foreign commerce of the United States on essential routes or services. The operating subsidy is designed to place the American operator on a basis of parity with his low-cost foreign competitors.

In simple language the Government under the authority of this act says to the operator: If you will operate your ships under the American flag regularly in good times or bad on a route the United States designates as essential, the Government will pay the difference between your high American costs and the lower foreign costs. Then you will be in a competitive position to succeed or fail by your own efforts. The Government will not guarantee you a profit but if you earn more than a specified return we will divide the excess with you on a 50-50 basis until the entire subsidy is repaid to Uncle Sam.

That seems to me to be a fair and reasonable proposition. How has it worked?

From 1928 to 1951 the net cost to the Government of operating differential payments was \$147,158,234. Direct Federal income and profit taxes paid by these companies in the same period total \$130,503,000 or just \$16,655,324 short of the amount due the lines for operating subsidies. This does not take into account the taxes on wages and salaries which at present withholding rates are estimated to yield about \$24 million annually in income taxes.

Yes, it has been good business for the Government to pay operating differential subsidies and the real cost has been nil.

Now I do not contend that this favorable pattern will continue. The evidence indicates that it will not and that appropriations for this purpose may increase as recapture declines. But if they do we must weigh the benefits against the cost. Steamship operators are not the beneficiaries of this program. The real beneficiaries are the American workers and farmers and industries across the breadth of our great land whose prosperity depends upon our ability to sell our goods in foreign markets and to import the materials necessary to our industrial economy. Add to these the countless thousands in banks, insurance companies, ship supplies, and others who directly or indirectly depend for their livelihood on the existence of

an American merchant marine. The benefits are manifold and widespread and it was in recognition of these that the policy of paying operating differentials was established.

Surely with that understanding of the basic objective, principles, and results, no one can dispute its merits and advantages.

But if there be doubters or those who cannot or will not understand, can anyone deny that the United States must honor its contractual obligations?

The contracting lines have done their job. They have lived up to their contracts. They have presented their bill for contractual services. These bills have been approved and, fantastic as it may seem, the lines have paid income taxes on moneys due and owing to them by the United States but which they have not received, although some of the service dates back to 1947.

This injustice must be corrected and I am confident that when both houses review this situation, the cut in the supplemental appropriation will be restored and the good faith and credit of the United States will, as a result, be unimpaired.

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

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

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

There was no objection.

The CHAIRMAN. The gentleman from North Carolina is recognized for 10 minutes.

Mr. COOLEY. Mr. Chairman, since we are now discussing an appropriation bill, I assume that it is entirely appropriate for me to bring to your attention pertinent information concerning "Operation Reindeer." Perhaps no Member of the House knows anything at all about this particular "operation." It might well be called Stassen's Operation Santa Claus. I hope that I may have the attention of members of the Committee on Appropriations. Frankly, I do not believe that members of the committee understand fully just how the money made available under section 513 (b) of the Mutual Security Act of 1953 has been used. Certainly, I cannot believe that any member of the committee or any Member of Congress had the slightest idea that any part of the funds made available by that section would be used to finance a Santa Claus program such as that conducted by Gov. Harold Stassen, Director of the Foreign Operations Administration, when he sent Santa Claus into 17 nations of the world bearing 5 million Christmas presents to be delivered in the yuletide. So bold was the great Director in the misuse of Federal funds, and so filled with the spirit of St. Nicholas, he actually named the project and called it "Operation Reindeer." Perhaps you can imagine what a broad smile Santa Claus Stassen had on his beaming face as he loaded his 5 million Christmas presents on the sleighs of Santa Claus and drove the gallant reindeer across the seaways and into the airways of the universe. His heart must have been filled with the generous spirit

of giving—giving most anything—as long as it could be given away at the expense of the American taxpayers.

Governor Stassen has a right to be generous—generosity is an attribute that is admired by all right-thinking people; but there is an old Latin adage to the effect that "One must be just before he is generous." I do not hesitate to say that neither the President nor his appointee, Mr. Stassen, nor any other person connected with this administration had either a legal or a moral right to play Santa Claus with the money appropriated under section 513 (b) of Public Law 118 in the 1st session of the 83d Congress, which reads as follows:

(b) Special use of funds: Amend section 513 (b) (relating to special use of funds) to read as follows:

"(b) Not more than \$100,000,000 of the funds made available under this act, of which not more than \$20 million may be allocated to any one country, may be used in any fiscal year by the President, to be expended, without regard to the requirements of this act, or any other act for which funds are authorized by this act, in furtherance of the purposes of such acts, when the President determines that such use is important to the security of the United States. The President shall notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives upon making any such determination."

While I am convinced that the use of such funds in the financing of "Operation Reindeer" was a deliberate and willful misappropriation and illegal and unauthorized use of the money made available under section 513 (b), I shall not be content for Members of Congress to accept my interpretation of the law. I have, therefore, written a letter to Hon. Lindsay C. Warren, the great Comptroller General, requesting him to investigate the matter fully and to give me an official opinion concerning the use of the money which was used in the financing of Operation Reindeer. Here is a copy of my letter to Mr. Warren dated March 23, 1954. The letter contains a brief statement of some of the pertinent facts and circumstances.

MARCH 23, 1954.

HON. LINDSAY C. WARREN,
Comptroller General, General Accounting Office, Washington, D. C.
(Attention: Mr. Frank H. Weitzel.)

MY DEAR GENERAL WARREN: Since the problems of agriculture, including the disposal of surplus agricultural commodities accumulated in the inventories of the Commodity Credit Corporation, are appropriate subjects for the consideration of Members of the House Committee on Agriculture, I am prompted to write this letter to request an investigation and an opinion as to the propriety of certain Federal expenditures made by the Foreign Operations Administration.

I have information to the effect that the Foreign Operations Administration used in excess of \$15 million from the Mutual Security appropriation under the provisions of section 513 (b) of the Mutual Security Appropriations Act of 1954 for the purpose of giving away 5 million Christmas presents to individuals throughout the world. This project of the Foreign Operations Administration was either known as the Christmas food package program, Operation Reindeer or "Stassen's Santa Claus program." The gift packages contained raisins, rice, prunes, and "beef and gravy," among other things.

It seems that the Director of FOA, Mr. Harold Stassen introduced a "fresh approach to the actual conduct of the various programs and projects" of the Administration which he directs, and decided to give Christmas gifts to individuals in about 17 or more countries throughout the world. While some of the food was purchased from the Commodity Credit Corporation I understand that most of it was purchased in ordinary trade channels and in "consumer-size packages bearing American packers' brands" and further that "the program was designed to get some of our plentiful supplies of food directly in the hands of those who would most welcome it and at a time when giving is traditional." These last two quotations were taken from a letter dated March 12, 1954, written to me by Dr. D. A. FitzGerald, Deputy Director for Operations. According to the report to Congress on the Mutual Security Program for the 6 months ended December 31, 1953, which was not released until March 8, 1954, the "Operation Reindeer" program or "Christmas Present" program cost approximately \$15.5 million. According to Dr. FitzGerald's letter to me of March 12, 1954, "The total cost of the program is currently estimated at not to exceed \$13.8 million," but Dr. FitzGerald indicated that final figures were not yet available.

Frankly, I do not believe that you will find anything in the legislative history of section 513 (b) of the Mutual Security Appropriations Act of 1954 which would indicate that Congress intended money thereby appropriated or any part of it would be used for the purpose of giving Christmas presents to individuals, either at home or abroad. The section, 513 (b), of Public Law 118, entitled "Special Use of Funds" clearly limits the use of the \$100 million made available by that section. No reference whatever is made to individuals and there is no indication that Congress intended that any part of the money should be used for the purpose of making gifts to individuals. There is a limitation to the effect that "Not more than \$20 million may be allocated to any one country." The section also clearly indicates that before any part of such funds may be used the President is required to determine "that such use is important to the security of the United States." I cannot believe that Congress intended that the money made available by section 513 (b) should be used for the purpose of making gifts to individuals selected either by the President, the Director of FOA, or any other person, and it occurs to me that the use of such funds for such purposes is unwarranted and contrary to the clear intent and meaning of the language of the section, 513 (b).

You will note that section 513 (b) requires the President, upon making a determination to use the funds, to notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, but said section does not indicate that the President's communication shall be either secret or classified. When I called upon the chairman of the Committee on Foreign Affairs of the House to advise me of the contents of a communication dated September 25, 1953, concerning the program which I have referred to, I was advised that the communication had not been brought to his attention before the date of my inquiry, but that upon examination he had found that the letter was marked "Secret." The communication likewise had not been brought to the attention of the ranking Democrat on the Committee on Foreign Affairs. The chairman of the House Committee on Foreign Affairs appeared to be surprised when I advised him concerning the program and he indicated a willingness to cooperate with me in trying to arrange for the contents of the communication to be made available. I understand that the chairman of the Committee on Foreign Affairs has now called upon

the White House to lift the ban of secrecy from the communication to the end that its contents might be made available to other Members of Congress.

Since the program Operation Reindeer, or whatever name it is called, has been surrounded by such secrecy I am constrained to call upon you for a full and complete investigation and for a determination as to the use of the funds expended in connection with Mr. Stassen's Santa Claus program.

I am advised that the international organization CARE received from FOA the equivalent of approximately 500,000 Christmas packages, and that CARE paid to FOA the equivalent of approximately \$1 per package. Certainly there is nothing in section 513 (b) which would indicate that even the President had a right to give any part of the money or food purchased with the money to any organization or individual to be passed on to other individuals in other countries. Information which I have indicates that CARE packages were delivered as personal gifts to individuals from John Jones, Main Street, U. S. A. Certainly I have no objection to CARE participating in any charitable enterprise. In fact, I understand that CARE offered to pay FOA \$1 a package for the 5 million packages, but that Mr. Stassen and his associates decided to permit CARE to participate in the distribution of only 500,000 of such packages and that Mr. Stassen's agency gave away the other 4½ million packages.

I am advised further that after these packages had been delivered that four American couples, not affiliated with the Federal Government, were selected to go to Europe to observe the preparation of the plan for the utilization of these gift packages, their actual distribution to families and to report on the effectiveness of the project in terms of accomplishing the objective. This is also a quotation from Dr. FitzGerald's letter and should be considered in connection with the following: "That we would engender friendlier feeling toward the United States on the part of several million needy people who received these Christmas packages." This is a clear indication that the program was prompted by the Christmas spirit or the spirit of giving rather than by its importance to the security of the United States. Certainly by no stretch of the imagination could you read into section 513 (b) the right of the President or his Director of Foreign Operations Administration to use any part of the fund to pay the expenses of four American couples to travel into different countries of the world for the purposes mentioned. In addition to paying traveling expenses of four American couples I am advised that they were paid per diem. With all of our missions abroad it certainly would seem unnecessary to send four American couples to far-distant countries for the purpose of making observations. Frankly, I do not believe that any Member of Congress intended that any part of this money should be used as it has been used. I shall be glad to make available to you all of the information I have in my files concerning this matter.

Thanking you for your usual prompt attention, and with kindest personal regards, I am

Cordially yours,

HAROLD D. COOLEY.

Neither lawyer nor layman can read Santa Claus into any part of section 513 (b), the law which I have cited. This remarkable program, the Christmas food-package program, "Operation Reindeer, or Stassen's Santa Claus story," or whatever you want to call it, was apparently shrouded in great secrecy. Under the law the President was required, upon making a determi-

nation to use any part of the \$100 million of funds made available under section 513 (b) of the act, to notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, and the act placed certain very definite limitations upon the use of such funds. The law provided that "not more than \$20 million may be allocated to any one country." I emphasize the word "country" since the word "country" is used in the law and the word "individual" is not used in the law. I do not recall that in the legislative history of this appropriation anything was said or done which would indicate that any part of the \$100 million would be used by the President or any other person for the purpose of making donations or gifts or presents of any kind to individuals anywhere either at home or abroad. For what purpose was this money made available? The act itself clearly indicates that the President could use the money only when he had in good faith determined that the use of the money, or any part of it, was "important to the security of the United States." The President was not authorized to use any part of the money for the purpose of disposing of surplus agricultural commodities, nor was he authorized to use any part of the money to brighten the lives of people at Christmas time or to create a feeling of friendship around the world.

With the law in mind let us take a look at the record.

Here are some quotations from a letter dated March 12, 1954, which I received from Dr. D. A. FitzGerald, Deputy Director for Operations, Foreign Operations Administration. Dr. FitzGerald's letter was in response to inquiries which I had made in a telephone conversation and here is what Dr. FitzGerald said about the program:

The program was designed to get some of our plentiful supplies of food directly in the hands of those who would most welcome it and at a time when gift giving is traditional.

Is there anything connected with the defense of the United States indicated in that statement? Here is another quote from Dr. FitzGerald's letter:

It was intended to demonstrate to the people of all the free nations that the United States was interested not only in the general economic progress of the entire country but in the well-being of the individual and his family as well.

Is there anything about national defense in that statement? Further quoting from Dr. FitzGerald's letter:

We hoped, and in practice this turned out to be a fact, that we would engender friendlier feeling toward the United States on the part of several million needy people who received these Christmas packages.

This is the spirit of friendship to be sure but what do you find in all this sentiment to warrant Mr. Stassen, or for that matter the President, in concluding and in determining that all this gift giving was, to quote the law again, "important to the security of the United States." Dr. FitzGerald's letter further indicates that while "some of the cheese and all of the canned beef came directly

from the Commodity Credit Corporation stocks" other articles of food were purchased in the open market and "in consumer size packages bearing American packers' brands." The packages contained everything from shortening to sugar and raisins and rice and honey and beef and gravy. It was really a Santa Claus package. I am certain that there were hundreds of thousands of members of families in America, in your district and in mine and throughout the length and breadth of our Nation, who would have been glad to have received one of Stassen's Santa Claus stockings filled to the brim with goodies.

According to Dr. FitzGerald, some of this food "was used by United States military personnel stationed in Europe at Christmas parties, for orphanages and other charitable groups."

I am certain that every Member of Congress holds in high esteem that great international, worldwide charitable organization known as CARE. I am advised that officials of CARE offered to take full responsibility for the delivery of all of Mr. Stassen's Christmas presents and actually offered to pay to FOA \$5 million for the privilege of delivering these gifts to the needy people of friendly nations but Mr. Stassen was so anxious to play Santa Claus himself he did not agree for CARE to deliver the gifts although CARE has a competent organization trained and skilled in the arts of giving. Mr. Stassen did finally agree to let CARE handle 500,000 packages and for these 500,000 packages CARE "paid FOA \$1 per package for 500,000 packages." FOA paid the ocean freight and in turn paid CARE \$0.985 per package, "subject to final adjustment of a few cents, if the audited costs of the packaging material are found to be less than the original estimate." To the end that you might have the full information contained in Dr. FitzGerald's letter, I herewith submit the same for your consideration:

FOREIGN OPERATIONS ADMINISTRATION,
Washington, D. C., March 12, 1954.

HON. HAROLD D. COOLEY,
House of Representatives,
Washington, D. C.

DEAR MR. COOLEY: This is in reference to our telephone conversation of March 9, 1954, in regard to the Christmas food package program and I promised to furnish you with additional information which I did not have at hand at the time of our conversation.

The program was designed to get some of our plentiful supplies of food directly in the hands of those who would most welcome it and at time when gift giving is traditional. In particular, it was intended to demonstrate to the people of all the friendly nations that the United States was interested not only in the general economic progress of the entire country but in the well-being of the individual and his family as well. We hoped, and in practice this turned out to be a fact, that we would engender friendlier feeling toward the United States on the part of several million needy people who received these Christmas packages.

The food provided in this program included evaporated milk, cheese, vegetable oil shortening, canned beef, dried beans, dried prunes, raisins, rice, honey, and sugar. These foods, mostly in consumer size packages bearing American packers' brands, were assembled into family packages of about 13 pounds. Because of limitations due to indigenous

production, dietary habits, and availability from the United States on short notice, all of the items were not included in every package. Some of the cheese and all of the canned beef came directly from the Commodity Credit Corporation stocks. The shortening was purchased with the provision that replacement cottonseed oil would be purchased by the processor from Government stocks.

The total cost of the program is currently estimated at not to exceed \$13.8 million, but we do not yet have a final accounting from the Department of Agriculture which was the procurement agency for the food contained in the packages.

Three types of distribution were used in handling the approximately 5 million food packages:

1. Distribution by the Government of the country in which the packages were distributed, either directly or through its voluntary relief agencies. Under this scheme the food was furnished free of cost at the port of entry. Some of this food was used by United States military personnel stationed in Europe at Christmas parties for orphanages and other charitable groups. All local distribution, packaging, and handling costs were carried by the government of the recipient country or its voluntary relief agencies. About 4.4 million packages were handled this way.

2. Distribution by Hadassah and the American Middle East Relief. These two agencies paid us 50 cents a package. In addition to paying for the food in each package, we also paid ocean freight. No other costs to FOA were involved. They were absorbed either by the agencies concerned or by their affiliates abroad. These two agencies handled 140,000 packages.

3. CARE. This organization paid FOA \$1 per package for 500,000 packages. However, in addition to paying ocean freight, we also paid CARE 98½ cents per package, subject to final adjustment of a few cents, if the audited costs of the packaging material are found to be less than the original estimate. This payment to CARE included cost of packaging in the United States and at least a portion of handling and distributing in the country of destination. Thus the cost to the United States for the CARE program was about 48½ cents per package more than the cost through other voluntary relief agencies. CARE had proposed that it handle the entire program on the basis of paying the United States Government 50 cents per package and FOA paying CARE for its cost of packaging and distribution. This would have meant that if CARE had handled the entire 5 million packages, the additional cost to the United States Government would have been about \$2½ million more than the costs incurred as the program was handled.

In order to assure identification of the products as having come as a free gift of the United States, paper bags with the clasped hand emblem of FOA in color were sent with all of the food shipments, except the CARE packages which were in corrugated paper shipping containers, marked both with the clasped hand emblem and with the usual CARE markings.

Four American couples, not affiliated with the Federal Government, were selected to go to Europe to observe the preparation of the plan for the utilization of these gift packages, their actual distribution to families, and to report on the effectiveness of the project in terms of accomplishing the objective. Each couple was assigned to a country but in some instances visited 1 or 2 other countries. They were on these assignments from 3 to 7 weeks, the time depending on the scheduled food parcel distribution in the country to which the couples were assigned. They were paid per diem and travel expenses only. They observed and reported on all phases of the program, including the distribution by CARE.

I believe this covers all the questions which arose in our telephone conversation, but if you need additional information I shall endeavor to furnish it promptly upon receipt of a further request.

Sincerely yours,

D. A. FITZGERALD,
Deputy Director for Operations.

While it is perhaps to be regretted that CARE was not permitted to handle the entire 5 million gifts, the fact remains that you cannot read into the law any authority granted to the President, Mr. Stassen, or to anyone else to use any part of the \$100 million to purchase articles, commodities, or anything else of value and to give such articles or commodities, or anything of value, to any individual, to any organization, or association; and certainly there is no authority in the law for such articles to be acquired and resold, even at a dollar a package, to any individual, organization, or association. Yet, here is Dr. FitzGerald's statement that CARE paid to the Foreign Operations Administration \$500,000 for 500,000 packages. It seems to me that if Santa Claus Stassen had a right to permit CARE to acquire and to distribute 500,000 packages, he had authority to have permitted CARE to have acquired the entire 5 million packages. It appears that if CARE had been permitted to handle the 5 million packages, CARE would have paid the Foreign Operations Administration \$5 million and this amount of money could have been saved by the Foreign Operations Administration for the taxpayers of America, but apparently Mr. Stassen refused to accept the proposition submitted by CARE and preferred to let CARE handle only 10 percent of all "Santa Claus' cargo." If Mr. Stassen thought that CARE was capable of delivering the 500,000 packages, I wonder why he was not willing to trust CARE to deliver the other 4,500,000 gifts? The only answer is that Mr. Stassen really wanted to be Santa Claus.

I understand that some of these gifts were sent around the world marked "John Doe, Main Street, U. S. A." If individuals here in America wanted to send packages to needy friends across the sea, this could be done by paying only \$1 to the organization charged with the responsibility of delivering packages to selected and specified friends.

