

vocate General of the Army, and as major general, Judge Advocate General's Corps, Regular Army, and major general (temporary), Army of the United States, under the provisions of sections 208 (c) and 308, Army Organization Act of 1950 (64 Stat. 268, 270; 10 U. S. C. 21h (c), 61-1); section 249, Universal Military Training and Service Act (62 Stat. 643; 10 U. S. C. 61a); and sections 513 and 515 (c), Officer Personnel Act of 1947 (61 Stat. 901, 907; 10 U. S. C. 559g, 506d (c)).

SENATE

THURSDAY, APRIL 22, 1954

(Legislative day of Wednesday, April 14, 1954)

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

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

Almighty God, who in former times didst lead our fathers forth into this land to here establish a government of and for the people, grant Thy grace to us, their children, in these days of crisis, that we may prove ourselves a people mindful of Thy favor and eager to be the instruments of Thy will.

With massed and sinister forces plotting the destruction of our Republic, save the inner life of our Nation from violence, discord, and confusion, from pride and arrogance, and from every evil way. May personal differences and animosities be subordinated, as all true Americans strive to strengthen the solidarity of this, freedom's last, best hope, as it goes to battle with the principalities and powers of darkness in all the earth. For the preservation of liberty, for the defeat of all tyranny, for the opportunity still to be free souls, for the redemption of democracy from its failures, for the establishment of a just and lasting peace, we lift our hearts to Thee, O God of our salvation. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, April 21, 1954, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Tribbe, one of his secretaries.

COMMITTEE MEETINGS DURING SENATE SESSIONS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Government Operations be permitted to meet during the sessions of the Senate for the duration of the current investigation.

Mr. JOHNSON of Texas. Mr. President, I should like to inform the Senate

that the majority leader told me late yesterday that he contemplated making this request. I conferred with the ranking minority member of the subcommittee, the senior Senator from Arkansas [Mr. McCLELLAN], who has informed me that this consent is essential to the uninterrupted operations of the subcommittee. Therefore, there is no objection. The PRESIDENT pro tempore. Without objection, it is so ordered.

On request of Mr. CAPEHART, and by unanimous consent, the Committee on Banking and Currency was authorized to meet this afternoon during the session of the Senate.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

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

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

The PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

EXECUTIVE COMMUNICATIONS, ETC.

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

AWARD OF MEDALS, CROSSES, AND SIMILAR AWARDS IN CERTAIN CASES

A letter from the Assistant Secretary of the Navy for Air, transmitting a draft of proposed legislation to provide for the award of certain medals, crosses, and other similar awards, in cases where the statement or report recommending the award was not completely processed because of loss or inadvertence (with an accompanying paper); to the Committee on Armed Services.

REPORT ON DETAIL OF CERTAIN OFFICERS AT SEAT OF GOVERNMENT

A letter from the Director, Legislative Liaison, Department of the Air Force, reporting, pursuant to law, that 2,495 officers were assigned or detailed to permanent duty in the executive element of the Air Force at the seat of government, at the end of the third quarter of fiscal year 1954, March 31, 1954; to the Committee on Armed Services.

AUDIT REPORT ON HOUSING AND HOME FINANCE AGENCY, ETC.

A letter from the Acting Comptroller General, transmitting, pursuant to law, an audit report on the Housing and Home Finance Agency, Home Loan Bank Board, Federal Home Loan Banks, and Federal Savings and Loan Insurance Corporation, for the fiscal year ended June 30, 1953 (with an accompanying report); to the Committee on Government Operations.

JOURNAL OF HOUSE OF REPRESENTATIVES, LEGISLATURE OF HAWAII

A letter from the Secretary of Hawaii, transmitting, pursuant to law, a copy of the Journal of the House of Representatives of the Legislature of Hawaii, for the regular session of 1953 (with an accompanying document); to the Committee on Interior and Insular Affairs.

ESTABLISHMENT OF AIR TERMINAL AT GENERAL MITCHELL FIELD, MILWAUKEE, WIS.—RESOLUTION OF MILWAUKEE COMMON COUNCIL

Mr. WILEY. Mr. President, I have received today from James F. Keller, city clerk and controller for the city of Cudahy, Wis., a resolution adopted by the common council of that city on April 7, relative to the establishment of an air terminal at General Mitchell Field in Milwaukee.

I present the resolution and ask unanimous consent that it be printed in the Record, and be thereafter referred to the Senate Post Office Committee.

There being no objection, the resolution was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the Record, as follows:

Resolution 1038

Resolution favoring the establishment of an air terminal at General Mitchell Field, Milwaukee, Wis.