Mr. Chairman, I want to be charitable to Mr. Stassen, but actually I cannot bring myself to believe that he advised the President fully concerning Operation Reindeer and I am thoroughly convinced that the members of the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate were not advised fully concerning either his purpose or his program. When I first called this matter to the attention of the distinguished chairman of the Foreign Affairs Committee of the House and to the ranking Democratic member of that great committee, neither of them had any information or knowledge concerning Operation Reindeer or the Christmas food package program. I want to compliment the distinguished gentleman from Illinois, Congressman ROBERT B. CHIPERFIELD, who immediately when the matter was called to his attention, indicated that he was anxious

to cooperate in every way in an effort to obtain full information concerning this project. Upon inquiry I was advised by a member of Mr. CHIPHERFIELD's staff that a letter had been received from the President on September 25, 1953, pertaining to this particular expenditure, but I was advised that the contents of the letter could not be made available to me for the very good reason that it was marked "Secret." It is difficult for me to understand why, if this were such a worthy program, there should be anything secret about it. Certainly the letter should have been brought to the attention of the chairman and of the members of the Foreign Affairs Committee of the House and of the Foreign Relations Committee of the Senate. Otherwise there should be no purpose in requiring the President to advise these two committees. I have been assured that Mr. CHIPHERFIELD has called upon the White House to lift the ban of secrecy attached to the letter to the end that its contents might be made available to me and to other Members of Congress. I hope that I shall be able to give you the contents of the letter at an early date. If Mr. Stassen had a right to give away ten or fifteen million dollars of the \$100 million provided by section 513 (b), by the same authority he had a right to give away the entire \$100 million. If Congress intended that this \$100 million should be given to the President to be given away in the spirit of friendship at Christmastime or to relieve hunger abroad, then certainly members of the appropriate committees should be able to throw some light on the subject. If there is anything in the legislative history or in the act of Congress to which I have referred which authorizes the use of this money in this fashion, I am certain that our great Comptroller General, the watchdog of our Treasury, will come up with the facts. I am certain that Mr. Warren's investigation will be entirely impartial and in all respects thorough. I am certain that Members of Congress have great respect for his good judgment, and if the Comptroller General concludes that this was an authorized use of Federal funds, I am certain that we shall accept and abide by such judgment as he shall render.

If, by the law, the President was authorized to purchase and to give away food, something will have to be read into the law which I have not been able to find. I hope you will read the law and I ask you to try to find somewhere couched in paragraph 513 (b) any right or authority for the President or Mr. Stassen to select 4 couples, husbands and wives, and to send them on a trip into 17 nations of the world to check on the delivery of Christmas presents to needy people. Here is an article from the Washington Post dated December 12, 1953:

GOP COUPLES GO TO EUROPE AS INSPECTORS

The Foreign Operations Administration has sent four husband-wife teams to Europe to take a look at distribution of holiday gift food packages being sent abroad by private and governmental agencies.

They left without fanfare this week and will be in Europe through the holiday season, returning after New Year's day. The

Government is paying transportation, per diem expenses, and a \$25-a-day consultant's fee for both husbands and wives.

The 8 persons, selected by FOA boss Harold Stassen, include 1 member of the Republican National Committee and others prominent in the GOP.

They are: Mr. and Mrs. Oscar A. Ahlgren, of Whiting, Ind., Mrs. Ahlgren is president of the General Federation of Women's Clubs.

Mr. and Mrs. Robert W. Gunderson, of Rapid City, S. Dak. Mrs. Gunderson is GOP national committeewoman.

Mr. and Mrs. C. Edward Howard, of Excelsior, Minn. Mrs. Howard is a regent of the University of Minnesota.

Mr. and Mrs. Newton P. Leonard, of Providence, R. I. Mrs. Leonard is president of the National Congress of Parents and Teachers.

Chief object of the teams will be, in the words of an FOA spokesman, "to take a temperature reading on how effective the program is and to get the reaction of the people who receive the packages." They will report to Stassen on returning.

About a half-million food parcels are being sent by CARE on behalf of Americans who put up \$1 each to cover packing and shipping costs. FOA is supplying the food, mostly surplus butter, canned beef, and powdered milk. Each package contains 11 pounds of food.

They go to such organizations as orphanages, hospitals, and other institutions. A group of American private organization workers already overseas checks on the distribution.

CARE did not ask for the husband-wife teams, but is willing to have its program checked by one and all.

And here is another article from the Washington Post dated December 16, 1953, and another dated December 23, 1953:

JUNKETS DE LUXE

Foreign Operations Administrator Stassen is no slouch as a promoter, and he has made a convincing case for most of his program. But his latest distribution of largesse, minor though it is, raises some perplexing questions of public policy that call for an explanation. Mr. Stassen has designated four husband-wife teams to go to Europe at public expense to check on the distribution of some food parcels. There are hundreds of American officials already in Europe perfectly capable of making the check—if it needs to be made, which is doubtful. CARE and the other agencies involved have representatives on the scene to make checks and supervise the distribution. But Mr. Stassen seems to be dispensing the Christmas spirit among the 8 persons—1 of whom is a GOP national committeeman—who will receive all transportation expenses, \$16 per diem each, and \$25 per day as a consultant's fee. What is not very clear, though, is how these junkets fit into the economy program.

OPERATION REINDEER

Of the many ways in which Americans express their regard for their fellow man at Christmastime, one of the most appealing is a new plan devised by CARE and the Foreign Operations Administration. For the mere sum of \$1 anyone in the United States may send a Christmas package to a needy recipient to 12 European and 7 Latin American countries. The 500,000 special dollar packages contain a really amazing assortment of beef, sugar, shortening, milk, prunes, beans, and rice—all foodstuffs purchased by the Government for distribution abroad. CARE itself supervises the distribution in each of the countries—quite capably, we may add, without the need for the junketeering "inspectors" Mr. Stassen has sent abroad.

It scarcely needs to be added that this dollar plan does not supplant the other extensive voluntary giving carried out through CARE all over the world. The more than \$150 million worth of food, clothing, and equipment distributed in this fashion during the past 7½ years has not only been an outlet for American humanitarianism, it also has been an important unofficial adjunct of foreign policy. The knowledge that fortunate Americans did and do care about the needy elsewhere (as well as at home) has been one of the things that have helped to keep the free world free. It is not too late to join in Operation Reindeer. Contributions may be made to the Washington CARE office, 1346 Connecticut Avenue NW, phone Columbia 5-9320.

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

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. RABAUT. Has this anything to do with cleaning up the Washington mess?

Mr. COOLEY. This is a little mess all its own. Frankly, I cannot believe that the Republican leadership in either House of Congress would countenance this misuse of Federal funds or would approve of Stassen becoming Santa Claus at the expense of American taxpayers. Stassen was a little ingenious, however, in naming the program Operation Reindeer. Now, that is just plumb cute and Christmaslike. Stassen could have more appropriately named the project Operation Santa Claus, by Harold Stassen. Certainly Republicans in Congress will condemn this personal giveaway program and I believe that the chairmen of appropriate committees should call upon Mr. Stassen for a full and frank discussion and insist upon a full disclosure of all the pertinent facts. It really would be interesting to read the opinion of Mr. Stassen's lawyer or legal adviser authorizing or justifying such use of these particular funds.

By another section of the same law, section 550, we authorized the use of not less than \$100 million and not more than \$250 million to be used directly or indirectly, to finance the purchase of surplus agricultural commodities or products thereof, produced in the United States. The pertinent parts of section 550 read as follows:

USE OF SURPLUS AGRICULTURAL COMMODITIES

SEC. 550. (a) Not less than \$100 million and not more than \$250 million of the funds authorized to be appropriated under this act, shall be used, directly or indirectly, to finance the purchase of surplus agricultural commodities, or products thereof, produced in the United States.

(b) The President is authorized to enter into agreements with friendly countries for the sale and export of such surplus agricultural commodities under conditions negotiated by him with such countries and to accept in payment therefor local currency for the account of the United States. In negotiating agreements for the sale of such commodities, the President shall—

(1) take special precaution to safeguard against the substitution or displacement of usual marketings of the United States or friendly countries, and to assure to the maximum extent practicable that sales prices of such commodities are consistent with maximum world market prices of like commodities of similar quality, and to obtain the recommendations of the Secretary of Agri-

culture in carrying out the provisions of this subsection;

(2) use private trade channels to the maximum extent practicable;

(3) give appropriate emphasis to underdeveloped and new market areas;

(4) obtain assurance that the purchasing countries will not resell or transship to other countries or use for other than domestic consumption commodities purchased under this program without specific approval by the President.

Five hundred and fifty is the food section and there is nothing in 513 (b) to indicate that we intended any of the funds from 513 (b) to buy Christmas presents.

Frankly, Mr. Chairman, if there is nothing wrong or unusual about this program, can you imagine why President Eisenhower should have made his communication to the committees of Congress either "classified" or "secret"? Since when did it become necessary to shroud our generosity in secrecy? What could possibly be secret in the President's communication? I venture to say that the communication was prepared by none other than Mr. Harold Stassen himself. If the communication concerned some secret of national defense, why we would not even make inquiry about it. If Mr. Stassen is the person responsible for marking the communication "Critical material" or "Classified material" or "Secret," then I want to say to the everlasting glory of the chairman of the Committee on Foreign Affairs that all Members of Congress will appreciate his lifting the ban of secrecy from this important communication to the end that all of us and those we represent might know the facts involved.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

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

Mr. SMITH of Wisconsin. I want to commend the gentleman for bringing this matter to the attention of the House. If what he says is true, Harold Stassen should be removed from his position.

Mr. COOLEY. Here is another interesting article from the Minneapolis Star of December 2, 1953:

[From the Minneapolis (Minn.) Star of December 2, 1953]

GOP WOMEN LEADERS AND MATES GET TRIPS ABROAD—TEAMS TO CHECK ON OPERATION OF CHRISTMAS FOOD GIFTS

(By Wilbur Elston)

WASHINGTON.—The Foreign Operations Administration (FOA) is giving away 4 million Christmas food packages in 20 foreign countries. To check on the operation of the program, the agency, headed by Harold Stassen, is sending five husband and wife teams on month-long inspection trips to various parts of the world.

Three of the women assigned to such teams have been top Republican leaders in their home States. The other two are the national presidents of the General Federation of Women's Clubs and the National Parent-Teachers Association.

One of the couples is Mr. and Mrs. C. Edward Howard, Excelsior, Minn. Mrs. Howard is a regent of the University of Minnesota and a former Minnesota State Republican chairwoman.

Another is Mr. and Mrs. Robert W. Gunderson, Rapid City, S. Dak. Mrs. Gunderson is Republican national committeewoman for South Dakota.

Other teams:

Mr. and Mrs. W. Vance Hickman, Winston-Salem, N. C. (Mrs. Hickman is acting chairman of the Republican State committee.)

Mr. and Mrs. Oscar Ahlgren, Whiting, Ind. (Mrs. Ahlgren is president of the General Federation of Women's Clubs.)

Mr. and Mrs. Newton P. Leonard, Providence, R. I. (Mrs. Leonard is president of the National Parent-Teachers Association.)

An FOA spokesman said the new program was proposed because of the success of the recent distribution of American surplus food to Germans on both sides of the Iron Curtain.

About 3½ million packages will be given to the governments of 5 Western European countries on a government-to-government basis, and the receiving countries will handle distribution to their people. Cooperating countries will be Germany, Italy, Spain, France, and Greece.

Another 600,000 parcels will be given to private relief agencies in this country, which will distribute the food in France, Norway, Iceland, Yugoslavia, United Kingdom, Peru, Chile, Bolivia, Ecuador, Haiti, Brazil, Panama, and several other countries.

Under both programs, the plan is to distribute about 12 pounds of food in a brown paper bag stenciled with the American flag and the FOA's clasped-hands seal. Contributors to the private agencies also will have their own names stenciled on the bags.

The sacks will contain different items in different countries, but the food will include dried prunes, raisins, shortening, rice, dry beans, sugar, canned beef, evaporated milk, and cheese.

The food to be distributed is being supplied from surplus Government stocks with FOA reimbursing the Department of Agriculture for the \$12,500,000 worth of food used.

The job of the teams will be to see how the food is distributed, to check on whether it is reaching the people who need it, to make sure there is no waste and to report on the people's reaction and the possible benefits to the United States, the FOA spokesman said.

The five inspection teams will come to Washington Monday for a briefing and then will be sent abroad at Government expense for about a month.

(Mr. and Mrs. Howard will leave Thursday on the first leg of the trip to Europe.)

(Mrs. Howard said she and her husband will visit Western Europe, but she does not yet know the specific assignment. Among places mentioned, she said, have been Madrid, Spain; Paris; Rome; Frankfurt, Germany, and Vienna, Austria.)

(Mrs. Howard was an active campaigner in the GOP presidential nomination bids of Stassen. She made the speech nominating Stassen in Chicago in 1952.)

I am advised that the members of these teams were furnished transportation and were paid \$16 each per diem and \$25 each consulting fee.

Mr. BENNETT of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am taking this time, if I may have the attention of the gentleman from Illinois, chairman of the Subcommittee on Health, Education, and Welfare, to ask him a question in respect of the reasons for the reduction in the grants to States for unemployment compensation and employment service administration. The people in Michigan who are affected by this program, both those representing employee groups and employer groups, are very much concerned about the action taken by the subcommittee.

I have a telegram that was sent to my colleague, Mr. DONDERO. I think all

Members from the State of Michigan received the same wire. It is from the Michigan Employers Unemployment Compensation Commission, and says:

We urge favorable House action on Bureau of Employment Security, Department of Labor supplemental budget request of \$14½ million. This full amount rather than \$7½ million recommended by the House Appropriations Committee is necessary if Michigan is to have the proportionate share essential to proper administration.

I assume that other States are in the same fix.

I should like to yield to the gentleman from Illinois [Mr. BUSBEY] to ask him what justification the committee has for failing to allow the additional amount.

Mr. BUSBEY. In the first place, I wish to advise the gentleman from Michigan that we have not reached that point in the bill. When we do, I have been informed that the gentleman from Massachusetts [Mr. McCORMACK] intends to offer an amendment to restore some of the funds.

In direct answer to the gentleman's question, I will say that the Unemployment Compensation Bureau has been provided in this bill with a fund which is far greater than any amount they have ever had in any year in the history of the United States, including 1950, when unemployment was much greater than it is at the present time.

Mr. BENNETT of Michigan. According to the committee report, the committee disallows funds requested for State salary increases. In Michigan, for example, the legislature had provided for salary increases for employees who carry on this program, and unless additional funds are provided they will have to get along without these employees or compel them to work for lesser pay in spite of the salary increase.

As I understand it, this money does not come from general tax funds. It comes from contributions made to a specific fund by the employers themselves. So that when we get a request from groups, such as the one I referred to whose wire I read, we are getting requests from people who represent the people who are paying this money into the Treasury.

Mr. BUSBEY. The gentleman is correct when he says that they put the money into the Treasury. But when he says the money does not come out of the general funds, the gentleman is not correct, because the money does come out of the general funds.

Some time ago, during the general debate, in answer to a question, I stated that many of the agencies and departments of the Government have not only been requested to absorb salary increases, but are doing so. In many cases, they are absorbing the penalty-mail costs, as well as other costs. When an amendment is offered, and when we reach that point in the bill, I think I shall be able to point out to the gentleman from Michigan [Mr. BENNETT], as well as to others, many places where they could effect savings which would offset the little that has not been allowed by the committee.

Mr. BENNETT of Michigan. I am sure they will be glad to have that information because, in spite of the fact that they are responsible and are charged with the administration of the program, in Michigan they apparently do not agree with the gentleman from Illinois [Mr. BUSBEY]. If an amendment such as has been referred to is not offered by anyone else, I propose to offer an amendment to insert the additional amount necessary, because I think it is justified.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

INTERNAL REVENUE SERVICE
Salaries and expenses

For an additional amount for "salaries and expenses," \$3,600,000.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to get a little information relative to the operation of the Internal Revenue Service. I have talked to one or two members of the committee, and they have told me that they got no impression from the representatives of that Service who appeared that there was any intention to reduce the Service. However, I do know that in Missouri they have closed at least one office in the eastern district. I have received word that they have notified the people who are employed in one of the out-State offices in my home town of Kennett, Mo., that that office is to be closed within the next 6 months. I do know that if that office is closed they are going to be compelled to spend more money for operation in the way of mileage and other expenses, not to mention the fact that they are going to work an injustice on employees of the Service who do have their homes in that community and who presumably would be offered the opportunity to transfer to some other office.

I am also concerned about this because of the fact—and I am not charging that any politics is involved—that it is apparent that with three offices in the 10th District of Missouri, two of those offices are located in counties which normally go Republican, and the office about which I am speaking is in a county in the center of a predominantly Democratic area and serves four counties which are normally and consistently Democratic. It looks as if someone might be interested in bringing about a hardship on those employees in that office, causing them to want to leave the Service.

I have information here showing that during the year 1952 the 4 men who are employed in that office, which, by the way, is located in the post office building and therefore has not occasioned any great amount of expense, handled some 3,895 cases and collected a total of some \$203,137.

I also am a little concerned about the fact that upon hearing the rumor that this office at Kennett was to be closed, I contacted the Internal Revenue Service and talked to Mr. Winkle, who is in charge of field offices, relative to the rumor about closing this office. He told me at that time, and that was in the early part of January, that a survey was being made of all offices merely as a

matter of routine, and promised to give special attention to the condition that I explained existed there at Kennett, where 4 men were employed taking care of 4 of the most heavily populated rural counties of the State, with a total population of approximately 164,000. He said he would contact me before any action was taken even if a recommendation should be made to close that office at Kennett. He did not contact me, although an official has gone down and told the employees at that office that they were to make arrangements to get ready to be moved.

May I ask someone on the Appropriations Committee if it was represented to them that some of these offices were to be closed at the time they asked for these additional funds? Can the chairman give me that information?

Mr. GARY. I will be very glad to answer any question the gentleman has. The amount contained in this bill for the Internal Revenue Service covers only the cost of mail which has been transferred from the Post Office to the Internal Revenue Service. The gentleman will recall that heretofore the cost of handling Government mail has been paid by the Post Office and charged to the Post Office account. Last year the Congress passed an act providing that each department should pay for its own mail. The estimated cost of mail for the Internal Revenue Service for the balance of this fiscal year, according to my recollection, was over \$4 million. The Department decided they could not absorb the entire cost. They will absorb a part of it, but they asked for \$3,600,000 to cover the balance of the mail cost. That is the item that is included in this bill.

Mr. JONES of Missouri. In the report, it mentions about salaries and expenses while it says restricted to postage, still you discuss that the program contemplates a steady increase in the number of enforcement personnel during the current year.

Mr. GARY. That was developed during the hearings on the annual appropriation bill for the fiscal year 1955, which has already been passed by the House.

Mr. JONES of Missouri. That is included in the report on this bill, is it not?

Mr. GARY. No; it may be included in the report, but it has nothing to do with the item we are talking about now.

Mr. JONES of Missouri. It is included in the report, and I wonder if the committee ascertained whether or not there was being adopted a policy of closing up these offices?

Mr. GARY. What I have been trying to say to the gentleman is that they made a report on that to the committee during the hearings on the regular annual appropriation bill. They reported at that time that they were reducing the number of districts which had been set up when the reorganization plan was adopted. My recollection is that they put in 17 regional offices. They reported to us that they had found out that they did not need that many offices, and that they were reducing the number of offices to 9, thereby saving \$2 million in operating costs which would be applied to in-

creasing their field force so that they could investigate more income returns and thereby bring in more revenue.

Mr. JONES of Missouri. I think they put one over on your committee then because I think it is apparent they are doing the same thing the Department of Agriculture did when they put their reorganization plan over on us and told us it was for economy and it was for efficiency, and it turned out to be nothing but pure politics from the bottom to the top. I regret to say this service is apparently trying to do the same.

Mr. GARY. I will say to the gentleman they certainly did not put one over on our committee because our committee has nothing to do with the reorganization of the Department.

Mr. JONES of Missouri. You appropriate money for them to operate and you give them the opportunity to do that.

Mr. GARY. The Congress gave the Treasury Department the authority to reorganize the Internal Revenue Service in an act passed several years ago. They merely reported to us the results of their activity in that respect.

Mr. JONES of Missouri. I still insist and I challenge anyone, even including experts in the Internal Revenue Service, to show that any economy will be effected through closing the Kennett major zone office which during the time that it has been in operation has had one of the best records of any office in the State of Missouri. Unfortunately the record during the past few months may not show a true reflection of the efficiency of the four field officers due to the fact that one of these men was away from the office for several months due to ill health which resulted in his death only a few days ago. I wish to point out that during the year 1952 which might be a typical year and one in which all four of the field men were on the job most of the time, except for a period of 5 months when one man was taken from this office and assigned to the racket squad working out of St. Louis on a temporary assignment. If this Kennett office is closed and the four counties which have been serviced by the four field men working out of this central office are transferred to one of the other two offices in southeast Missouri, it will necessitate more expense in the way of travel and per diem and furthermore it should be apparent that the service to the people of that district will be curtailed and in all probability the collections reduced, not to mention the fact that the Internal Revenue Service may lose the services of some of these capable experienced employees who might not elect to accept the opportunity of transferring to some other office.

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

The Clerk will read.

The Clerk read as follows:

CHAPTER V

DEPARTMENT OF LABOR

BUREAU OF EMPLOYMENT SECURITY

Grants to States for unemployment compensation and employment service administration

For an additional amount for "Grants to States for unemployment compensation and employment service administration," \$7,551,100, which shall be available only to the ex-

tent that the Secretary finds necessary to meet increased costs of administration resulting from changes in a State law or increases in the numbers of claims filed and claims paid over those upon which the State's basic grant (or the allocation for the District of Columbia) was based, which increased costs of administration cannot be provided for by normal budgetary adjustments.

Mr. BENNETT of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT of Michigan: On page 10, line 8, strike out "\$7,551,100" and insert "\$14,500,000."

Mr. BENNETT of Michigan. Mr. Chairman, all this amendment does is to restore the request of the budget, making the total authorization \$14,500,000 instead of \$7,551,100. I think it is important that this additional money be granted for the administration of this program. Our people in Michigan are very conservative in their requests in this regard, and they are deeply concerned about the effect the proposed cut by the Committee on Appropriations will have on the administration of the program in Michigan. I am sure the situation in Michigan on this is not unique and that other States undoubtedly have the same problems. I cannot see any justification for disallowing funds that have been requested for State salary increases of these employees after the commitment has been made, and I cannot see any justification for requiring that claims be made on the basis of every 2 weeks instead of on a weekly basis, as is the policy in Michigan, at least, where critical unemployment dictates need for claimants being paid on a weekly basis. I will ask for permission in the House to insert some telegrams that I have received.

I hope, Mr. Chairman and members of the Committee, that you will support the adoption of this amendment.

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

Mr. Chairman, I can assure my colleagues that I will not consume the 5 minutes to which I am entitled under this pro forma motion.

I am interested in the amendment offered by the gentleman from Michigan to this extent—I do not know whether my State of West Virginia is involved in the question of any salary increases, but it is involved in the question of increased workload. I am sure my colleagues here in the House have no conception of the situation that has developed in my State. Largely due to the administration of the reciprocal trade-agreements program by the present Tariff Commission, four West Virginia major industries are practically devastated.

Let me inform my colleagues that we have in 26 of the 55 counties in West Virginia 106,200 persons on relief. You must realize that that means a doubling and tripling of the workload on the unemployment compensation board.

I am interested in whether there is enough money to process those cases, and I am more vitally interested, Mr. Chairman, in what the condition of that fund is that is available for the unemployed people in West Virginia. I was

advised by one of the members of the committee that there is legislation being considered to provide for a loan by the Federal Government to States where their unemployment-compensation funds have become exhausted. West Virginia is right on the point of having to face that situation because we cannot continue to carry the load. And, speaking of unemployment, the State of West Virginia convened a special session of the legislature and made an additional million dollars of relief funds available. We do not have another meeting of the legislature until January next.

We have a serious situation in our State. I am interested in whether there is going to be any money to even pay the limited number of weeks that are due those people. It is a serious situation. I would like to know that there is enough money there to pay for whatever additional help is needed, whether we need what the gentleman from Michigan is asking for or not, and I certainly want the committee to approach this on the basis of need, not on the basis of what they think they need. And what facts did you have when you put this supplemental item in there?

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

Mr. BAILEY. I yield to the gentleman from Illinois.

Mr. BUSBEY. I may say to the gentleman that we are just as concerned over the situation as are he and the gentleman from Michigan. The subcommittee at this time is getting ready to take into consideration in connection with the fiscal 1955 appropriation bill which will be coming to the floor of the House in the near future.

Mr. BAILEY. They will have starved to death over in West Virginia before you get around to that. Will this item that you are restoring here now prevent their reducing the force in a State like West Virginia where they ought to add to the force to handle the increased load? It does cut down their personnel.

Mr. BUSBEY. We did not go into what would happen in each individual State. We do think that this amount of money will take care of the situation very nicely for the Nation as a whole.

Mr. BAILEY. Let me remind the gentleman from Illinois that you are allocating it to States; not only the 3 percent but the whole fund is allocated to the States.

Mr. BUSBEY. That is not the committee's responsibility. The Department of Labor allocates to the States.

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

Mr. BAILEY. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. I want to say to the gentleman for whatever comfort it may be to him that we have been told on high authority that this unemployment situation will take a turn for the better during the month of April.

Mr. BAILEY. I thank the gentleman from New Mexico.

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

It may be that the amendment offered by the gentleman from Michigan is not

necessary. The amount is not \$7 million; it is \$6,948,900.

There are two things in connection with this that induces me to take the floor at this time. First, I am informed that the Michigan Civil Service Commission has issued an order for an increase in salaries of the State employees. These people working for this particular compensation bureau are State employees.

The second thing that challenges my attention is the fact that this request comes from the Employers Unemployment Compensation Bureau themselves, the people who pay the money into this fund. If this were not justified in the State from which I come it would seem to me that those who pay the money into the fund would not be the ones requesting this increase. For that reason I am influenced to support the amendment offered by the gentleman from Michigan [Mr. BENNETT]. If the amount is too much and not required, certainly it will not be paid out until needed.

I hope, therefore, that the amendment offered by the gentleman from Michigan [Mr. BENNETT] will have the support of the committee.

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

Mr. DONDERO. I yield to the gentleman from New York.

Mr. JAVITS. We have had the same complaints from our commissioner of labor in New York, who has said that the amount is inadequate to do the job of handling unemployment insurance claims. It seems to me that whether or not this threat of recession is serious, we certainly want to keep this unemployment insurance sound. I shall therefore support the amendment offered by the gentleman from Michigan.

Mr. Chairman, I include the following telegram:

DETROIT MICH., March 22, 1954.
Representative GEORGE A. DONDERO,
House of Representatives,
Washington, D. C.:

We urge favorable House action on Bureau of Employment Security, Department of Labor, supplemental budget request of \$14½ million. This full amount rather than the \$7½ million recommended by the House Appropriations Committee is necessary if Michigan is to have the proportionate share essential to proper administration.

MICHIGAN EMPLOYERS' UNEMPLOYMENT
COMPENSATION BUREAU,
COLIN L. SMITH, Manager.

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

Mr. DONDERO. I yield to the gentleman from Michigan.

Mr. KNOX. I would like also to state that this additional money would go toward the retirement fund of those employees who are now working for the unemployment-compensation commissions of all the States. I notice by the report that that is eliminated from the provision which money could be achieved for. As to the question relative to the Civil Service Commission, the gentleman is absolutely correct. The Civil Service Commission sets all of the pay scales in Michigan and the number of employees that the agencies shall employ, so, therefore, I think the gentleman is justified,

and I think I will be justified, in supporting the amendment offered by the gentleman from Michigan [Mr. BENNETT].

Mr. DONDERO. The gentleman from Michigan [Mr. KNOX] is well qualified to speak on this matter. He was former speaker of the House of Representatives of the State of Michigan.

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

Mr. DONDERO. I yield to the gentleman from Michigan.

Mr. RABAUT. I want to state to my friend from Michigan that I have the same telegrams that our colleague from Michigan who offered the amendment has and they are very convincing. More than that, let me refer to page 33 of the hearings, to the testimony of Mr. Bernstein, who is the commissioner of unemployment compensation of that State and regional vice president of the Interstate Conference of Unemployment Security Agencies, as well as a member of its grants committee. He made a very strong argument on page 33 of the hearings for money for those purposes so necessary with the growth of unemployment, which I want to admit today has receded a little bit, but for the first time, and it is still far above the figures that we talked about some time ago.

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

Mr. DONDERO. I yield to the gentleman from Illinois.

Mr. BUSBEY. In answer to the gentleman from Michigan, my good friend [Mr. RABAUT], it is customary for the heads of practically all agencies spending Federal funds to come in and make a plea for additional money. There is nothing different in that pattern than what has always been customary in Government.

Mr. RABAUT. Mr. Chairman, if the gentleman will yield further, listen to this language: "We are subject to constant criticism throughout the country by employer groups" not workers but employer groups "because of the fact that we are not screening our claims adequately."

Mr. BUSBEY. In reply, I would say that the chairman of the subcommittee handling this appropriation has not received one single wire nor one single letter from any employer group, including my own State of Illinois.

Mr. RABAUT. Well, I have got them. The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. RABAUT. Mr. Chairman, the amendment offered by my colleague the gentleman from Michigan [Mr. BENNETT] deserves the support of every Member of this House.

I call your attention to the language of the committee report on page 18 expressing the feeling that there was not "sufficient showing of an emergency situation to reverse the basis on which the regular 1954 bill was enacted less than 1 year ago."

The basis referred to is a biweekly method of taking claims for unemployment compensation. This imposes an artificial waiting period on suddenly laid-off workers who are in urgent need of unemployment compensation, the

only cushion they have against economic recession. The funds requested in this bill would have allowed State employment security agencies to take claims on a weekly basis and avoid this waiting period.

In the face of unemployment figures which are mounting in every corner of the country the committee has found an insufficient showing of an emergency. I call to your attention some figures which reached my desk this morning from the Michigan Employment Security Commission: 214,000 jobless people throughout the whole of Michigan, and 140,000 of them in Detroit is an emergency in any man's language. Why even the present administration, which is trying to play down the seriousness of our present economic situation has declared Detroit to be a labor-surplus area entitling the city to emergency consideration with respect to Government contracts. Which end of Pennsylvania Avenue are we to believe? The answer is clear. Let us not "kid" ourselves. Millions of unemployed workers all over America need the assistance that a proper appropriation in this bill can give them.

This is not entirely a prolabor situation. As was pointed out effectively in the hearings before the committee, industry objects to the biweekly basis because under it workers are not screened often enough against available job opportunities. We can expedite the screening process by making available the proper funds, thus helping to find jobs quickly for those taking unemployment compensation and reducing the number of claims.

On this specific point, I received a telegram yesterday from the employer Members of the Michigan Employment Security Advisory Council, which I would like to quote briefly at this point:

We feel that the long-established weekly basis for claims taking is essential in the interest of prompt payment of claims and as a protection against abuses. Employers provide the funds from which these appropriations are being made and we favor adequate provision for proper administration by the States.

The Honorable G. Mennen Williams, Governor of Michigan, also wired me on this measure, advising that—

Critical unemployment in Michigan dictates need for claimants being paid on weekly basis.

The amendment is sound and meritorious. It deserves the approval of the House.

Mr. SMITH of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. TABER. Mr. Chairman, I wonder if we could not have an agreement as to time on this debate. I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes, the last 5 minutes to be reserved for the committee.

Mr. CANNON. That is satisfactory on this side, Mr. Chairman.

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

There was no objection.

Mr. SMITH of Wisconsin. Mr. Chairman, I think that the committee should

fully understand that the money we are talking about is money that has already been contributed by the employers to this particular fund. I notice that they have paid into the Treasury three-fourths of 1 percent for what they call the Federal unemployment tax. The contribution made to the fund, I am informed, amounts to \$280 million for this present fiscal year. The Congress for this fiscal year has appropriated only \$192.2 million, so there is, as the gentleman from Rhode Island [Mr. FOGARTY] pointed out earlier in the day, a surplus of some \$60 million or more in the fund at this time additional to the amount which the gentleman from Michigan is now requesting under his amendment that the original budget estimate be restored so that unemployed workers will receive prompt payments of the amounts due them.

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

Mr. SMITH of Wisconsin. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. There is over \$600 million in that fund that they have collected from the employer.

Mr. SMITH of Wisconsin. I am talking about the amounts appropriated for the present fiscal year and the amounts that have been contributed. I do not know what the accumulation is, but I assume the gentleman is correct.

This matter is causing a great deal of trouble in Wisconsin, as it is in Michigan, where unemployment exists and where it may possibly increase, but we hope it will not. In a letter from the chairman of the Wisconsin Industrial Commission, written just a short time ago, he says:

In Wisconsin we had to lay off 90 from our permanent employment service staff, thereby cutting the staff about 23 percent. That has of course meant poorer and slower placement service to employers and to jobless workers. And slower placement work means lost production as well as higher benefit costs.

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

Mr. SMITH of Wisconsin. I yield to the gentleman from Idaho.

Mr. BUDGE. Is it the contention of the gentleman from Wisconsin [Mr. SMITH] that the lay-offs have occurred by reason of the decrease during this fiscal year in the amount appropriated to the Bureau of Employment Security?

Mr. SMITH of Wisconsin. I am not sure that I understand the gentleman's question, but it is my understanding that the Appropriations Committee cut requested amount \$20 million, when the original appropriation was considered.

Mr. BUDGE. The figure for this fiscal year is the highest it has ever been in history and is about \$2½ million higher than it was in 1953, if the amount approved here by the committee is adopted.

Mr. SMITH of Wisconsin. Apparently there was a protest at the time the committee acted on this original appropriation as I have said. Now our State people are coming back and saying that "This justifies our protest on your action earlier in the year." It does not

make sense to me to cut \$21 million when there is a great need for most of it and when it has already been paid into the Treasury of the United States.

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

Mr. SMITH of Wisconsin. I yield to the gentleman from Michigan.

Mr. MEADER. I would like to say that I join with the gentleman from Wisconsin [Mr. SMITH] in support of the amendment offered by my colleague, Mr. BENNETT of Michigan. My own district has one area which has been declared a disaster area and entitled to special consideration. In other areas in my district there has been unemployment caused by the cancellation of a huge aircraft contract. This matter of unemployment compensation is one of the matters of keen interest on the part of the Legislature of the State of Michigan at this time, and in my judgment it is no time to cut down the funds for the administration of these unemployment relief benefits.

Mr. SMITH of Wisconsin. I agree with the gentleman. No cut should be made in the appropriation when a critical situation exists and when the money is or should be available.

I want to conclude by reading from a telegram that I received this morning from the director of the Wisconsin Industrial Commission who has jurisdiction of the unemployment compensation funds and its administration, Mr. Vogta Wrabity.

President Eisenhower requested \$14½ million to permit decent State administration of jobless benefits. The Appropriations Committee recommended only \$7½ million for higher workloads. It provides nothing for better handling or prompt weekly payments of jobless benefits.

It is bad enough to be out of work and I know what that means. Certainly the least we can do is to make certain that these compensation checks and the administration of the funds are taken care of fully and expeditiously, for the best interest of our unemployed workers.

Mr. Chairman, this amendment should pass and I support it wholeheartedly.

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

Mr. SMITH of Wisconsin. I yield to the gentleman from Georgia.

Mr. LANHAM. I agree with the gentleman from Wisconsin. I am in favor of this amendment.

Mr. SMITH of Wisconsin. Thank you.

Mr. NELSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. NELSON. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan [Mr. BENNETT]. This amendment would increase the appropriation in this supplemental bill for unemployment compensation administration by \$7 million roughly. Such an increase would allow the taking of claims on a weekly basis

rather than on a biweekly basis as is now done.

The chairman of the Maine Employment Security Commission has reported to me that curtailment of funds in this field has resulted in delayed payments to claimants. The greatest factor in delay is the instructions the commission is under to take claims on a biweekly basis. Through the sound and excellent administration that the Maine commission has always shown, they hope to put claim-taking back on a weekly basis in a month or more. This amendment will insure that this is possible.

Administration of unemployment compensation is a poor place to practice questionable economies. Funds earmarked for that purpose have been paid in by employers. A large surplus now exists.

That man or woman who is unfortunate enough to be thrown out of a job is entitled to and needs prompt and accurate servicing and payment of his claim on a weekly basis. We should, without hesitation, provide enough funds to make certain that that can and will be done.

I am pleased indeed that the committee has indicated in its report and the chairman of the subcommittee has stated on the floor that this same matter will be carefully considered in the budget for 1955. All of us who are deeply concerned about the prompt, weekly payment of claims will watch the appropriation for that purpose carefully.

Mr. LANHAM. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. LANHAM. Mr. Chairman, I am in favor of the amendment offered by the gentleman from Michigan [Mr. BENNETT], and in justification of my position I am introducing into the RECORD with my own remarks, a letter which I received some weeks ago from the Honorable Ben T. Huiet, commissioner of labor of Georgia, under whose jurisdiction the unemployment-compensation program and the employment service are operated.

I regret to know that there is as much unemployment in my State as this letter indicates and feel sure that the amount sought to be added to the appropriation bill by the gentleman from Michigan [Mr. BENNETT], is, if anything, too small.

GEORGIA DEPARTMENT OF LABOR,
EMPLOYMENT SECURITY AGENCY,
Atlanta, Ga., March 2, 1954.

Hon. HENDERSON LANHAM,
Member of Congress, New House Office
Building, Washington, D. C.

DEAR CONGRESSMAN: There has been presented to the House Subcommittee on Labor a request of \$14,500,000 for supplemental grants to States for unemployment insurance and employment service administration for the remainder of this fiscal year. The sharply rising volume of unemployment since September 1, 1953, has created the need for this appropriation as the State agencies are budgeted on workloads experienced. For example, the number of claimants in your district has increased from 2,550 to 9,529. There are now 34,026 persons claiming weekly job-insurance

payments in Georgia, and the number has almost tripled in the past 6 months. Many unemployed persons who are not covered by job insurance have registered for work in our 34 local offices. We now have on file a total of 62,991 applications for work. We must continue and intensify our efforts to find jobs for these thousands of workers. Accordingly, the administrative funds currently available for this program will not finance needs for the remainder of this fiscal year.

We urge your favorable consideration of the above request and recommend that payment be authorized from the \$14,500,000 of all actual salary increases paid to State agency personnel. The original appropriation for the fiscal year 1954 prohibited payment of salary increases from the contingency fund, contrary to the policy in prior years. This has caused substantial damage and embarrassment to the employment-security program. The principle permitting payment of salary increases from contingency funds should also be continued in the appropriation to finance the employment-security program in fiscal year 1955.

I shall personally appreciate your support of this request.

Cordially yours,
BEN T. HUIET,
Commissioner, Department of Labor
of Georgia.

The CHAIRMAN. The gentleman from Idaho [Mr. BUDGE] is recognized.

Mr. BUDGE. Mr. Chairman, we on the committee are just as much concerned as anyone that the people out of work receive their unemployment-compensation checks, to which they are entitled. We are just as much concerned about that as are the gentlemen from Michigan and the gentleman from Wisconsin [Mr. SMITH]. However, the situation with which we are confronted is that the amendment offered will not accomplish the purpose sought. To begin with, let us make a comparison of the funds which have been made available to this agency. As I said a few moments ago, for the fiscal year 1954, if the committee recommendation is sustained here, we will have the largest appropriation in history for this agency, \$199,756,100.

Let us compare that with, say, the year 1950. The caseload has changed considerably since 1950. In the year 1950 the insured unemployment being administered by this agency was 2,033,100 people. In 1954 the estimate given the subcommittee by the agency was 1,403,000 insured unemployed. Conversely, in 1950 there were \$174 million appropriated to this agency for this purpose, and this year, as I said, there were practically \$200 million appropriated.

The salary item about which there has been so much discussion is not actually involved in the amendment offered by the gentleman from Michigan. The moneys sought to be increased by this amendment go into the contingency fund. Under the present law the money, even though it were appropriated under this amendment offered by the gentleman from Michigan, would not be available to pay increased State salaries. Under the language of the bill, the \$14,500,000 sought to be appropriated by this amendment would be available only to meet increased costs resulting from increased workload attributable to an increase in claims filed and paid and

changes in State unemployment-compensation laws. The House should know that these are the only things that this \$14,500,000 could be used for, before it votes on this amendment.

The other items, as to weekly rather than biweekly reporting, is something the committee desires to go into in the regular hearings which are now in progress. We have not prohibited any State from doing this work in that manner if it sees fit. We have in this bill allowed practically all of the money which was requested except for the two items of the salary increase and the question about weekly rather than biweekly reporting, which is still optional, and this amendment would not accomplish either of those purposes.

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

Mr. BUDGE. I yield to the gentleman from Kentucky.

Mr. PERKINS. I first want to state that I intend to support the amendment offered by the gentleman from Michigan. I doubt the accuracy of the figures the gentleman just gave the committee in connection with the number of people who are now receiving unemployment benefits. The gentleman will find that 2,200,000 last week was the number.

Mr. BUDGE. I decline to yield further.

The information I gave is contained on page 19 of our hearings and is the information which was furnished the committee by the Bureau of Employment Security.