Whereas the United States Post Office has inaugurated the transit of ordinary 3-cent first-class mail by air instead of by rail between Chicago and New York and between Washington, D. C., and Chicago; and

Whereas formerly this transit mail was always worked by postal transportation clerks or railway mail clerks in railroad post-office cars en route; and

Whereas it is possible that mail at the point of origin will be delayed by this change of handling mail due to the availability of space on planes; and

Whereas mail from Milwaukee County has to be worked on after arrival at the Chicago Airfield terminal which results in additional delay and requires additional help, both substitute and temporary; and

Whereas additional delays are encountered at the Chicago Airfield terminal because regular airmail with 6-cent postage has a priority; and

Whereas this is a matter of vital concern to the residents of the city of Cudahy because a large percentage of the ordinary 3-cent mail is to or for the State of Wisconsin: Now, therefore, be it

Resolved by the Common Council of the City of Cudahy, That it record itself as in favor of the establishing of an air terminal at General Mitchell Field at Milwaukee, Wis.; be it further

Resolved, That the city clerk be and he is hereby instructed to forward a certified copy of this resolution to the Honorable Senators WILEY and McCARTHY and Congressman ZABLOCKI at Washington, D. C., and also to the honorable the Board of Supervisors of Milwaukee.

Introduced at a regular adjourned meeting of the Common Council of the City of Cudahy, held this 7th day of April 1954.

Passed and approved this 7th day of April 1954.

VINCENT TOTKA,
Mayor.

Attest:

JAMES F. KELLER,
City Clerk.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 46. A bill for the relief of E. S. Berney (Rept. No. 1229);

H. R. 666. A bill for the relief of Michele Paccione (Rept. No. 1230);

H. R. 858. A bill for the relief of Kim MI Hae (Rept. No. 1231);

H. R. 1689. A bill for the relief of the Frank M. Hill Machine Co., Inc. (Rept. No. 1232);

H. R. 1755. A bill for the relief of Theresa Mire Piantoni (Rept. No. 1233);

H. R. 2368. A bill for the relief of Richard E. Rughaase (Rept. No. 1234);

H. R. 2385. A bill for the relief of Giuseppe Fruscione (Rept. No. 1235);

H. R. 7559. A bill for the relief of Mrs. Madeleine Alice Aquarone (Rept. No. 1236); and

S. Res. 227. Resolution extending the authority for an examination and review of the administration of the Trading With the Enemy Act (Rept. No. 1237).

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

S. 555. A bill for the relief of Charles W. Gallagher (Rept. No. 1239);

S. 1602. A bill for the relief of Edward Naarits (Rept. No. 1240);

S. 1725. A bill for the relief of Lajos Schmidt and his wife, Magda (Rept. No. 1241);

S. 3064. A bill for the relief of the estate of Mary Beaton Denninger, deceased (Rept. No. 1242); and

H. R. 4735. A bill for the relief of Lt. Col. Richard Orme Flinn, Jr. (Rept. No. 1243).

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

H. R. 683. A bill for the relief of George P. Symrniotis (Rept. No. 1244).

By Mr. SALTONSTALL, from the Committee on Armed Services:

S. 2468. A bill to authorize the President to appoint to the grade of general in the Army of the United States those officers who, in grade of lieutenant general, during World War II commanded the Army Ground Forces, commanded an Army, or commanded Army forces which included a field army and supporting units, and for other purposes; with amendments (Rept. No. 1238).

BILLS INTRODUCED

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

By Mr. JACKSON:

S. 3338. A bill for the relief of Capt. Louis A. Hennessy; to the Committee on Armed Services.

By Mr. ANDERSON (for himself and Mr. SCHOEPEL):

S. 3339. A bill to authorize the Farm Credit Administration to make loans of the type formerly made by the Land Bank Commissioner; to the Committee on Agriculture and Forestry.

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

By Mr. LEHMAN:

S. 3340. A bill to establish a program of grants to States for the development of fine arts programs and projects, to provide for the establishment of an American National War Memorial Arts Commission, and for other purposes; to the Committee on Labor and Public Welfare.

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

AUTHORIZATION FOR FARM CREDIT ADMINISTRATION TO MAKE CERTAIN LOANS

Mr. ANDERSON. Mr. President, on behalf of the Senator from Kansas [Mr. SCHOEPEL] and myself, I introduce for appropriate reference a bill to authorize the Governor of the Farm Credit Administration to make loans of the type formerly made by the Land Bank Commissioner. I ask unanimous consent that the bill and a short statement prepared by me relating to the bill be printed in the RECORD.