Mr. PERKINS. Did the gentleman check those figures?

The CHAIRMAN. The gentleman declines to yield further.

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

Mr. BUDGE. I yield to the gentleman from Illinois.

Mr. BUSBEY. May I ask the gentleman from Idaho this: If this is such an emergency, why is there still \$4 million left in the contingency fund? The amendment for nearly \$7 million which the gentleman from Michigan has offered does not correct the situation he wants to correct at all. It is just a matter of absorbing some of these items that the bureaus can absorb themselves.

Mr. CRETELLA. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan [Mr. BENNETT] which amendment restores to the appropriation to the Department of Labor the sum of \$6,948,900. It is obvious to me that this Department is one which can definitely utilize the funds appropriated by his amendment and will allow the payment for expenses for workload increases in connection with unemployment compensation claims.

In my State of Connecticut, the staff of the Department administering the unemployment compensation is inadequate and I have been urged by the commissioner of labor of my State, as well as labor organizations, to support this increase which I do wholeheartedly and enthusiastically.

It is bad enough for one to be out of employment without being hampered and delayed by the inadequacy of a force to adjudicate his claim. I am sure that

if there should be more money than is needed for this purpose by the adoption of this amendment, that the fund will be wisely and judiciously administered by the respective States. I hope the amendment passes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BENNETT].

The question was taken; and the Chairman being in doubt, the Committee divided and there were—ayes 62, noes 79.

Mr. RABAUT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BENNETT of Michigan and Mr. BUSBEY.

The Committee again divided; and the tellers reported that there were—ayes 87, noes 86.

So the amendment was agreed to.

The Clerk read as follows:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

Payments to school districts

For an additional amount for "Payments to school districts," \$5,850,000.

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

The Clerk read as follows:

Amendment offered by Mr. BUSBEY: Page 11, after line 8, insert:

"Assistance for school construction

"For an additional amount for providing school facilities and for grants to local educational agencies in federally affected areas as authorized by Public Law 815, 81st Congress, as amended by Public Law 246, 83d Congress, \$55 million, to remain available through December 31, 1954, all of which shall be available for payments authorized by section 209 (c) of Public Law 815, 81st Congress, as amended by section 2 (e) of Public Law 246, 83d Congress: *Provided*, That entitlements shall be paid on a pro rata basis if there be not enough to cover all legal entitlements."

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes.

Mr. BUSBEY. Mr. Chairman, I do not believe 5 minutes are necessary for the explanation of this amendment, because it has been thoroughly discussed in general debate.

I do want to say that the amendment has been read by the chairman of the House Committee on Education and Labor, the gentleman from Pennsylvania [Mr. McCONNELL], as well as the ranking minority member of the committee, the gentleman from North Carolina [Mr. BARDEN], and both have agreed to the language of the amendment.

This item was not in the original bill, as reported by the subcommittee and the full committee, due to the fact that there was no request from the Department for this money. Although we intended bringing this supplemental bill on the floor last Tuesday, it developed that there was a very great amount of interest, on the part of many Members, in this item. We thought it only fair to the membership of the committee, and the whole House, to have some hearings on this matter before making the final decision. Hearings were held last Tuesday afternoon. Copies of the hearings are available at this time at the desk, and anyone can read what happened at the hearings.

I think the amendment speaks for itself.

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

Mr. BUSBEY. I yield to the gentleman from Rhode Island.

Mr. FORAND. Did I understand the gentleman to say there was no request from the Department for this amount?

Mr. BUSBEY. There was no request in the supplemental budget that was before the subcommittee.

Mr. FORAND. From the Budget?

Mr. BUSBEY. From the Budget; yes.

Mr. FORAND. That is different from the Department; that is the point I am trying to clear up: Did the Department ask for it and was it cut out by the Bureau of the Budget, or was it that the Department did not ask?

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

Mr. BUSBEY. I yield.

Mr. TABER. There was no request of the Department to the Budget.

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

Mr. BUSBEY. I yield to the gentleman from Georgia.

Mr. LANHAM. I am informed that the Department of Education did not request this money because they were instructed by the Bureau of the Budget not to do so.

Mr. BUSBEY. If the gentleman knows that, he has information that I personally do not have.

Mr. LANHAM. I have the information but I cannot recall the names of the people who gave it to me. I think it is true. However, the gentleman can find out if he will investigate a little.

Mr. LANHAM. Mr. Chairman, I am strongly in favor of this amendment, and am glad the Committee on Appropriations has offered this amendment. This sum of \$55 million will pay no more than 70 percent of original entitlement. After hearings before the House Education Committee, June 1953, the House voted unanimously to pay these entitlements in full—\$95 million. The Senate was reluctant to accept this amount; a compromise figure of \$55 million was accepted, with appropriation to be made during this session. The above statement is in keeping with the intent and purpose of the law as passed by Congress, as may be found in the last paragraph on page 5 of report 702 of the 83d Congress, 1st session, as follows:

It was the clear and expressed intent of Congress in enacting title II of Public Law 815 to pay to all school districts which duly applied for payments, and met all the statutory requirements, the amount called for by the formulas set forth in the law. Many school districts, in reliance upon this clearly expressed congressional intent, have drawn on their own resources to go ahead with urgently needed school construction in advance of the availability of Federal appropriations—as the law, in fact, permitted and encouraged them to do—only to find that as a result of their initiative in meeting their school facilities needs, they were unable because of reduced priority to share in appropriations later made available. Others had already bonded themselves to capacity by constructing schools for federally connected children prior to the enactment of Public Law 815 and were entitled to reimbursement under the provisions of that law

authorizing applications for reimbursement in such situations. Many still have unmet needs for new buildings as a result of recent school population increases.

The purpose of this appropriation is to provide the Federal Government with funds for meeting its responsibility for aiding school construction in school districts burdened with an increased enrollment of federally connected children from June 30, 1939, to June 30, 1952, except that no school district would receive reimbursement for any expenditure for construction of school facilities under a contract entered into before September 30, 1950.

Title II, Georgia entitlements, are as follows:

1. Board of Education, Bibb County	\$361,542.00
2. Douglas City Board of Education	75,000.00
3. Marietta City Board of Education	773,968.00
4. Clayton Board of Education	63,967.77
5. Cobb County Board of Education	107,235.99
6. Floyd County Board of Education	321,556.00
7. Liberty County Board of Education	129,164.82
8. Muscogee County Board of Education	962,479.00
9. Dublin Public Schools	38,472.78
Total	2,833,386.36

FEDERAL BURDEN ON LOCAL TAXPAYER

The opposition to the amendment under consideration fails to recognize that this action intends only to provide funds to carry out the provisions of the law.

These provisions, in essence, are to relieve local taxpayers of burdens imposed on local areas because of Federal activities.

The weight of Federal activities should fall equally on all citizens of the United States and not on local taxpayers. I therefore support this amendment and congratulate the committee on offering it.

The intent of Public Law 815 is to provide funds for school housing for children coming into a community because of Federal impact.

This law was conceived in bipartisan spirit and should be so continued. The school districts having claim under these laws should be paid without further delay.

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

Mr. BUSBEY. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Is it not the fact that Dr. Brownell, Commissioner of Education, in testimony, suggested that it was the responsibility of his office of initiating a request for such funds and that such request is under active review at this time by the Department?

Mr. BUSBEY. Yes. The Department had this matter under review and study at the time the question came up about the \$55 million being added in this supplemental appropriation bill.

I think that is as it should be. The Secretary wanted to study this matter sufficiently to know that she was doing the right thing before she made her recommendation. Unfortunately, we cannot tell now if there will or will not be

another 1954 supplemental bill before the end of the fiscal year. If we knew that there would be, I would very definitely have preferred to await the results of Secretary Hobby's study and her recommendations.

Mr. FRELINGHUYSEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

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

There was no objection.

Mr. FRELINGHUYSEN. Mr. Chairman, I am glad to support wholeheartedly the amendment just offered by the gentleman from Illinois [Mr. BUSBEY]. As a member of the Education and Labor Committee, and as a member of its subcommittee which recommended the extension of the legislation under discussion today, I have been most interested in seeing that aid is promptly made available by these federally affected school districts.

Like many other members, I have a number of these schools in my district. Just a few days ago a group of citizens from Denville Township in my home county of Morris, presented me with a petition bearing more than 2,900 signatures. They asked me for assistance in getting Federal funds to cover an application for reimbursement totaling \$190,500, which had been approved in June 1952. These are commitments recognized by law, and these legitimate claims need prompt consideration.

In closing, I should like to commend the gentleman from New York [Mr. TABER], the distinguished chairman of the Appropriations Committee, for the position which he has taken here today. Both he and the gentleman from Illinois [Mr. BUSBEY] have pointed out that no specific request for this appropriation has been made by the Department of Health, Education, and Welfare. They are willing, nonetheless, because of the urgency of this situation, to support the amendment which we are now considering. These funds are badly needed in school districts throughout the country, and unquestionably will be put to good use.

Mr. SEELY-BROWN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois [Mr. BUSBEY].

Mr. Chairman, my proper support of legislation relating to the school construction assistance program in areas with substantial increases in federally connected school children is a matter of public record. It is a record well known by the people of my district whom I have the honor to serve as a Member of Congress.

This original program was established under Public Law 815, 81st Congress. Last year the program was continued and amended in accordance with the provisions of Public Law 246, 83d Congress.

During the closing days of the last session, the House-Senate conference committee considering this legislation agreed to extend for 1 year—to June 30, 1954—the time for making appropriations under the original program, and authorized an appropriation of not to exceed \$55 million to cover grants not in

excess of 70 percent of the remaining unpaid entitlements.

The Town of Groton still has a vital stake in this matter in its Fitch High School 8-room addition construction project application in the amount of \$350,244.

Mr. S. B. Butler, superintendent of schools for the town of Groton, advises me that on a 70-percent basis the town's share of approximately \$245,000 will make possible the elimination of the present double shift arrangements in the Poquonock bridge area.

Last year—on February 19, 1953—when a similar appropriation bill was under consideration, I urged my colleagues to provide adequate funds for this basic program. At that time I analyzed in detail the very real problems of the town of Groton with regard to providing proper and adequate educational facilities for the children of that community.

These same basic problems are shared by other towns of my State, namely, Waterford, East Lyme, Manchester, Southington, West Hartford, Windsor Locks, East Hartford, and Glastonbury. Since all of these towns had valid applications on file as of June 30, 1952, they are vitally interested in this proposed amendment. I urge its adoption because I believe it to be the proper responsibility of Congress to honor these unpaid entitlements—entitlements previously authorized by Congress.

Mr. MAGNUSON. Mr. Chairman, I rise in support of this amendment.

I think it is unfortunate that many of our people have been so preoccupied with the dramatic events of modern history that they have lost track of what is happening in our schools.

Population increases during the last decade alone would be enough to cause a tremendous crisis in the Nation's school systems. But that is only one of the factors involved.

Since the beginning of the war in Korea and the subsequent accelerated defense program, thousands of families have flocked to the areas around Federal installations and defense industrial plants. Some sections of the country were affected more than others.

The tendency to concentrate defense industries in certain areas has served to aggravate the problem.

Consequently, the school systems in those communities faced and still are facing an especially critical shortage of school-housing facilities. They have done the best they could under the burden of greatly increased enrollments.

Clearly, the Federal Government has an obligation to help those communities whose school systems have been hard hit by the influx of relocated children. That is why we must approve additional funds for school construction today.

In Public Law 815 of the 81st Congress and Public Law 246 of the 83d, the Congress recognized that obligation. The Congress tried to provide financial assistance to those communities affected by defense activities. It set up standards of eligibility which the communities were required to meet before qualifying for this Federal school-construction aid.

Mr. Chairman, I regard these laws as firm commitments by the Congress to

help the local communities in providing minimum school facilities. I do not believe we should run out on this obligation to our children.

In the majority of cases, the relocated children come from families without taxable real estate in the new communities in which they have come to live for temporary periods. They are not intentional tax dodgers. It is simply that there is no effective machinery for making them contributing patrons of the schools which their children attend.

This amendment is merely a move to carry to its completion a declared policy of this Congress.

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

Mr. Chairman, I want to get this matter as clear as possible.

First of all, I wish to commend the chairman of the Appropriations Committee, the gentleman from New York [Mr. TABER]. The situation in which we find ourselves was not of his making. It was due to the fact that the Department of Health, Education, and Welfare had not made a specific request under the \$55 million authorization that we passed last year. That authorization was passed in the House, approved by the Senate and signed by the President. In other words, it is the law of the land—Public Law 246—that an appropriation of \$55 million shall be made to take care of past entitlements authorized under the formula set forth in Public Law 815.

Going back a couple of years to the previous legislation it was stated that certain areas, if they conformed to various standards and formulas, and so forth, would be entitled to a certain amount of money for construction. A large number of districts put in their applications, which applications were approved and authorized. Many of them were not paid. The total, I think, was approximately \$98 million in applications for entitlements which were not paid. We put in the bill last year, the extension of Public Law 815, the proviso that \$95 million shall be paid on those past entitlements for construction. That was passed virtually unanimously in the House. The other body provided for no such back payments, but in conference an amount of \$55 million was agreed upon.

We stated that where applications had been in and approved and payments authorized by June 30, 1952, they should be paid to the extent of 70 percent of those authorizations.

Now, it might be well to point out that while the bill was being considered last year the Department opposed our putting in for payment of back entitlements. Now we find, although that bill was finally passed and signed back in August of last year, that not a single move has been made by the Department of Health, Education, and Welfare to make any request for payments on past entitlements. We said in the bill passed last year, which is now the law of the land, the Committee on Appropriations would have up until June 30 this year to take care of appropriating \$55 million. Someone has argued that we ought to wait a couple of months longer, perhaps until June,

to act on the \$55 million item, but there is great danger that it will be lost in the shuffle at the fiscal year end, June 30, 1954, and therefore I think that this amendment offered by the gentleman from Illinois [Mr. BUSBEY] to provide for \$55 million should be passed at this time.

If there are any questions, I will be glad to answer them.

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

Mr. McCONNELL. I yield to the gentleman from North Carolina.

Mr. BARDEN. I asked the gentleman to yield just to make this observation: I appreciate the remarks made by my chairman. I concur in them heartily. I compliment him for keeping faith with the committee, with the House, and with the people to whom this money will go. They had a right to believe that it was a commitment, and I think nothing less than what we are doing should be passed as total good faith. The chairman has been very frank in his statement. He has discussed it with his committee fully and fairly. I compliment him, and I appreciate the position that he is taking in this matter. May I say this further: May I just again agree that the confusion that arose is not the making of the gentleman from New York [Mr. TABER] or the gentleman from Illinois [Mr. BUSBEY]. The Department is certainly at fault in this matter.

Mr. McCONNELL. I thank the gentleman.

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

Mr. McCONNELL. I yield to the gentleman from Illinois.

Mr. BUSBEY. I want to thank the gentleman from North Carolina [Mr. BARDEN] for making that clear, because I did not want any misunderstanding on this matter, because this \$55 million that I offered the amendment on, on the bill before us, was not cut out of the bill by the subcommittee or the full Committee on Appropriations because we had no request before our committee for the \$55 million or any other sum.

Mr. McCONNELL. I thought I made that clear, but I will also reemphasize it. The gentleman from Illinois [Mr. BUSBEY] is correct. He is not at fault in any way, because no requests for past entitlements were made.

Mr. BARDEN. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. McCONNELL] be allowed to proceed for 5 additional minutes.

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

There was no objection.

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

Mr. McCONNELL. I yield to the gentleman from Washington.

Mr. HOLMES. I want to congratulate the gentleman upon his clarifying statement concerning this matter. I want at this time to go on record very strongly in favor of this amendment.

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

Mr. McCONNELL. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I wish to compliment the distinguished chairman of the Committee on Education and Labor for his excellent statement and for his fair statement. I believe the chairman will agree that unless this appropriation goes through now, in all probability it is all over with; it is now or never. Is that a correct statement?

Mr. McCONNELL. I do not know whether it is now or never, but I think it very imperative that it be passed now.

In closing, Mr. Chairman, I just want to quote something that I said in debate last year:

Congress has demonstrated by an overwhelming majority the recognition of a Federal obligation to those local areas financially affected by the acquisition of property and the influx of thousands of additional schoolchildren. The committee unanimously believes that a moral obligation exists in that respect and therefore authorizes a total of \$95 million to take care of previous obligations.

I had that feeling about the \$95 million; so did this House, but because the other body provided nothing, we agreed to 70 percent of the unpaid obligations, or a figure of \$55 million. So I think the approval of this amendment in the amount of \$55 million is amply justified.

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

Mr. McCONNELL. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Will we get only 70 percent of what was originally agreed to?

Mr. McCONNELL. We authorized last year, coming out of the final conference, 70 percent of the unpaid obligations on past entitlements to be the amount that would be paid. That is the amount, \$55 million, for which we are asking appropriations.

Mr. NICHOLSON. I thank the gentleman, because I think it is a moral obligation and we ought to take care of it.

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

Mr. McCONNELL. I yield to the gentleman from Illinois.

Mr. BUSBEY. But that 70 percent was a compromise, taking into consideration what we call minimum standards.

Mr. McCONNELL. Not entirely, I will say to the gentleman from Illinois. Some of it was this. As you take care of some unhouseed children, under the new requests, you probably would cut out the need for a certain percentage of past entitlements where construction had not been fully completed.

Mr. BUSBEY. That does not mean that some communities are only going to get 70 percent of what they spent on their school buildings.

Mr. McCONNELL. No; but they will receive only 70 percent of the unpaid entitlements which have been approved or authorized as of June 30, 1952.

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

Mr. McCONNELL. I yield to the gentleman from New York.

Mr. TABER. But that only applies to 70 percent on the balance remaining. That is, if they had distributed \$100,000 overall and had received only \$40,000, they would now receive 70 percent of the \$60,000.

Mr. McCONNELL. They would receive 70 percent of the unpaid entitlements, whatever that happened to be. My understanding is that in considering the unpaid entitlements the Department would take into account amounts that had been paid previously on those same entitlements.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the gentleman from Washington [Mr. TOLLEFSON], the gentleman from New Jersey [Mr. WOLVERTON], the gentleman from Michigan [Mr. OAKMAN], the gentleman from Alabama [Mr. ELLIOTT], and the gentleman from Kansas [Mr. MILLER] may extend their remarks at this point in the RECORD.

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

There was no objection.

Mr. TOLLEFSON. Mr. Chairman, I shall support the amendment offered by the gentleman from Illinois [Mr. BUSBEY], which would appropriate \$55 million additional school construction funds for assistance to those school districts which have qualified for assistance under Public Law 815 of the 81st Congress. Under that law many school districts filed applications for assistance and were awarded entitlements in those instances where they met the criteria fixed by the law.

To date a majority of those schools have received financial assistance from the Federal Government under appropriations heretofore made. Other schools have not received help, although entitled to it, simply because Congress has not appropriated sufficient funds to do so. This amendment seeks to take care of those schools, at least to the extent which is authorized by existing law.

In my opinion, the Federal Government ought to recognize its obligation to the schools which have not received help under their entitlements given them pursuant to Public Law 815.

Mr. WOLVERTON. Mr. Chairman, the amendment that has been offered by the gentleman from Illinois [Mr. BUSBEY] providing \$55 million to carry out the purposes of Public Law 815, 81st Congress, chapter 995, 2d session, for the construction of school facilities in areas affected by Federal activities, is highly necessary.

Public Law 815 was adopted by Congress in recognition of the impact which certain Federal activities have had on the school-construction needs in the areas in which such Federal activities have been carried on. In that legislation Congress declared it to be the public policy of the United States to bear the cost of constructing school facilities in such areas in the manner and to the extent provided in the legislation.

In full expectation that such would be the policy of the United States, arrangements were made by many local communities coming within the provisions of the bill. They fully expected to receive the financial aid intended. Applications were accordingly filed. The purpose of this amendment is to fulfill the obligations that have thus been created and for which the financial aid expected has not been received. The amend-

ment is most meritorious and should be adopted.

Mr. OAKMAN. Mr. Chairman, I want to add my wholehearted support to the amendment of my distinguished colleague the gentleman from Michigan [Mr. BENNETT].

During the transition from our wartime to a peacetime economy it is inevitable that economic adjustments take place. It is impossible to make this shift without temporarily experiencing some unemployment. All branches of Government should surely cooperate to the fullest in making this transition as painless as humanly possible.

One of the more important phases of this program is the prompt and regular payment of all unemployment compensation claims. The amendment of the gentleman from Michigan is important and necessary for this purpose. The people of Michigan, the employees, the employers, and all levels of government in Michigan have united in asking the Congress to provide this needed assistance now.

Mr. Chairman, I urge my fellow Members of the House to support the pleas of our people and to vote for the passage of the Bennett amendment.

Mr. ELLIOTT. Mr. Chairman, I rise in support of the Busbey amendment to provide \$55 million to cover entitlement earned by impacted school districts under the terms of Public Law 815, as amended.

There is no reason, certainly no good reason, why this appropriation should not be made at this time. As a matter of fact, it is already greatly delayed. Several millions of dollars for Alabama's schools are included in this appropriation.

Now, I wish to turn to the plight of our schools in general. In 1951 Hamon, in an article in *School Life*, estimated that 600,000 public school classrooms would be needed during the next 7 years. If this estimate was correct, our country would need in the neighborhood of \$20 billion to furnish this generation of schoolchildren with adequate school-room facilities. As far back as 1943 the National Resources Planning Board estimated that an expenditure of a billion dollars a year for 10 years would be necessary to eliminate deficiencies in public elementary and secondary school housing.

The generation of children now in and entering the public schools needs not only seating space but it needs libraries, gymnasiums, shops, music, art, drama rooms, lunchrooms, libraries, and other related facilities.

We are living in the age of the atom, in the day of the frightening explosion of hydrogen, in the day of bacteriological developments, which threaten to erase mankind from the face of the earth.

We are living in a day when a developed, a trained, and educated intelligence is more sorely needed than at any time in the history of the world.

In the face of these things how can we overlook, or neglect, or pass by on the other side the need of our public schools?

Here are some figures that speak for themselves: 66 percent of the public high schools of America do not have

medical suites; 43 percent do not have cafeterias; 17 percent do not have auditoriums; 11 percent do not have gymnasiums; shame that 22 percent do not have libraries; 59 percent do not have art rooms; 33 percent do not have music rooms; 18 percent do not have science rooms; 12 percent do not have shops; 15 percent do not have homemaking rooms; 24 percent do not have business education rooms.

I submit to the House of Representatives that the time has arrived that we must do something to improve America's schools.

A Federal aid bill, providing funds to the States and local communities for the construction of schoolhouses, is immediately justified. I trust this Congress will give this problem its immediate attention.

Mr. MILLER of Kansas. Mr. Chairman, I rise to support the amendment. There has been a lot of discussion and some conjecture as to why this amendment is desirable and necessary. As I said on the floor of the House when a similar bill was before us in the last session, Congress has committed the United States Government to contribute to the expense of housing and educating the pupils of those school districts that have been impacted because of Federal defense activities. In honor, this Congress has no alternative but to pass this amendment and thereby to keep what amounts to the plighted word of the United States Government.

Why the necessary amount was not made a part of the bill as brought to the floor by the committee, whether it was deliberately omitted, or whether it was an oversight, is of no importance so far as the people affected are concerned. The fact remains that the passage of this amendment will correct the omission and I intend to support the bill as amended.

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

Mr. Chairman, I do not know yet that anyone has given the reason why this request has not heretofore been made to the Congress. There is only one reason why the request was not made to Congress before today and that lies in the old Federal Security Administration itself.

As the chairman of the Committee on Education and Labor said just now—and I remember reading his testimony of last July when this bill was amended and extended by a unanimous vote of this Congress—the Congress had on more than one occasion demonstrated by overwhelming majorities that they were for this law and for appropriations to back up the law.

I have always maintained, as a member of the Committee on Appropriations, that when Congress by a unanimous vote authorizes an expenditure or an appropriation of a sum such as this \$55 million, the amount we have under consideration today, it is then mandatory upon the executive branch of the Government to pay some attention to the will of Congress. In this particular case the executive branch of the Government paid little attention to that unanimous

vote of last July until about 2 weeks ago. How many times the Department of Education recommended it to the Secretary of Health, Education, and Welfare, I do not know; I am referring to this appropriation of \$55 million. I know that on two occasions it was recommended, but no action was taken.

To the best of my knowledge and information, up to this point, nothing was going to be done about it until last Friday or until the latter part of February, when the people from the Department of Education appeared before our subcommittee and requested a supplemental of \$5,800,000 under Public Law 874. It was then that we started asking questions about the unpaid obligations of the Federal Government to these school districts, to the tune of \$55 million, and about the necessary amount of money to be budgeted and appropriated to meet all of the applications, eligible for payment under the new act, Public Law 815. They told us at that time it would amount to \$58 million in new money over the \$40 million that is being recommended in the regular appropriation bill for the construction of new projects under the law as the Congress extended the law last July by a unanimous vote.

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

Mr. FOGARTY. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. I think the gentleman ought to be commended for calling the matter to the attention of the committee, to the attention of the distinguished gentleman from New York [Mr. TABER], our chairman, and to the House. The gentleman was the first man that called it to our attention. All of us from the States affected—and most of the States are affected—are grateful to the gentleman for doing so.

Mr. FOGARTY. I thank the gentleman.

I have no fault to find with anybody on this side of the aisle at all or in the Congress itself. The fault does not lie in the House of Representatives because it extended this act last July by unanimous vote. The people downtown absolutely refused to go to the Bureau of the Budget and ask for one dime of this money.

When this bill was passed, as I remember it, back in 1950, there were no politics in the bill at all. When it was again passed, as I read the RECORD, on July 8 of last year, there were no politics in it, and I do not want to see any politics in it today.

I have an amendment I intended to offer that I told the full Committee on Appropriations on last Friday I was going to offer that would amount to \$113 million, of which \$55 million would be available for payments authorized by section 209 (c) of the public law which you have under discussion today. So, in order to keep politics out of education in our country—and I think we should keep politics out of it and not play politics with the school kids of this country—I have agreed to go along with my distinguished chairman, the gentleman from Illinois [Mr. BUSBEY], on this \$55 million, with the understanding that we give serious consideration to the other

\$58 million which we have been told by people in the Department of Education is owed or will be owed under the applications that were received as of last November.

(On request of Mr. CANNON, and by unanimous consent, Mr. FOGARTY was allowed to proceed for 5 additional minutes.)

Mr. FOGARTY. I am going to support the amendment offered by my chairman [Mr. BUSBEY] for \$55 million. However, I say to the Members of this House that when sometime after the Easter recess we appear before you with our regular appropriation bill for the Department of Labor and the Department of Health, Education, and Welfare, I will offer an amendment that will be justified. One that will meet 100 percent of the eligible applicants under the law as amended last year in Public Law 815, so that they will have the money available starting July 1 to build the buildings that are needed at the present time and to give to these children in the federally impacted areas decent educational facilities, that they do not now have in this country. I hope by the demonstration here this afternoon, that we are taking politics out of education. I hope that when this Congress by an overwhelming vote, whether it be on education or anything else, speaks with a unanimous voice, or as I said, by an overwhelming vote, the people in our executive departments will pay some attention to the will and intent of the Congress. I believe that is their job and their responsibility. I hope this afternoon will be an example to them to pay some attention to the Congress in the future.

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

Mr. FOGARTY. I yield.

Mr. FORRESTER. I compliment the gentleman and the committee for the splendid thing that has been done here today. I want you to know I am extremely grateful because I just do not know how some of my small counties that have suffered so much from the military impact could have possibly operated. I am particularly gratified to know the gentleman will pursue this matter further, and that sometime in April the gentleman is going to renew his request for this other money.

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

Mr. FOGARTY. I yield.

Mr. WHITTEN. I want to add my commendation to that extended to the gentleman from Rhode Island by the gentleman from Georgia. I raised with the gentleman from Rhode Island the question of seeing that this amendment provides or make these funds available until used. I understood that agreement had been reached that they would continue available until January 1956. Is the gentleman assured that that will be ample time to actually put into the process and make available these funds so that they will carry out the purpose, or is there any question in the gentleman's mind as to whether the availability of these funds should be for an indefinite period?

Mr. FOGARTY. I cannot speak for the Department of Education, but I would think that between now and January 1, they could examine every application and make sure they were entitled to this money.

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

Mr. FOGARTY. I yield.

Mr. BARDEN. May I say to the gentleman from Mississippi I am informed these applications or requests have been on file since about the middle of 1952. They have been reviewed and inspected and certified, and have been ready for action for several months. I think the Department will do the wise thing in re-checking to see that the entitlements are correct and that some of the projects that may be for one reason or another discontinued will be given the proper consideration. But in view of that fact, and in view of the fact that it is now almost April 1, I agree with the gentleman that it did not look as if there was time enough to let it go until July 1. I do think January 1 is ample time.

Mr. WHITTEN. I thank the gentleman.

Mr. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. WILSON of California. On this question of past entitlements, is it the gentleman's understanding that each school district with entitlement will get approximately 70 percent of the entitlement, or will some 70 percent of those districts with entitlements get full payment on their entitlement? Does the gentleman have any understanding about that?

Mr. FOGARTY. I yield to my distinguished friend, the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. This \$55 million will be paid on a prorata basis to the school districts with entitlements.

Mr. WILSON of California. It will be paid on a prorata basis to each district with entitlement?

Mr. BARDEN. Yes, that is clearly set out in the law.

Mr. WILSON of California. I wanted to get that clear in the RECORD to show that it is the intent of the Congress that that percentage would be paid to each school district with entitlement.

Mr. BARDEN. It will be prorated. That is part of the amendment.

Mr. JONES of Missouri. Mr. Chairman, in connection with the amendment which has been recommended by the committee, I am hopeful that there will be sufficient funds to adequately care for those situations to which, as has been pointed out by the gentleman from Rhode Island, Congress has given its emphatic approval. The Malden School District has been carrying an enormous burden during the past several years as a result of a situation which Congress intended should be relieved through legislation approved in this House by a practically unanimous vote. Yet only recently has this area been considered as eligible for Federal funds for maintenance and operation and is still awaiting executive approval for it to become eligible for construction funds.

I am including with my remarks copy of a letter under date of November 3, 1953, to Mr. Samuel Brownell, United States Commissioner of Education, which shows the history and status of the Malden, Missouri, Air Base which is presently and for the past few years been used as a training base for NATO students. This letter also points out the heavy burden placed on the public-school organization in that community. I am informed by Mr. W. I. Myers, superintendent of the Malden public schools that—

There has been an increase of 199 average daily attendance of school children in the Malden Public Schools due to the activities of this training program. In 1950-51, before reactivation of the Malden Air Base, this school had an average daily attendance of 980.1, and now the average daily attendance is 1,179, showing the increase of 199 average daily attendance.

In addition to this large increase of school children, which has placed a severe financial burden on the school district, this area has also been greatly affected by the serious drought condition existent for the past 2 years. This is predominantly a farming area, and the drought has created an acute unemployment situation. Business prosperity in this area mainly depends upon agricultural conditions.

The air-training program at the airbase has given some relief to this unemployment situation, but not enough to offset the conditions.

As a result of this areawide unemployment the school revenue from local sources has been greatly impaired.

Due to these conditions we feel that the vicinity of the Malden Air Base should be considered a critical defense area.

We have applied for emergency aid every year for the past 3 years, but at this time have not definitely been declared eligible for emergency financial aid.

As stated above, I have been assured that the Malden school has been approved and is eligible for some Federal aid for maintenance and operation which is to be advanced within the next few days. At this point I include the letter to Mr. Brownell setting forth the conditions under which I believe it should undoubtedly be approved for construction aid:

NOVEMBER 3, 1953.

MR. SAMUEL BROWNELL,
United States Commissioner of Education,
United States Department of Health, Education, and Welfare,
Office of Education, Washington, D. C.

Re status of Malden Air Base.

DEAR SIR: The Malden Air Base operated as a United States Army Air Force Field during World War II. The land was acquired by the Government in 1942, and the Air Force started preflight operations in that year. At the close of World War II, the base was declared surplus property and turned over to the War Assets Administration. At that time, through the State Department of Education and the United States Office of Education, the Malden School District filed an application for the facilities suitable for educational purposes. It was necessary to acquire additional facilities to care for the additional children living in the 250 housing units at the airbase.

Mr. Frank K. Reid, field representative of the United States Office of Education, came to Malden, June 15, 1947, from Topeka, Kans. Mr. Reid approved the facilities applied for, as being suitable for educational purposes, and recommended that they be included in the city's application for the airbase.

The city of Malden acquired the Malden Air Base as surplus property from the War Assets Administration in 1948, as a municipal air field under the supervision of the Civil Aeronautics Authority, and turned over to the Malden School District No. C-11 those buildings suitable for school purposes. The Malden School District used these facilities until the airbase was reactivated in 1951, when these facilities had to be given up to make room for the NATO training program. The children from the base now have to be transported to the central school in Malden, which is overtaxing our school housing facilities.

As a result of Anderson air activities personnel and Army personnel, we have enrolled 150 additional students in the 1951-52 school year, 300 additional students in the 1952-53 school year, and expect an increase of that number for the 1953-54 school year in addition to our regular enrollment. This not only overtaxes housing facilities, but places a heavy burden on school finances, as from 6 to 10 additional teachers have had to be added to our elementary teaching staff. The only financial aid we receive is State aid, which amounts to about \$77 per child. Per capita cost per child is \$186, therefore there is a deficit of \$109 per child. During the 1952-53 school year, the extra cost to the district of educating the 300 children amounted to \$32,700, which has to be borne by the school district. The airbase with its evaluation of \$2 million, at our school tax rate of 3.10, would amount to \$62,000 in taxes. However, the base is declared tax-free, therefore the school district realizes no income from taxes on this property, and yet we must educate these children at the expense of the people of the local community.

In the fall of 1952, the Malden School District was declared ineligible for emergency building aid (Public Law 815) and ineligible for current expenses aid (Public Law 874), by the United States Office of Education, because the Malden Air Base was declared outside the status of Federal property. Since the revision of these two bills, we are asking that you again review and reconsider the eligibility of our school for aid under these provisions.

The bills H. R. 6049 and H. R. 6078 have been passed by the 83d Congress and approved by President Eisenhower. Members of Congress regarded this legislation merely as a provision for Federal payment of an obligation, Federal shouldering of a part of the financial burden placed upon certain communities by Federal activities, or a form of Federal payment in lieu of revenue lost to the communities from Federal ownership of property.

Public Law 246 adds to Public Law 815 a new title III, the purpose of which is "to provide assistance for the construction of urgently needed minimum school facilities in school districts which, since the school year 1951-52, have had substantial increases in school membership as a result of new or increased Federal activities."

Public Law 248, amending Public Law 874 of the 81st Congress, extends through the fiscal year 1956 the Federal program of financial aid for the operation of schools in districts especially affected by Federal activities.

A change which became effective July 1, 1953, is a provision that defines Federal property so as to include properties owned by the United States and leased to a private contractor, even though the contractor's leasehold interest is subject to local taxation under State law.

Public Law 248 makes changes in provisions under Public Law 874 for the education of children who reside on Federal property for whose education local tax revenues may not be expended or for whom no local education agency is able to provide suitable free public education. In such cases the Federal Government provides education directly through schools located on Federal

bases under Federal supervision or under contract with a local agency. The changes in the law are directed toward clarification of the relevant responsibilities of the Commissioner of Education or of the local contracting agency.

The Congress has appropriated \$66,500,000 for payments under Public Law 874, as amended, in the current fiscal year 1954.

During the past 2 school years, the Malden School District has educated these children, which are a result of Federal activities. However, the district cannot continue to do this, as you can readily see. There must be some means of securing aid if we are to survive.

Respectfully yours,

W. I. MYERS,
Superintendent, Malden Public Schools,
Authorized Representative To Apply
for Federal Aid.

(Copies to Mr. J. L. Watson, field representative, United States Office of Education; Mr. H. Kenneth Kirchner, assistant commissioner, State department of education.)

Mr. THORNBERRY. Mr. Chairman, I want to join those who have commended the gentleman from Illinois [Mr. BUSBEY] and the members of his subcommittee in providing the additional funds necessary to cover the applications of school districts for construction funds under past entitlement. The Congress created this obligation and the funds should be provided.

However, I am also interested in the assurances which have been given that in the regular appropriation bill, providing funds for the next fiscal year, the Committee will give every consideration to providing funds necessary to cover those applications of school districts affected by Federal facilities under present entitlement. From what I understand here, the Committee will give consideration to providing approximately \$53 million at that time.

In the congressional district which I am privileged to represent, the San Marcos School District, of San Marcos, Tex., is attempting to provide educational facilities to the children who are in San Marcos as a result of Gary Air Force Base, a splendid arm of our Air Force. San Marcos Independent School District has an application pending for funds which will provide construction of sorely needed additional space for these children. I am assured that if this amount is provided, the application of the San Marcos School District will be taken care of.

For this reason I appreciate the assurances which have been given, and I hope that the necessary funds will be provided in the bill which the Committee expects out in the near future.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. BUSBEY].

The amendment was agreed to.

The Clerk concluded reading the bill. Mr. TABER. Mr. Chairman, I move that the Committee rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MORANO, 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. 8481) making supplemental

appropriations for the fiscal year ending June 30, 1954, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. TABER. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent that all Members may have permission to revise and extend their remarks in the RECORD on the bill just passed.

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

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday to file a report on the independent offices appropriation bill.

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

There was no objection.

Mr. CANNON reserved all points of order on the independent offices appropriation bill.

ADJOURNMENT UNTIL MONDAY— LEGISLATIVE PROGRAM FOR NEXT WEEK

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?

Mr. RAYBURN. Mr. Speaker, reserving the right to object, I think the membership would be interested in knowing what we may expect next week.

Mr. HALLECK. Mr. Speaker, on Monday we will take up the independent offices appropriation bill for which arrangement has just been made for filing of the report by tomorrow midnight. General debate will continue throughout Monday.

On Tuesday we will continue consideration of that bill, reading it for amendment, and expect to bring the matter to final passage on Tuesday.

Wednesday we are hopeful that H. R. 7839, the Housing Act of 1954, will be ready from the Committee on Banking and Currency. If so we will take that up on Wednesday. I do not know how long will be required to conclude consideration of the matter.

Consideration of that measure and the others that I shall name will continue on

through Wednesday, Thursday, and Friday of next week.

We are also hopeful there will be reported from the Judiciary Committee what I choose to call an antitraitor bill, having to do with the making of certain evidence admissible in certain prosecutions.

Mr. RAYBURN. That is the so-called wiretapping bill?

Mr. HALLECK. Some call it the wiretapping bill, but I call it the antitraitor bill. It just provides for making certain evidence admissible in criminal prosecutions involving the security of the country.

The other bills are:

S. 984, providing for a judicial review of Tax Court decisions.

H. R. 2556, having to do with extradition to occupied countries.

H. R. 569, from the Committee on Post Office and Civil Service, to impound mail in certain cases.

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

There was no objection.

UNITED STATES AIR FORCE ACADEMY

Mr. ARENDS, for the gentleman from Missouri [Mr. SHORT], submitted a conference report and statement on the bill (H. R. 5337) to provide for the establishment of a United States Air Force Academy, and for other purposes.

NEW HAVEN RAILROAD

Mr. GOODWIN. 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 Massachusetts?

There was no objection.

Mr. GOODWIN. Mr. Speaker, inability of the Interstate Commerce Commission to cope with the infiltration of well-managed railroads by self-interested stockholder groups makes it clear that something must be done to give ICC adequate investigating power.

The Commerce Commission is the oldest Federal board in existence. Yet its power to deal from the beginning with questionable management situations is strictly limited. Its freedom to initiate action should be on the same judicial footing as that of the Federal Power Commission, the Civil Aeronautics Administration Board, the Federal Communications Commission, and others which are free to investigate a complaint of interested parties or upon their own motion.

The present weakness of the Commerce Act is shown by ICC Chairman J. Monroe Johnson's plea of "no authority" when asked to examine the dual interest of Patrick B. McGinnis, of New York, and others in two large competing systems, Central of Georgia and Norfolk Southern.

It is contended that McGinnis and his associates unlawfully dictated the management and operation policy of these

two railroads for nearly a year and that they are still dictating them through officer and director replacements of their own choosing. There is no secret as to the ambition of the McGinnis group to extend its railroad domination through the New York, New Haven & Hartford by ousting the management of President F. C. Dumaine, Jr., in the present widely publicized proxy fight.

As a Member of Congress, I am determined to do whatever I can to insure good and honest transportation service for the people of New England. I am aroused by the possibility that the New Haven Railroad's return to solvency and good service may be imperiled and am alerted by a fight which seems to have been begun by outside capitalists for no purpose other than to evaluate dividend payments at the sacrifice of public patronage and esteem.