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

The bill (S. 3339) to authorize the Farm Credit Administration to make loans of the type formerly made by the Land Bank Commissioner, introduced by Mr. ANDERSON (for himself and Mr. SCHOEPEL), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That during the period beginning on the date of enactment of this act and ending on June 30, 1956, the Farm Credit Administration is authorized to exercise the authority conferred upon the Land Bank Commissioner by section 32 of the Emergency Farm Mortgage Act of 1933 (12 U. S. C. 1016).

SEC. 2. Such section is amended by striking out "July 1, 1947" and inserting in lieu thereof "June 30, 1956."

The statement by Mr. ANDERSON is as follows:

STATEMENT BY SENATOR ANDERSON

I need not remind the Congress of the prolonged drought that we have, and continue to experience, in the Southwest. We have had this problem before us often during the last year. I assisted in the passage of emergency drought-relief legislation during the 1st session of the 83d Congress. I have been continuously working with our people in New Mexico and the Southwest to make sure that they are able to take advantage of the assistance provided in this legislation. Without this assistance we would be in far more trouble than we are at present.

Last fall Senator SCHOEPEL and I made an automobile trip through southeast Colorado, southwest Kansas, northwest Oklahoma, northwest Texas, and western New Mexico. We made a firsthand inspection of the drought conditions at that time, and met with many farmers and ranchers to discuss their drought problems and to get their ideas of what might be necessary if these conditions continued. There was some indication at that time that unless the drought broke early this year there would be a need for some additional financing to prevent many foreclosures of mortgages or liquidation. Senator SCHOEPEL and I have kept in close touch with the situation and have continued to correspond with the ranchers and farmers in this area. My correspondence shows an increasing need for legislation that will permit loans of the type formerly made under section 32 of the Emergency Farm Mortgage Act of 1933.

I have just returned from another trip over most of the east side of New Mexico, where I again talked with many ranchers and farmers, and find that there is an increasing need for this type of financing, and that it will be in real demand this fall unless the drought conditions are greatly

improved. The situation does not look good, and even if rain should come and the drought should be broken it appears that it will be too late to prevent considerable numbers of foreclosures and liquidations. I believe we should be prepared for any eventuality, and the easiest and quickest way to meet this problem is to reinstate the laws that provide authority for making the Land-Bank-Commissioner-type loan. If legislation is not passed at this session to make provision for this type of assistance, many ranchers and farmers will be put out of business before Congress could meet again and pass a bill to provide the help we need.

Briefly, the bill offered by Senator SCHOEPEL and me provides authority for the Farm Credit Administration to make loans of the type formerly made by the Land Bank Commissioner, by restoring the authority to the Farm Credit Administration that existed under section 32 of the Emergency Farm Mortgage Act of 1933 (12 U. S. C. 1016). This bill also provides that the authority would expire June 30, 1956. If, during the next session of Congress, we find that the need no longer exists, the legislation would expire. If the need still existed, the authority could be extended.

AMERICAN NATIONAL ARTS ACT

Mr. LEHMAN. Mr. President, I introduce for appropriate reference a bill to establish a program of grants to States for the development of fine-arts programs and projects, and to provide for the establishment of an American National War Memorial Arts Commission.

I ask unanimous consent that a statement I have prepared explaining the bill be printed in the RECORD.

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

The bill (S. 3340) to establish a program of grants to States for the development of fine-arts programs and projects, to provide for the establishment of an American National War Memorial Arts Commission, and for other purposes, introduced by Mr. LEHMAN, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The statement by Mr. LEHMAN is as follows:

STATEMENT BY SENATOR LEHMAN

I have today introduced a bill to establish an American National War Memorial Arts Commission for the purpose of assisting the further growth and development of fine arts in all parts of our country.

My bill is a further refinement of several similar bills which have already been introduced in both the House and Senate. Congressman HOWELL, of New Jersey, has been a leader in support of this legislation in the House along with some 10 other Congressmen. Senators MURRAY, NEELY, HUMPHREY, LANGER, and KEFAUVER have led in the sponsorship of this proposal in the Senate.

I am pleased to join in this growing effort to take a broad approach to the problem of stimulating the growth of the fine arts in the United States. It is my understanding that hearings soon will be held before the House Labor and Public Welfare Committee on these proposals. I hope that similar hearings will be held before the Senate Labor and Public Welfare Committee.

My bill would provide for a program of grants in aid to the several States for the development of State programs for the encouragement of fine arts projects.

Provision is also made for encouraging the construction of cultural centers as a part of an expanded public-works program. In view of the level of unemployment and the desirability of a public-works program as one means by which Federal and State Governments can meet the present economic situation, it is fitting that there be available plans and programs for the construction of buildings and projects to enhance the appreciation of the fine arts by all our people.