To all who have read the ICC report on the affairs of Norfolk Southern Railroad under McGinnis management, it is clear that the Commerce Commission does not think much of the McGinnis group. This Commission document, issued February 1, 1954, fairly bristles with condemnation.

The ICC needs help to make such findings effective against the reports of such conduct at the expense of other railroads. It needs to be authorized to act as FCC would act on the renewal application of an unworthy group, seeking to gain control of radio or to do what the CAB has often done to restrain an unfit operator from continuing to manage air-carrier service against the public interest.

To give ICC similar powers where railroads are concerned, its investigative and administrative authority must be extended by amendment of the Commerce Act. I am presenting a bill in the House which will do this, an exact duplicate of which is being introduced at the same time in the Senate by Senator GREEN, of Rhode Island.

SPECIAL ORDER GRANTED

Mr. CRUMPACKER asked and was given permission to address the House for 30 minutes on Tuesday next, following the legislative program and any special orders heretofore entered.

COMMITTEE ON BANKING AND CURRENCY

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until Sunday midnight to file a report on the bill H. R. 7839.

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

There was no objection.

SIGNING OF ENROLLED BILLS AND JOINT RESOLUTIONS

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 duly 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.

SPECIAL ORDER GRANTED

Mr. HESELTON asked and was given permission to address the House today following the remarks of Mr. GATHINGS.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. KING of California (at the request of Mr. BOLLING) and to include a statement.

Mrs. SULLIVAN and to include a letter.

Mr. DAVIS of Georgia and to include a statement by the gentleman from Florida [Mr. LANTAFF] made this morning before the Committee on Post Office and Civil Service.

Mr. MADDEN and to include a statement he made this morning before the Committee on Post Office and Civil Service.

Mr. HOFFMAN of Michigan and to include extraneous matter.

Mr. DONDERO to revise and extend his remarks made in Committee and include a telegram.

Mr. COOLEY (at the request of Mr. JONES of Missouri) to revise and extend his remarks made in Committee and include extraneous matter.

Mr. LANHAM to revise and extend his remarks in Committee on the Bennett amendment and include a letter.

Mr. ROONEY to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. ROOSEVELT (at the request of Mr. ROONEY).

Mr. BARRETT (at the request of Mr. ROONEY).

Mr. RABAUT to extend his remarks following those of Mr. DONDERO in Committee and to include extraneous matter.

Mr. Bow.

Mr. DOYLE (at the request of Mr. McCORMACK) to revise and extend his remarks in and out of Committee and to include extraneous matter.

Mr. SCOTT in two instances and to include an editorial.

ENROLLED BILL SIGNED

Mr. LeCOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5632. An act to provide for the conveyance of a portion of the Camp Butner Military Reservation, N. C., to the State of North Carolina.

THE THREAT OF JUDICIAL LAWMAKING

The SPEAKER. Under previous order of the House, the gentleman from Arkansas [Mr. GATHINGS] is recognized for 25 minutes.

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

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

There was no objection.

Mr. GATHINGS. Mr. Speaker, after reversing itself 32 times within the past 16 years the Supreme Court of the United States could not be expected to receive the plaudits and commendation of the American people. The decisions of the Court formerly were legend; they were sacrosanct. Our citizens had the right to rely upon the decisions of the Supreme Court as being precedents. Men were chosen for membership on this high tribunal on the basis of ability and for their standing and reputation as able practitioners of the law. Unfortunately this system was changed in the thirties by the then Chief Executive, who sought to impose his will upon the Court and called its members "nine old men." Legislation was introduced in the Congress to pack the Court by increasing its size. These bills failed of enactment and, as a result, scorn and contempt was cast at those legislators of both Houses who possessed the patriotism and fortitude to oppose the court-packing proposal.

The case was carried to the people in several States and in each instance the constituents of these servants of the people approved their actions. The people in those States desired to maintain the time-honored system of checks and balances—the separation of powers of the three departments of Government. It was their conviction that the High Court should not be subservient to any Chief Executive. They felt that judicial appointments should not be made to carry out any President's scheme, plan or philosophy of Government, as it would destroy the prestige of the law and courts alike.

It is not within the province of the Supreme Court to write opinions which would amend the Constitution of the United States. The Supreme Court can construe the Constitution; it can interpret the Constitution, but it does not have the power to amend it. The machinery has been set up in the Constitution itself providing a definite manner of amending the Constitution; the people themselves have a voice in any such amendment.

On June 18, 1953, the gentleman from Georgia, [Mr. DAVIS], and on March 15, 1954, the gentleman from Mississippi [Mr. WILLIAMS], inserted as part of their remarks a list of overruling cases and a list of overruled cases in which the Supreme Court overruled time-honored law from the present day to a period as far back as 95 years. The present court has so consistently struck down established law and set up different guideposts in their stead that members of the Supreme Court itself have bitterly assailed such practice. Mr. Justice Roberts, in the case of *Smith v. Allwright, et al.* (321 U. S. 649), had this to say on page 669, and I quote:

The reason for my concern is that the instant decision overruling one announced

about 9 years ago tends to bring adjudications of this tribunal into the same class as a restricted railroad ticket, "good for this day and train only."

The legislative department of the Government should have the full power to make the laws and not the judiciary department. The Supreme Court as now constituted has brazenly attempted to change our laws through the process of court legislation, or judicial law.

The Supreme Court's racial segregation decision in our public schools is awaited with great concern and may be handed down at an early date. It will be one of the most significant decisions of the Court in many decades. The cases to be decided originated in South Carolina, Virginia, the District of Columbia, Delaware, and Kansas. The question of whether racial segregation in the public schools, mostly at the grade level, would in itself abrogate the 14th amendment.

In 1896 the case of *Plessy against Ferguson* was decided. In that case the Court held that the statute of Louisiana, acts of 1890, No. 111, requiring that railway companies provide equal but separate accommodations for both the white and colored races, and further that no person shall occupy "seats in coaches other than the ones assigned to them, on account of the race they belong to," and conferring upon train officers the power to refuse to carry passengers who would not occupy the coach to which they were assigned and exempting the railway company from liability for such refusal are not in conflict with the provisions either of the 13th amendment or of the 14th amendment to the Constitution of the United States. I quote from a part of the opinion of the Court since it touched upon the matter of establishing separate schools for white and colored children:

The object of the amendment was undoubtedly to enforce the absolute equality of the two races before the law, but in the nature of things it could not have been intended to abolish distinctions based upon color, or to enforce social, as distinguished from political equality, or a commingling of the two races upon terms unsatisfactory to either. Laws permitting, or even requiring, their separation in places where they are liable to be brought into contact do not necessarily imply the inferiority of either race to the other, and have been generally, if not universally, recognized as within the competency of the State legislatures in the exercise of their police power. The most common instance of this is connected with the establishment of separate schools for white and colored children, which has been held to be a valid exercise of the legislative power even by courts of States where the political rights of the colored race have been longest and most earnestly enforced.

In *Gong Lum et al. v. Rice et al.* (275 U. S. 78), the Court said:

The right and power of the State to regulate the method of providing for the education of its youth at public expense is clear.

Citing *Cumming v. Richmond County Board of Education* (175 U. S. 528, 545), Mr. Justice Harlan, in delivering the opinion of the Court in that case, said:

Under the circumstances disclosed, we cannot say that this action of the State court was, within the meaning of the 14th amendment, a denial by the State to the plaintiffs

and to those associated with them of the equal protection of the laws, or of any privileges belonging to them as citizens of the United States. We may add that while all admit that the benefits and burdens of public taxation must be shared by citizens without discrimination against any class on account of their race, the education of the people in schools maintained by State taxation is a matter belonging to the respective States, and any interference on the part of Federal authority with the management of such schools cannot be justified except in the case of a clear and unmistakable disregard of rights secured by the supreme law of the land.

Attorney General Herbert Brownell, Jr., and eight other members of his staff filed a brief urging the Court to overrule the cases that have consistently held that "separate and equal facilities satisfied all constitutional requirements" and to hold that segregation is unlawful. The Justice Department is taking up the torch of one group of citizens even though such position it takes totally disregards the many previous decisions of the Court on the question at issue.

It is a mammoth undertaking for public schools to offer equal facilities to white and Negro races. In the State of Arkansas every effort is being made to give all pupils the highest type of educational advantages. I quote from a news release from the State board of education written by Commissioner A. W. Ford in this regard:

Schools in Arkansas are the best in our history. This does not imply that we do not have many problems. But it does indicate that significant progress is being made in public education.

Ninety-eight percent of pupils, both white and Negro, are attending school 9 months this year. Our transportation system is one of the best. The school-lunch program ranks with the best in the Nation. Millions have been spent in recent years for new buildings and equipment. Our teachers are the best in our history. This is shown by the constant improvement in teacher preparation.

Many other improvements could be noted. The morale of the school people has definitely improved.

We will continue to have problems. But we should be thankful for living in a country where we can have problems and where we are privileged to work on these problems in our own way.

I have received some letters from eminent Arkansas educational leaders with respect to the manner in which school districts are now being operated in various cities of my district. These school leaders are superintendents of schools in which an appreciable percent of pupils in such districts attend the colored schools.

I have a letter from Superintendent J. E. Harris, of the Marvell Public Schools, Marvell, Ark., and I quote from his letter as follows:

MARVELL PUBLIC SCHOOLS,
Marvell, Ark., February 27, 1954.

The Honorable E. C. GATHINGS,
House of Representatives,
Congress of the United States,
Washington, D. C.

DEAR "TOOK": I have your letter of February 24 before me and I am happy to be able to help you in submitting the following information as per your request:

1. Our district schools, according to the 1952-53 records, could only operate three months on tax funds paid by Negroes in our district.

2. The district assumes a total expense of \$78,500 per year to operate Negro schools in this district.

3. Our expenditures for transportation of Negro pupils last year was \$10,000.

4. About 90 percent of the operating funds spent on Negro schools is borne by whites.

5. The personal property assessment, less utilities, in our district is broken down as follows: White—\$685,125; colored—\$230,700.

If I can be of further service to you, please feel free to call on me.

Sincerely yours,

J. E. HARRIS,
Superintendent.

The next letter that I would like to make a part of my remarks is from Superintendent O. M. Shultz, Jr., of Wilson public schools, Wilson, Ark., and I quote:

WILSON PUBLIC SCHOOLS,
Wilson, Ark., March 3, 1954.

Mr. E. C. GATHINGS,
Congress of United States,
House of Representatives,
Washington, D. C.

DEAR MR. GATHINGS: Regarding yours of February 24, I have done my best to secure accurate answers for you.

1. Our school district could not operate 1 day on tax funds paid by Negroes in our district. The total assessed valuation of the Wilson School District is \$2,368,237. Our tax assessor estimates the real estate owned by Negroes in our district would be assessed around \$4,000 and the personal property around \$13,439.30. The real-estate estimate is rather accurate, due to the fact that we took land ownership plots in arriving at this estimate. The personal-property estimate was arrived at by taking 2 percent of personal-property valuation of the school district, which the assessor thought to be about right. The only way that we could arrive at an accurate figure would be to go through every personal property assessment sheet. The real-estate assessments do not show whether they belong to Negro or white.

2. During the 1952-53 school year, \$40,271.25 was spent in operation of Negro schools. You understand, of course, that only a part of the money for operation of schools comes from local revenue.

3. In the 1952-53 school year, it cost \$4,300 to transport the Negro pupils of this district. This figure includes only actual expenditure. In other words, no depreciation or capital outlay on buses is figured.

4. The colored people of our district bear less than 1 percent of expense of local taxes in the Wilson School District.

5. According to our audit, the following figures give the per-pupil cost of Negroes and whites for the 1952-53 school year:

White high-school cost per pupil	\$277.33
White elementary-school cost per pupil	140.83
Negro high-school cost per pupil	789.79
Negro elementary-school cost per pupil	60.24

It is my hope that the above information will be of some value to you. If I can be of further help, do not hesitate to call me.

Respectfully yours,

O. M. SHULTZ, JR.,
Superintendent, Wilson Schools.

I include a letter from Superintendent A. L. Whitten, of the Marianna public schools, Marianna, Ark.:

MARIANNA PUBLIC SCHOOLS,
Marianna, Ark., March 8, 1954.

The Honorable E. C. GATHINGS,
House of Representatives,
Washington, D. C.

DEAR TOOK: I was glad to get your letter of February 24, in which you were asking about expenses for our Negro schools.

We have about 1,400 Negroes and 1,200 white students in our district. We employ

41 teachers of each race. Our white teachers have higher qualifications in general than the Negroes and receive about \$380 a year more salary.

I should think that the local tax paid by Negroes would operate our entire district for 4 or 5 weeks.

You asked about the amount of money spent to operate Negro schools. I should like to report that \$76,619 was spent in 1951-52 as current expenses for our Negro schools. This was 40 percent of the total amount spent in current funds for that school year. We spent \$2,078 to transport Negro students, but are spending twice that amount this year.

The Marianna district receives about one-half of its revenue from State sources and the remainder comes from a 28-mill levy on the assessed valuation in our district which embraces 232 square miles. I should think that the white taxpayers of this district pay at least 85 percent of the total operating cost for all the schools in the district. We operate the only high school for Negroes in Lee County and have approximately 60 nonresident pupils in high school. We are asking a 4-mill increase in local taxes this year in order that we can make further improvements in Negro teachers' salaries and in the facilities for Negro students.

Our Negro patrons have great pride in their own high school and if it were properly equipped and if they were provided with sufficient classroom space and good teachers, I am sure they would be very happy on the present segregated basis.

If we attempted to equalize fully from local sources of revenue, it would be necessary that the total millage be increased from the present 28 mills to approximately 45 to 50 mills. Most of this expense would come in providing adequate buildings and transportation facilities.

I appreciate your interest in this subject and I am sincerely hoping for a separate but equal ruling from the Supreme Court.

Cordially yours,

A. L. WHITTEN,
Superintendent.

I had occasion to discuss this matter of nonintegrated schools with Mr. W. B. Nicholson, an able and learned superintendent of the public school system at Blytheville, Ark., on his recent visit to Washington enroute home from the Atlantic City National School Conclave. Mr. Nicholson prepared a most timely résumé with respect to the opportunities offered both white and Negro students in the Blytheville School District. I would like to quote verbatim from Professor Nicholson's statement:

EVALUATION OF THE RACE PROBLEM IN BLYTHEVILLE PUBLIC SCHOOLS, BLYTHEVILLE, ARK.

In the Blytheville School System all schools without respect to race are under the administration of one superintendent, one board of education, one elementary supervisor, and one high-school supervisor. Classes of Negro children are visited regularly by the supervisors who are white women. These supervisors from time to time take over the classes and demonstrate teaching techniques for the benefit of the teacher. Regular teachers' meetings are held and attended by the supervisors.

All teachers in the Blytheville School System are paid according to the same salary schedule. It is a significant fact that one of the first grade teachers in a Negro school qualifies for the highest classroom salary provided for in the salary schedule. This teacher has a master's degree and maximum teaching experience. First grade teachers receive slightly more than other teachers according to the salary schedule. Therefore, this teacher qualifies for and receives the highest classroom salary the schedule provides for.

A recent secret poll of the Negro teachers in the Blytheville school system showed that 1 teacher out of total of 36 voted against segregation. The others favored segregation with equalization of educational facilities and opportunities. The point these teachers made was that under a segregation policy their teaching positions were safe and secure.

They, themselves, furnished me with data showing the pitifully small number of Negro teachers employed throughout the Nation, especially in the north and east, where it is claimed segregation is not practiced.

PER PUPIL COST OF THE SCHOOLS

The per pupil cost of the Blytheville school system averages for the elementary schools slightly more than \$160. The average per pupil cost for Negro elementary schools is included in this figure.

In the high schools the per-pupil cost for white children is somewhat higher than the same cost for Negro children. When it is considered that more than nine-tenths of the school tax money is paid by white taxpayers and that approximately 60 percent of the children in school are white, it does not become necessarily an injustice, if the per-pupil cost for white children is a few percentages higher than the per-pupil cost for Negro children.

Teacher salary schedule, Blytheville public schools, Blytheville, Ark.

Professional training	Period	Base salary	Salary including experience increments			
			1 year	2 years	3 years	4 years
1 year.....	Monthly.....	\$132.75	\$132.75	\$132.75	\$132.75	\$132.75
	Annual.....	1,194.75	1,194.75	1,194.75	1,194.75	1,194.75
2 years.....	Monthly.....	162.00	167.00	172.00	177.00	177.00
	Annual.....	1,458.00	1,503.00	1,548.00	1,593.00	1,593.00
3 years.....	Monthly.....	193.50	199.50	205.50	211.50	211.50
	Annual.....	1,741.50	1,795.50	1,849.50	1,903.50	1,903.50
4 years.....	Monthly.....	249.72	256.72	263.72	270.72	277.72
	Annual.....	2,247.50	2,310.50	2,373.50	2,436.50	2,499.50
5 years.....	Monthly.....	276.50	284.50	292.50	300.50	308.50
	Annual.....	2,488.50	2,560.50	2,632.50	2,704.50	2,776.50

Mr. GATHINGS. Some 3 or 4 years ago a bond issue was voted by the patrons of the Blytheville School District for the purpose of constructing a school building which was badly needed by both white and Negro pupils. The directors of the Blytheville School District saw fit to give priority to the building of the colored school although an urgent need existed to build additional white facilities to alleviate a severe overcrowded condition. I cite this Blytheville case as typical of the general attitude of our people in assuming the weighty responsibility which rests upon them to offer the highest type of school training to members of both races. We feel without reservation or equivocation that every child of school age, regardless of color, is entitled under the Constitutions of the State of Arkansas and of the United States to equal educational opportunities and advantages with respect to that received by any other child. At the same time, we hold that school children should be classified into reasonable qualifications, including sex, race, age, and mental capacity. The individual States make these decisions, and rightly so.

One of the things that can be done by this Congress to provide better schools and school facilities would be the enactment of the bill (S. 2779) sponsored by my colleague the senior Senator from Arkansas, the Honorable JOHN L. McCLELLAN. The bill would provide limited Federal financial assistance to the 48 States for the construction of public sec-

Certain Negro leaders in this community have pointed out to me a danger which they see in the close association of teen-age children of the two races in school. They point out that this is the time that the mating instinct awakens and asserts itself with great force. They fear for the continued existence of their race if segregation in schools should be abolished. They know they are in the great minority and in due course of time their descendants as pure-blood Negroes would cease to be. They tell me they are proud of their racial identity and prefer to see their racial integrity and individuality maintained and perpetuated. Their contention is, and I think justly so, for equalization of opportunity in all fields of human endeavor and also for ample assurances and help in maintaining their racial integrity and dignity.

W. B. NICHOLSON,
Superintendent of Schools.

Mr. Speaker, I ask unanimous consent that the teacher salary schedule of the Blytheville Public School system be inserted at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

which shall consist of a Senate and House of Representatives.

Encroachment by the Supreme Court of the United States on that constitutional provision is not a threat, it is a reality. The danger is real. The issues raised by these five cases now before the Court should turn on the 10th amendment, which reserves all powers to the States which are not specifically delegated to the Federal Government. I cannot believe that the Justices of the Court will run roughshod over precedents and propriety in handing down this decision.

Mr. Speaker, the matter of providing school facilities to the Nation's children is a matter for the several States to determine. Any action on the part of the Supreme Court to destroy the segregated school system in the State of Arkansas, as well as the other States, will do irreparable harm to both the Negro and white races alike. I trust that the Supreme Court will see fit, in deciding these five school cases, to base its ruling on precedents and not on political considerations. The cases should be dismissed.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. The statement which the gentleman has made, I think, is necessary and also constructive. I wonder if the gentleman has noted the decisions of the Supreme Court which you might say enacted legislation, labor legislation, especially touching the Wagner Act.

Mr. GATHINGS. There are at least 32 decisions in which the Supreme Court overrode previous decisions of that particular tribunal.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield.

Mr. DAVIS of Georgia. The bulwarks of our Government and of our civilization will continue to stand only if we have people with intellect and capacity to recognize it when they are being attacked and who have the courage to oppose such attacks and resist them vigorously when they are made.

The gentleman has pointed out to the House this afternoon very clearly the danger which we face by having one of the bulwarks of our Government torn down, the bulwark of States rights. The gentleman has pointed out to us very clearly that these rights are now under attack through a method of usurpation of legislative functions by the judicial department.

The gentleman has rendered a great service to us by calling attention to this, and I want to commend him for the very able address which he has just delivered.

Mr. GATHINGS. I thank the gentleman from Georgia, and I want to say that the gentleman from Georgia is an able attorney and had a marvelous record as judge in his own State prior to his coming to this body. He has consistently been the spearhead in connection with the maintenance of constitutional processes and I thank him so much for his splendid contribution.

ondary and elementary school facilities. This assistance will aid the States materially, and the local districts, in providing a greatly improved school system. Under the McClellan bill, the first consideration is "the urgency of the need" and the equitable and nondiscriminatory priorities in apportionment of the Federal funds to projects where one need for assistance is greatest.

The relations between the races in the State of Arkansas and throughout the South have continuously improved in recent years. They are better today than they ever have been before. We only ask to be let alone, and that any problem affecting the education of our young people be handled by the several States themselves. The continuation of segregation in our public schools is in the interest of continued good relations and the advancement of both races.

Our American heritage is priceless; our system of government is the envy of nations everywhere. The maintenance and preservation of constitutional government is, or ought to be, the concern of all. Our forebears settled here to escape from the yokes of tyranny and oppression so that they might enjoy the blessings attending a free people. The framers of our Constitution were patriots in the truest sense. They wrote into that document in article 1, section 1, and I quote:

All legislative powers herein granted shall be vested in a Congress of the United States,

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

Mr. GATHINGS. I yield.

Mr. HERLONG. I was very much interested in the remarks of the gentleman with regard to segregation in our schools. I should like to relate an incident that happened when I was home during our vacation last year.

A Negro doctor came to see me and asked if there was legislation pending up here designed to make white and colored children go to the same schools. I told him there was no legislation, but that there were cases in the Supreme Court.

He said, "I hope you will do everything you can to prevent that from happening, because," he said, "I was born and raised in Boston; I was educated at Boston University, and I have practiced there. I now have moved to Florida because I feel I can render a greater service to my people here in Florida, and my children are happier here." He said, "They would not be happy if they were compelled to go to the same school with white children."

That points up and emphasizes just what the gentleman said a moment ago about the ill effect of forcing the two races together.

Mr. GATHINGS. I agree with the gentleman and thank him wholeheartedly.

Mr. BENNETT of Florida. Mr. Speaker, will the gentleman yield?

Mr. GATHINGS. I yield.

Mr. BENNETT of Florida. I compliment the gentleman particularly on his acknowledgment of the fact that our Federal Government has a responsibility to assist in the construction of Negro schools. I have introduced legislation to accomplish this objective, and I hope that hearings can soon be had upon it.

Mr. GATHINGS. I had not known before that the gentleman from Florida was sponsoring this legislation. School facilities for both races are needed.

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

Mr. GATHINGS. I yield to the gentleman from Arkansas.

Mr. MILLS. I desire to join my other colleagues in complimenting the gentleman from Arkansas on the statement he has made and the fact he has brought this information to the Members of the House and to the country as a whole. Certainly the gentleman's statement is timely and I hope that many will take heart in the points which the gentleman has made. If we in our State and in other States are given some time, these problems can be worked out at State level, as the gentleman desires them to be worked out.

Mr. GATHINGS. I thank the gentleman very much. The problems posed in the five cases before the Court are solely State matters.

Mr. WILLIAMS of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. The gentleman has painted a very clear picture of what I consider to be perhaps the greatest danger facing our American democratic institutions. The question of whether or not segregation in public

schools shall be continued in the South is more or less a minor question in relation to the long-range damage that would result from an adverse Supreme Court decision in this instance. We in the South are not so much disturbed over the immediate effects of an adverse Supreme Court ruling. It would be a very simple matter for us to abolish our public schools and set up a private segregated school system, which we certainly will do in the event the Supreme Court rules that we must integrate our public schools.

The real danger rests in the tendency of the Court, to disregard the 10th amendment of the Constitution of the United States in rendering its decisions, and also to disregard the fact that only Congress has the power to pass laws. There has been a tendency in recent years, as you know, for the Supreme Court to usurp legislative powers, powers which rightfully belong to the Congress and to the Congress exclusively.

I was very much disturbed when I read the seven questions which were propounded by the Supreme Court to the attorneys on both sides in this case.

The SPEAKER pro tempore (Mr. Bow). The time of the gentleman from Arkansas has expired.

(On request of Mr. WILLIAMS of Mississippi and by unanimous consent, Mr. GATHINGS was allowed to proceed for an additional 5 minutes.)

Mr. WILLIAMS of Mississippi. Mr. Speaker, in my opinion the questions which were asked by the Supreme Court in this case were questions which related exclusively to legislative matters. They dealt with methods of implementing an adverse court decision, purely a legislative prerogative. In my opinion, the court is not properly concerned with the answers to those questions; those are matters for Congress to determine.

Mr. GATHINGS. I am grateful to the gentleman from Mississippi for bringing his splendid comments to the attention of this House. I want to say to the gentleman from Mississippi that he made a marvelous talk to this House just a few days ago on this same subject.

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

Mr. GATHINGS. I yield to the gentleman from Georgia.

Mr. FORRESTER. I certainly want to compliment the gentleman upon his most logical and most timely address. I cannot help but regret the fact that when matters like this are discussed there are so few Members of this body on the floor. In addition to that, I seriously deplore that speeches of this kind and character cannot be printed without expense to the Congressmen in order that matters of this kind might be distributed into the homes of America. You know, it is a sad and tragic fact that a lot of our people in this country are completely unaware of one of the greatest dangers confronting this country today. The people are entitled to that kind of information. I was impressed with the gentleman's criticism concerning Attorney General Brownell. The gentleman is entitled to that criticism. There is no doubt about that. He could not possibly be a friend of the Court. As

a matter of fact, he is an intruder and it should have been considered as an insult to the Court.

But now I want to be fair about it. I want to say that the chances are good that Attorney General Brownell felt he was following precedent because some of our Democratic Attorneys General have done the same thing. But it is not right and it is absolutely beyond the realm of his position, whether he be Democrat or whether he be Republican or who he is. I compliment the gentleman very much on his criticism relative to the issue that was brought before the Court on segregation. It is a matter that has been completely closed for 88 years. I cannot understand why Attorney General Brownell feels that it is a matter that has not been solved. Mr. Sumner and Mr. Thaddeus Stevens, the radical of radicals on this issue, understood that the matter was closed. But I certainly cannot understand why, when he looks at the District of Columbia, the seat of this Government, that for 88 years you have had segregated schools in the District of Columbia, which you could not possibly have had, had the matter not been completely settled. Yes; the gentleman is eminently correct. The Supreme Court, unfortunately, has become a lawmaking agency instead of a law-construing agency and is absolutely running wild without any check and without any balance. I thank the gentleman for his contribution to constitutional government.

Mr. GATHINGS. I thank the gentleman from Georgia most heartily. I want to say to the gentleman from Georgia that I have heard many Members of this House make complimentary remarks with regard to the marvelous talk he made recently on the question of judicial law. I agree with their views.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. When the gentleman so kindly yielded to me a few minutes ago, I did not have in mind the question of segregation, rather how far the Court might go in judicial legislation. But, in view of what was said by the gentleman from Mississippi [Mr. WILLIAMS], to the effect that perhaps a State would do away with its public system of education, then does the gentleman or did the gentleman from Georgia, where I understand they now have such legislation, think that the Supreme Court or the Congress could order the State to establish and maintain a system of education for all the people?

I am asking for information, and not in any critical vein.

Mr. GATHINGS. I feel that neither the Supreme Court nor Congress should attempt to dictate to the States what should be done with respect to public education. I should like to yield to the gentleman from Georgia.

Mr. DAVIS of Georgia. Mr. Speaker, if the gentleman is asking me—I see he is looking in this direction—in the first place, I do not think at all that the Supreme Court has any authority to outlaw segregation or to outlaw any-

thing else. I think they have no authority or jurisdiction whatsoever to change the law, amend the law, modify it, or affect it in any way. But what they have authority to do and what they have been doing are two entirely different things.

To answer the question that the gentleman asked, I think that the Supreme Court feels that they have authority to take the step which the gentleman has just suggested. I think they feel that they are entirely capable of outlawing segregation and then of ordering the State to comply with whatever decision they might hand down; although, at the same time, I think that it would be completely unconstitutional and they would be completely without authority or jurisdiction. In my opinion neither the Supreme Court nor the Congress can, under the Constitution, order a State to establish or maintain a particular system of education. The kind of system a State maintains, or whether it maintains a system at all, are questions for the State to determine—not the Supreme Court or Congress.

Mr. GATHINGS. I am in full accord with the gentleman's position and wish to laud him for his efforts to preserve constitutional government in this country.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman have an additional 5 minutes.

Mr. BROWNSON. I object.

The SPEAKER pro tempore. Objection is heard.

Mr. HOFFMAN of Michigan. If the gentleman will stick around, I have 20 minutes, and I will make the same request.

THE NATIONAL SCIENCE FOUNDATION

Mr. HESELTON. Mr. Speaker, I want to speak today about the National Science Foundation. I have been greatly interested in the Foundation from the beginning when it was no more than an idea in the heads of some of our leading scientists, educators, and public officials. I followed the progress and worked toward the realization of this idea through the long legislative incubation period.

For a time, even after the legislation was approved, the existence of the Foundation seemed to be touch and go because of lack of funds. But today I am confident that the Foundation is here to stay and grow in importance. After 3 years of successful operation I know that the principles upon which it was founded are correct and that the need for this central scientific agency is greater than ever before.

In the Foundation we have an organization designed to serve as guardian for and to promote basic research in the sciences. It is based on our profound belief that knowledge is good for its own sake and that from the search for scientific truth, in ways which we cannot always foresee, we best serve the purposes of our national security, health, and

prosperity. The facts of the matter are that the greatest and most vital practical advances trace directly back to basic research.

The importance of basic research and of the place of the Foundation in our national life has been recognized by other Federal agencies which depend upon technology. Recently the Honorable Donald A. Quarles, Assistant Secretary of Defense for Research and Development, called attention to the continuing need for new scientific knowledge as a base for our military technology.

Our tremendous effort during the last war—

He states—

diverted scientists from their main mission of basic research and education. As a result, applied research and development has rapidly overtaken the supply of basic knowledge. Recognizing this vacuum after the war, the military departments furnished a considerable part of Federal support of basic research. However, in creating the National Science Foundation in 1950, the express intent of Congress was that the Foundation take over the support of general-purpose research. During the Korean war appropriations for the Foundation were so meager that only partial readjustment was possible. Since then, there have been pressures to complete the readjustment and, in line with this, the Department of Defense plans to get out of the business of supporting research for the general purpose of advancing science, leaving this function to the National Science Foundation.

I would also call to your attention certain pertinent passages in the recent report of the Committee on Interstate and Foreign Commerce on the toll of disease and present efforts to prevent and control disease. This excellent document contains a thoroughly up-to-date assessment of the state of our knowledge on heart disease, cancer, mental illness, arthritis, and other major diseases which afflict and cripple our people today. This report strongly emphasizes that scientists, even those interested in specific diseases, urge continuing and increased support for additional research on the basis common to many diseases.

Simply increasing the availability of medical care—

The report states—

cannot of itself solve the problems of disease. One of our prime sources is that of knowledge—knowledge about the causes of the principal diseases that plague mankind today. Without such knowledge the prevention and control of many such diseases is impossible.

The report notes that basic research study often appears abstract and unrelated to disease problems when taken out of the context of which they are an integral part.

These investigations—

It states—

are, however, on the frontier of medical research. In the opinion of many scientists, not only must the volume of work in this noncategorical and basic area be adequately supported, but expansion of such studies is a matter of high priority. The reason for this belief is the fact that disease is an abnormal functioning of one or more parts of the machinery which makes up the human body. To understand the abnormality and its causes, it is necessary to know and under-

stand the normal processes and functions. Thus, one of the primary objectives must be the attainment of knowledge which permits a fuller understanding of the fundamental life processes that make the body function as an organized and well-regulated machine.

So, we learn that we must strengthen our basic underlying knowledge of nature in order to make advances in specific fields. Herein lies the strength and the promise of the work supported by the National Science Foundation.

Now, I wish to point out how basic research contributes to the industrial advance and wealth of this country. I will mention some specific examples of how basic research carried out during the past 25 years has contributed in the single field of chemistry to our gross national product.

First, there are the basic studies on polymerization or the step-by-step growth of large organic molecules. From this work, carried on in large part in the universities, has grown the synthetic-rubber industry, with a gross production this year of \$600 million, and the synthetic-fiber industry—nylon, dacron, and so forth—amounting to \$400 million, and a large section of the plastics industry amounting to \$600 million a year.

Basic research on the separation of liquids and gases led directly to the modern processes for production of benzene, toluene, xylene, and butadiene—industries totaling \$350 million a year.

Basic chemical studies of titanium and its compounds—supported in large part by the Government—have made possible the \$200 million titanium industry, and the use of titanium as a structural material is just beginning.

Basic studies on vitamin chemistry have enabled us to manufacture synthetic vitamins A, B1, B2, C, and D valued at \$50 million a year.

Basic research on antibiotics has led to the synthesis of chloromycetin, the first synthetic antibiotic.

Basic studies on thermodynamics and the physical chemistry of organic compounds have led to greater yields in petroleum processing and the development of better motor fuels—adding another \$300 million a year to an already giant industry.

Basic studies of surface-active agents have created the wholly new detergent industry which today contributes \$500 million to our gross national product.

As the distinguished gentleman from New York [Mr. COLE] is well aware, the atomic-energy industry in the last analysis depends largely upon chemistry for processing and reprocessing of fuel elements. Our use of uranium, plutonium, beryllium, zirconium, and the other materials needed in this great new industry has stemmed directly from basic research.

These are simply a few examples from one field of science. But they may help to show how directly basic research increases our national wealth and helps to assure a rising standard of living in this country.

By the end of the current—1954—fiscal year the Foundation will have obligated about \$6.5 million for about 600 research projects in basic science. Since the average project is financed for 2 years, the Foundation in effect has made

possible the fuller utilization of 1,200 project-years of our best scientific talent.

We often speak of the need for conservation and wise utilization of our national resources. Hundreds of millions of dollars are appropriated each year for conservation of water, of forests, of topsoil, of minerals, and of petroleum. Here we are concerned with not only the conservation and most effective utilization but the expansion of one of our greatest national resources—the supply of competent, well-trained scientists. Russia's intense efforts to increase its supply of scientifically trained manpower emphasizes the importance of our continued affairs along this line.

For fiscal 1955 the President has asked for \$14 million for the program of the Foundation, of which \$10 million is allocated for the direct support of basic research. This includes \$3 million provided for research no longer to be supported by the Department of Defense—essential research but research not directly related to military operations and, hence, more appropriately carried on by the Foundation.

This support of basic research does not compete for the services of the able scientists in the country. It simply enables them to increase their productivity in their chosen fields of research and, at the same time, provides vitally necessary experience and training for younger scientists.

The rest of the Foundation's appropriation will be expended directly on the education of promising young scientists, on improving education in the sciences, on improving the means and methods of furthering the exchange of scientific information, and on making those studies which will assist this country in developing the wisest national policies regarding science.

These are productive dollars. In supporting basic research we buy at reasonable prices a stronger, healthier, more prosperous nation.

In conclusion, I am including the text of the Executive order issued by the President on March 17 with reference to scientific research by the Federal Government and the press release which accompanied it.

The Executive order follows:

EXECUTIVE ORDER—ADMINISTRATION OF SCIENTIFIC RESEARCH BY AGENCIES OF THE FEDERAL GOVERNMENT

Whereas the security and welfare of the United States depend increasingly upon the advancement of knowledge in the sciences; and

Whereas useful applications of science to defense, humanitarian, and other purposes in the Nation require a strong foundation in basic scientific knowledge and trained scientific manpower; and

Whereas the administration of Federal scientific research programs affecting institutions of learning must be consistent with the preservation of the strength, vitality, and independence of higher education in the United States; and

Whereas in order to conserve fiscal and manpower resources, it is necessary that Federal scientific research programs be administered with all practicable efficiency and economy; and

Whereas the National Science Foundation has been established by law for the purpose, among others, of developing and encourag-

ing the pursuit of an appropriate and effective national policy for the promotion of basic research and education in the sciences;

Now, therefore, by virtue of the authority vested in me as President of the United States, it is hereby ordered as follows:

SECTION 1. The National Science Foundation (hereinafter referred to as the Foundation) shall from time to time recommend to the President policies for the Federal Government which will strengthen the national scientific effort and furnish guidance toward defining the responsibilities of the Federal Government in the conduct and support of scientific research.

SEC. 2. The Foundation shall continue to make comprehensive studies and recommendations regarding the Nation's scientific research effort and its resources for scientific activities, including facilities and scientific personnel, and its foreseeable scientific needs, with particular attention to the extent of the Federal Government's activities and the resulting effects upon trained scientific personnel. In making such studies, the Foundation shall make full use of existing sources of information and research facilities within the Federal Government.

SEC. 3. The Foundation, in concert with each Federal agency concerned, shall review the scientific research programs and activities of the Federal Government in order, among other purposes, to formulate methods for strengthening the administration of such programs and activities by the responsible agencies, and to study areas of basic research where gaps or undesirable overlapping of support may exist, and shall recommend to the heads of agencies concerning the support given to basic research.

SEC. 4. As now or hereafter authorized or permitted by law, the Foundation shall be increasingly responsible for providing support by the Federal Government for general-purpose basic research through contracts and grants. The conduct and support by other Federal agencies of basic research in areas which are closely related to their missions is recognized as important and desirable, especially in response to current national needs, and shall continue.

SEC. 5. The Foundation, in consultation with educational institutions, the heads of Federal agencies, and the Commissioner of Education of the Department of Health, Education, and Welfare, shall study the effects upon educational institutions of Federal policies and administration of contracts and grants for scientific research and development, and shall recommend policies and procedures which will promote the attainment of general national research objectives and realization of the research needs of Federal agencies while safeguarding the strength and independence of the Nation's institutions of learning.

SEC. 6. The head of each Federal agency engaged in scientific research shall make certain that effective executive, organizational, and fiscal practices exist to insure (a) that the Foundation is consulted on policies concerning the support of basic research; (b) that approved scientific research programs conducted by the agency are reviewed continuously in order to preserve priorities in research efforts and to adjust programs to meet changing conditions without imposing unnecessary added burdens on budgetary and other resources; (c) that applied research and development shall be undertaken with sufficient consideration of the underlying basic research and such other factors as relative urgency, project costs, and availability of manpower and facilities; and (d) that, subject to considerations of security and applicable law, adequate dissemination shall be made within the Federal Government of reports on the nature and progress of research projects as an aid to the efficiency and economy of the overall Federal scientific research program.

SEC. 7. Federal agencies supporting or engaging in scientific research shall, with the assistance of the Foundation, cooperate in an effort to improve the methods of classification and reporting of scientific research projects and activities, subject to the requirements of security of information.

SEC. 8. To facilitate the efficient use of scientific research equipment and facilities held by Federal agencies:

(a) the head of each such agency engaged in scientific research shall, to the extent practicable, encourage, and facilitate the sharing with other Federal agencies of major equipment and facilities;

(b) a Federal agency shall procure new major equipment or facilities for scientific research purposes only after taking suitable steps to ascertain that the need cannot be met adequately from existing inventories or facilities of its own or of other agencies; and

(c) the Interdepartmental Committee on Scientific Research and Development shall take necessary steps to insure that each Federal agency engaged directly in scientific research is kept informed of selected major equipment and facilities which could serve the needs of more than one agency. Each Federal agency possessing such equipment and facilities shall maintain appropriate records to assist other agencies in arranging for their joint use or exchange.

SEC. 9. The heads of the respective Federal agencies shall make such reports concerning activities within the purview of this order as may be required by the President.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, March 17, 1954.

The press release follows:

THE WHITE HOUSE,
March 17, 1954.

The President today issued an Executive order designed to strengthen the conduct and administration of the scientific research and development programs of the various departments and agencies of the Federal Government.

The order directs the National Science Foundation to make studies of the scientific activities of the Nation and to recommend to the President policies to strengthen the research effort and define the Federal Government's role in it. The Foundation, over a period of time, is expected to become increasingly responsible for providing Federal support for basic research carried on in universities and other nonprofit institutions. Other Federal agencies, however, will continue to carry on basic research which is closely related to their statutory missions.

The Foundation will also study the effects of Federal research support on the Nation's educational institutions and recommend policies and procedures to promote the attainment of the Federal research objectives while safeguarding the strength and independence of the educational institutions.

The order also directs the head of each agency engaged in research to make sure that such research programs reflect urgent needs and are carried on economically and with regard to the efficient use of scientific manpower. In this connection the order provides a new method to facilitate the exchange of scientific equipment and facilities among the Federal agencies so as to avoid buying new equipment or building new facilities when another agency has unused equipment or facilities available.

In connection with his approval of the order, the President made the following statement:

"Science has a vital role in our Nation's security and growth. During the past half-century, it has brought about a vast transformation in industry, in agriculture, in medicine, in transportation, and in communications. Military science has been revolutionized by technological development. The impact of science is increasingly felt in

every field of public policy including foreign affairs. All this has been brought about through a combination of vision, initiative, business enterprise, a strong educational system, and the dedicated enthusiasm of the scientific community.

"The responsibilities of the Federal Government toward science have likewise changed greatly. In 1940, the Federal Government spent about \$100 million in supporting research and development. The budget which I have just transmitted to the Congress calls for expenditures for these purposes in the next fiscal year of over \$2 billion. This is convincing evidence of the important role of science and technology in our national affairs.

"The rapid expansion of Federal responsibility requires prudent administration. More than half of all the investment in the Nation today for scientific research and development is being made by the Federal Government. In large measure, these Federal funds are paid to industry and educational institutions for the conduct of research and development projects. Thus, our Federal policies and practices regarding research and development are felt immediately and substantially by industry and our educational institutions.

"More than 90 percent of this Federal support is presently going into applied research and development. This is the practical application of basic knowledge to a variety of products and devices. However, only a small fraction of the Federal funds is being used to stimulate and support the vital basic research which makes possible our practical scientific progress. I believe strongly that this Nation must extend its support of research in basic science.

"While the Executive order which I have signed today calls upon the National Science Foundation to carry out important responsibilities in regard to scientific research, it is also designed to strengthen the conduct and support of vital research and development in the several agencies where science is important in achieving their assigned missions.

"This order will for the first time set in motion important steps leading to a thorough and continuing review of the status of the Federal Government's activities in science, and thus enable the Government, together with industry, higher education, and the scientific community, to move forward with assurance toward the achievement of the Nation's goals.

"I expect and believe that this order will clarify the position of the Government toward the support and advancement of science in the Nation and that it will contribute in a constructive sense to the development of our national policy in this important and critical area."

And I want to quote two paragraphs from a letter I received from Dr. Alan T. Waterman, Director of the Foundation:

By focusing attention on the Federal research and development effort, and in particular on the need for greater emphasis on the more fundamental aspects of research, the President's order serves to remind the American people of the increasing importance of science to our national welfare and defense.

By defining for the Federal agencies with research and development programs the areas of individual responsibility as well as those which involve cooperative action, the order will assist the National Science Foundation and other agencies in functioning effectively.

Certainly this constructive effort by the President and the officials of the Foundation merit the warm support of Congress and the people of this country. Such support will bring great rewards in an increasingly strengthened advance-

ment of science in its field of our national policy.

I am including an excellent editorial from the New York Times dealing with this development:

THE PRESIDENT ON SCIENCE

The President has directed the National Science Foundation to survey Federal research and development programs that now cost us well over \$2 billion a year and that need coordination. His statistics and his recommendations are those to be found in the Foundation's annual report of 1953. Back of them is the general conviction that this country must rely largely on science to maintain its military and industrial position, and that basic research, the backbone of technological development, has not been adequately supported.

Of the vast sums that we are spending for research and development, 76 percent go to the Department of Defense and about 10 percent to the Atomic Energy Commission, again largely for defense. This can be explained in part by the national dread of another world war and the emphasis on atomic and other weapons and of that New Look of which we hear so much, but only in part. Despite the astounding progress in science, we have relied too much on Europe for new discoveries that we exploited. Even the way that led to the atomic bomb was indicated by Europe.

The National Science Foundation was created in 1950 to do exactly what the President had in mind, or, in the words of the act, "to develop and encourage the pursuit of a national policy for the promotion of basic research and education in the sciences." Yet the various Government agencies that carry on research on a large scale do so independently, and there is nothing like an overall Federal policy. For the National Foundation it must be said that it is fully aware of the need and that last year it completed preliminary plans for a survey of the Nation's effort in research and development. The stage is now set for action.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Indiana [Mr. BROWNSON] is recognized—

Mr. HOFFMAN of Michigan. Mr. Speaker, in view of the objection, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Obviously a quorum is not present.

Mr. MEADER. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Michigan [Mr. MEADER].

The question was taken; and on a division (demanded by Mr. DAVIS of Georgia) there were—ayes 2, noes 7.

So the motion was rejected.

Mr. ROONEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ROONEY. Is there some delay? Is there a hiatus at this time in the proceedings?

The SPEAKER pro tempore. The House may not proceed without a quorum.

Mr. DAVIS of Georgia. Mr. Speaker, I move a call of the House.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Georgia [Mr. DAVIS].

The question was taken; and on a division (demanded by Mr. DAVIS of Georgia) there were—ayes 4, noes 5.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present and object to the vote on the grounds that a quorum is not present.

The SPEAKER pro tempore. It has already been established that a quorum is not present.

Mr. HOFFMAN of Michigan. Then I object to the vote.

Mr. WILLIAMS of Mississippi. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WILLIAMS of Mississippi. The vote, as I understand it, came on a motion; is that correct?

The SPEAKER pro tempore. That is correct.

Mr. WILLIAMS of Mississippi. The vote having been objected to on the ground that a quorum is not present, am I correct in thinking that the rollcall is automatic?

The SPEAKER pro tempore. The rollcall is not automatic.

The SPEAKER assumed the chair.

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania [Mr. MCCONNELL].

ADJOURNMENT

Mr. MCCONNELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 36 minutes p. m.), under its previous order, the House adjourned until Monday, March 29, 1954, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1386. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled "A bill to amend the Federal Crop Insurance Act, as amended"; to the Committee on Agriculture.

1387. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled "A bill to amend section 8a (4) of the Commodity Exchange Act, as amended"; to the Committee on Agriculture.

1388. A letter from the Acting Secretary of the Treasury, transmitting a report on reasons why and responsibility for overdraft of allotment account, 17th Coast Guard District, pursuant to subsection (1) of section 3679 of the Revised Statutes, as amended (31 U. S. C., Sup. V 665); to the Committee on Appropriations.

1389. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

1390. A letter from the Assistant Secretary of the Interior, transmitting one copy each of certain bills passed by the Legislative Assembly of the Virgin Islands and the Municipal Council of St. Thomas and St. John, pursuant to section 16 of the Organic Act of the Virgin Islands of the United States approved June 22, 1936; to the Committee on Interior and Insular Affairs.

1391. A letter from the Commissioner, Immigration and Naturalization Service,

Department of Justice, transmitting a list of names involving suspension of deportation, and requesting that they be withdrawn from those before the Congress and returned to the jurisdiction of the Immigration and Naturalization Service; to the Committee on the Judiciary.

1392. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a list of cases involving the provisions of section 4 of the Displaced Persons Act of 1948, as amended, and requesting that they be withdrawn from those before the Congress and returned to the jurisdiction of the Immigration and Naturalization Service; to the Committee on the Judiciary.

1393. A letter from the Chief Scout Executive, Boy Scouts of America, transmitting the 44th Annual Report of the Boy Scouts of America for the year 1953, pursuant to the act of June 15, 1916, "An act to incorporate the Boy Scouts of America, and for other purposes" (H. Doc. No. 356); to the Committee on Education and Labor and ordered to be printed with illustrations.

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. KEATING: Committee on the Judiciary. H. R. 2556. A bill to amend section 3185 of title 18, United States Code; with amendment (Rept. No. 1416). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHORT: Committee of Conference. H. R. 5337. A bill to provide for the establishment of a United States Air Force Academy, and for other purposes (Rept. No. 1427). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRAHAM: Committee on the Judiciary. H. R. 1465. A bill for the relief of Helga Rossmann and her child; with amendment (Rept. No. 1417). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 3026. A bill for the relief of Barbara Gene Coster; without amendment (Rept. No. 1418). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 3038. A bill for the relief of Mrs. Olympia Cuc; without amendment (Rept. No. 1419). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 3131. A bill for the relief of Wesley Howard Leahy; with amendment (Rept. No. 1420). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 3249. A bill for the relief of Katharina Link; with amendment (Rept. No. 1421). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 3903. A bill for the relief of Sister Iolanda Sita, Sister Guerrina Brioli, Sister Pasqualina Coppari, Sister Anna Urbinati, Sister Ida Raschi, and Sister Elvira P. Mencarelli; without amendment (Rept. No. 1422). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 4236. A bill for the relief of Nahi Yous-

sef; with amendment (Rept. No. 1423). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 4510. A bill for the relief of Mrs. Helen Kon; with amendment (Rept. No. 1424). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 4747. A bill for the relief of Gio Batta Podesta; without amendment (Rept. No. 1425). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 4813. A bill for the relief of Radu Florescu and Nicole Elizabeth Michel Florescu; without amendment (Rept. No. 1426). 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 Mrs. PFOST:
H. R. 8558. A bill to continue temporarily existing 90 percent of parity price supports for milk and butterfat; to the Committee on Agriculture.

By Mr. BENDER:
H. R. 8559. A bill to authorize the Public Health Service to admit to its hospitals persons addicted to the use of habit-forming narcotic drugs who are duly committed to the care of the service by a court of any State, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BOW:
H. R. 8560. A bill to amend the Agricultural Act of 1949 to provide a limitation on the downward adjustment of price supports for milk and butterfat and the products of milk and butterfat; to the Committee on Agriculture.

By Mr. CARLYLE:
H. R. 8561. A bill to direct the Secretary of the Interior, in cooperation with the Secretary of the Army, to erect at Dunn, N. C., a suitable memorial to the late Maj. Gen. William Carey Lee; to the Committee on House Administration.

By Mr. GROSS:
H. R. 8562. A bill to authorize the Director of the Census to collect and publish statistics on imports of twine; to the Committee on Post Office and Civil Service.

By Mr. HALE:
H. R. 8563. A bill to amend section 804 of the District of Columbia Code of March 3, 1901, with respect to the penalty in case of assault with a dangerous weapon committed in the Senate Chamber or the House Chamber; to the Committee on the District of Columbia.

By Mr. JAVITS:
H. R. 8564. A bill to authorize the Public Health Service to admit to its hospitals persons addicted to the use of habit-forming narcotic drugs who are duly committed to the care of the service by a court of any State, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. O'HARA of Minnesota:
H. R. 8565. A bill to amend section 1089 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended, with respect to the satisfaction of attachments, levies, or other processes against compensation and other income; to the Committee on the District of Columbia.

By Mrs. ROGERS of Massachusetts:
H. R. 8566. A bill to authorize the coinage of special 50-cent pieces in commemoration of the 300th anniversary of the founding of Billerica, Mass.; to the Committee on Banking and Currency.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 8567. A bill to increase the rates of service-connected death compensation pay-

able to widows and children of persons who served in the active military or naval service; to the Committee on Veterans' Affairs.

By Mrs. ROGERS of Massachusetts:
H. R. 8568. A bill to provide for the issuance of a special postage stamp in commemoration of the 300th anniversary of the founding of Billerica, Mass.; to the Committee on Post Office and Civil Service.

By Mrs. ROGERS of Massachusetts (by request):
H. R. 8569. A bill to provide increases in pensions for nonservice disabled who have dependents; to the Committee on Veterans' Affairs.

By Mr. SHORT:
H. R. 8570. A bill to authorize the Secretary of the Navy to dispose of certain uncompleted naval vessels, and for other purposes; to the Committee on Armed Services.

H. R. 8571. A bill to authorize the construction of naval vessels, and for other purposes; to the Committee on Armed Services.

By Mr. THOMPSON of Texas:
H. R. 8572. A bill to provide a method for compensating claims for damages sustained as the result of the explosions at Texas City, Tex.; to the Committee on the Judiciary.

By Mr. BRAMBLETT:
H. R. 8573. A bill providing for the conveyance by the United States to the Monterey County Flood Control and Water Conservation District, Monterey County, Calif., of certain lands in Camp Roberts Military Reservation, Calif.; to the Committee on Armed Services.

By Mr. DONOHUE:
H. R. 8574. A bill to amend the Servicemen's Readjustment Act of 1944 so as to reduce from 4½ percent to 4 percent the maximum interest rate on home loans made, guaranteed, or insured under that act; to the Committee on Veterans' Affairs.

By Mr. POAGE:
H. R. 8575. A bill to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities; to the Committee on Agriculture.

By Mr. POFF:
H. R. 8576. A bill to provide for jury trials in condemnation proceedings in United States district courts; to the Committee on the Judiciary.

By Mr. TOLLEFSON:
H. R. 8577. A bill to authorize the Public Health Service to admit to its hospitals persons addicted to the use of habit-forming narcotic drugs who are duly committed to the care of the Service by a court of any State, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. YORTY:
H. R. 8578. A bill to increase the basic rates of compensation of certain officers and employees of the Federal Government; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FOUNTAIN:
H. R. 8579. A bill for the relief of Z. A. Hardee; to the Committee on the Judiciary.

By Mr. MARTIN of Massachusetts:
H. R. 8580. A bill for the relief of Miss Athena Kitsopolou; to the Committee on the Judiciary.

By Mr. SCUDDER:
H. R. 8581. A bill for the relief of William J. Robertson; to the Committee on the Judiciary.

By Mr. WALTER:
H. R. 8582. A bill for the relief of Mariotoula Georga; 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:

584. By Mr. CURTIS of Massachusetts: Petition of the Boston Branch, National Postal Transport Association, relative to Post Office handling of 3-cent mail by air; to the Committee on Post Office and Civil Service.

585. By Mr. TALLE: Petition signed by Mrs. Charlotte Walby and 31 other persons in Allamakee and Winneshiek Counties, Iowa, advocating the passage of H. R. 1227; to the Committee on Interstate and Foreign Commerce.

586. By Mr. SADLAK: Petition of the board of directors of the Connecticut Tuberculosis Association opposing any further reduction in the Federal budget for tuberculosis control; to the Committee on Appropriations.

587. By the SPEAKER: Petition of Mrs. G. B. McGowin and others, Tampa, Fla., requesting passage of H. R. 2446 and H. R. 2447, proposed social-security legislation known as the Townsend plan; to the Committee on Ways and Means.

588. Also, petition of H. C. Curtis and others, West Palm Beach, Fla., requesting passage of H. R. 2446 and H. R. 2447, proposed social-security legislation known as the Townsend plan; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Postal Pay Legislation

EXTENSION OF REMARKS

OF

HON. JAMES C. DAVIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1954

Mr. DAVIS of Georgia. Mr. Speaker, the House Post Office and Civil Service Committee is engaged in holding hearings on legislation to increase salaries of postal and other workers. Today the gentleman from Florida [Mr. LANTAFF] made a statement to the committee regarding this legislation.

Mr. LANTAFF was a valued member of the Post Office and Civil Service Committee for some time. He has, during his service in Congress, made a close study of postal and civil-service problems.

The statement which he made to the committee shows a careful study and a wide knowledge of the subject under consideration.

I insert it herewith as a part of these remarks:

STATEMENT OF HON. WILLIAM C. LANTAFF, OF FLORIDA, BEFORE THE HOUSE COMMITTEE ON POST OFFICE AND CIVIL SERVICE, MARCH 25, 1954, ON THE SUBJECT OF A POSTAL PAY INCREASE AND THE FRY REPORT

Mr. Chairman, as a former member of the Post Office and Civil Service Committee, I am deeply interested in the legislation pending before you to provide an increase in pay for postal employees. At the outset, I should like to say that for various personal reasons, I am not seeking reelection to the Congress, nor am I aspiring to any other political job. I plan to resume the practice of law in Miami, Fla., following adjournment of the 83d Congress. Therefore, my appearance before you today is not prompted by any political motives, but rather because of a sincere interest in the Post Office Department and its employees.

I realize that the committee must weigh several factors in arriving at a decision as to whether or not the pay of our postal employees should be increased and if so, by how much. Many of you are perhaps thinking that such an increase would make the task of balancing the budget even more difficult. Some of you undoubtedly have experienced the situation in your communities where a position paying \$4,040 a year is sought after by dozens of applicants and that, accordingly, there is no necessity to raise postal pay this year. Others perhaps are wondering how you can justify a record of voting for economy in Government if you approve the expenditure of an additional \$320 million, as called for by the Rhodes-Withrow bills. All of these factors unquestionably complicate the issue for you.

From a survey conducted in my district, I am convinced, however, that not only the best interests of the postal employees will be served, but also the best interests of the Post Office Department by an increase in postal pay. As an example, of the 260 postal clerks in the Miami Post Office, 38 percent are forced to engage in part-time work in addition to their postal duties in order to provide for their families. The wives of 35 percent of these employees are forced to work. Notwithstanding this supplemental income, debts increased for 70 percent of the clerks during the past year. The average total debts, not including mortgages, amounts to \$762.96, and 19 percent of the clerks have been forced to borrow on their insurance policies. The same situation that we find in the case of post-office clerks is also true of the letter carriers in the Miami office. Out of 271 letter carriers, 48 percent engaged in part-time work and the wives of 43 percent of the letter carriers were working. At the same time, 83 percent of the carriers reported an increase in debts.

These surveys were both taken in the summer months. It is quite probable that the survey would show a greater number working during the winter months, because of the fact that work opportunities are not as great in Miami in the summer as they are in the winter.

It seems rather obvious that today's wage scale is not geared to today's high cost of living and is wholly unrealistic. Such a wage scale adversely affects the morale of this loyal group of employees and in the long run increases the costs of operating the Department. That such is true is supported by the fact that there was a 25 percent personnel turnover at the Miami post office for the period April 1, 1952, through March 31, 1953, exclusive of Christmas and seasonal help. This amounted to more than one a day for each working day. Certainly, no business of comparable size could operate efficiently or economically with such a turnover.

Our objective in 1951, when we increased postal salaries, was to bring these wages in line with the high cost of living and to enable the Post Office Department to compete with private industry in recruiting competent individuals into the service. As of July 1, 1951, when that increase became effective, the Consumer's Price Index of the Bureau of Labor Statistics was 185.5. As of December 1953, the index stood at 192.1. This is the last figure available for the old series index.

At the present time, the average annual salary of a post office clerk is approximately \$4,040, and that of the letter carrier is \$4,018, according to the report of the Postmaster General for July 1, 1952. It will thus be seen that the ratio between the salary and the BLS Index is approximately \$22 for each point of the index. Therefore, in order to place the postal employee in the same salary position that we placed him in 1951, we would have to raise his salary at least \$154 per annum.

There is another factor which I believe we should consider in arriving at a realistic wage

scale. For the 5-year period from 1947 to 1952, the Post Office handled an increase in volume of 33 percent in number of pieces and 29 percent in weight, with an increase in personnel of only 9 percent. These figures are taken from the annual report of the Postmaster General. If we only use one-fourth of this improvement factor, which I feel sure you will agree is most reasonable, we could conclude that an additional 5 percent should be added to postal salaries as a reward to the postal employee for increasing the efficiency of the service, even in the face of a demoralizing wage scale.

Certainly, no one can deny that our postal employees, in common with our citizens generally, are entitled to financial recognition for the part they have played and are playing in increasing efficiency and productivity in the Department. If we in Congress recognize that the employees of the Federal Government are entitled to share in the modest extent I have recommended, I feel sure that this added incentive will produce even greater savings in the Department and a better postal service.

Now, if we consider that a wage increase of \$154 is necessary to restore the purchasing power to the postal employee that we endeavored to give him in 1951, we would then have an average annual earning for a postal clerk of \$4,194. To this should be added the 5 percent that I have referred to, which amounts to \$209.70. The total increase that would be justified, therefore, on the basis that I have outlined would be a minimum of \$363.70 per annum.

I recognize that there is considerable merit in the position taken by our employee groups that postal salaries should be designed so as to provide the employee with at least the same sum that was available for normal living expenses in the year 1939. However, the other factors which I have discussed at the outset of these remarks undoubtedly make it difficult for the committee to go as far in the adjustment of postal salaries as you would like to do. Certainly, though, there is ample justification for a salary increase of approximately \$400 per annum, and I urge the committee to increase postal salaries at least by this amount, so that the Department can recruit and retain the high type of employee capable of rendering the type of service demanded by the American people.

Before concluding my remarks I would like to briefly comment on the Fry report. Following presentation of this plan to Congress by the Postmaster General, I consulted with the postal employees in my district to determine whether or not the Fry recommendations were workable, and while I certainly don't pose to be an authority on the subject, I would like to call to the attention of this distinguished committee certain recommendations of the Fry report which I do not believe are in the best interests of the postal service.

In the first place, the plan of the Postmaster General contemplates that each postmaster will allocate individual jobs to grades for which specifications have been published. In other words, a clerk in the Miami post office might be classified as a clerk, junior,