This bill would provide the necessary declaration of legislative intent to insure that general urban-construction and slum-clearance programs would take adequate note of the need for fine arts centers and facilities. One of the sections of the bill, on the pattern established in the National Science Foundation Act, provides for interchange and coordination of the fine-arts programs that already are in existence within the various departments and agencies of the Federal Government.

Perhaps the most important part of the act is that section which would provide for cultural interchange with other countries of the world. We in the United States have fallen into a habit of letting the rest of the world believe in the myth that there is no real cultural base in the United States—that the creative artists of the United States have little to contribute to the cultural growth of our civilization. The Communists have exploited this myth by propagandizing the peoples of the world with the story that we in the United States are materialistic barbarians.

I believe that fine arts, in their broadest sense, provide one of the most effective ways of transmitting to the peoples of the world the true essence of democracy. We can help destroy the Communist myth by encouraging cultural interchange of representative American artists with others in the free world.

The fine arts can provide a great source of spiritual and intellectual growth for all our citizens. We in America have more leisure time than the peoples of any country of the world. The stimulation of creative participation in the fine arts under the provisions of this bill, would go far toward filling a great gap in our national life.

PRINTING OF REPORT ON INVESTIGATION OF LEAD AND ZINC INDUSTRIES BY TARIFF COMMISSION

Mr. MILLIKIN submitted the following resolution (S. Res. 239), which was referred to the Committee on Rules and Administration:

Resolved, That the United States Tariff Commission Report on the Investigation of the Lead and Zinc Industries, conducted under section 332 of the Tariff Act of 1930, pursuant to a resolution by the Committee on Finance, be printed as a Senate document.

DEVELOPMENT OF THE WOOL INDUSTRY—AMENDMENTS

Mr. YOUNG (for himself, Mr. LANGER, and Mr. BARRETT) submitted an amendment intended to be proposed by them jointly to the bill (S. 2911) to provide for the development of a sound and profitable domestic wool industry under our national policy of expanding world trade, to encourage increased domestic production of wool for our national security, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. LEHMAN submitted an amendment intended to be proposed by him to

Senate bill 2911, supra, which was ordered to lie on the table and to be printed.

TWO HUNDREDTH ANNIVERSARY OF FOUNDING OF CITY OF CRANSTON, R. I.—PROCLAMATION OF THE MAYOR

Mr. GREEN. Mr. President, I ask unanimous consent to have printed in the RECORD a proclamation issued by Hon. George R. Beane, mayor of the city of Cranston, R. I., in connection with the 200th anniversary of the founding of that city.

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

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS, CITY OF CRANSTON—PROCLAMATION

Whereas on June 14, 1754, the villages of Pawtuxet, Mashpaug, Knightsville, and Meshanticut Meadows were set off from the town of Providence and were incorporated as the town of Cranston by the general assembly of the Colony; and

Whereas June 14, 1954, is the 200th anniversary of the said incorporation of the town of Cranston; and

Whereas the Bicentennial Committee, Inc., of Cranston, R. I., with the cooperation of all the citizens of the city of Cranston, has arranged many appropriate activities throughout this year of 1954 in the city of Cranston, R. I.;

Now, therefore, I, the Honorable George R. Beane, mayor of the city of Cranston, in the State of Rhode Island, do hereby proclaim this year of 1954 as Bicentennial Observance Year, and do urge all of our citizens to support wholeheartedly the bicentennial committee in its efforts to celebrate the 200th anniversary of the founding of the city of Cranston in the State of Rhode Island.

In witness whereof I have hereunto signed my name officially and caused the seal of the city of Cranston to be affixed this 5th day of February 1954.

GEORGE R. BEANE,
Mayor.

NOTICE OF HEARING ON SENATE JOINT RESOLUTION 23, PROPOSING AN AMENDMENT TO THE CONSTITUTION RELATIVE TO TAXES ON INCOMES, INHERITANCES, AND GIFTS

Mr. LANGER. Mr. President, on behalf of the standing Subcommittee on Constitutional Amendments of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, April 27, 1954, at 10 a. m., in room 424, Senate Office Building, on Senate Joint Resolution 23, a resolution proposing an amendment to the Constitution of the United States relative to taxes on incomes, inheritances, and gifts. At the indicated time and place all persons interested in the proposed legislation may make such representations as may be pertinent. The subcommittee consists of myself, chairman; the Senator from Illinois [Mr. DIRKSEN]; the Senator from Maryland [Mr. BUTLER]; the Senator from West Virginia [Mr. KILGORE]; and the Senator from Tennessee [Mr. KEFAUVER].

NOTICE OF HEARING ON SENATE JOINT RESOLUTION 39, PROPOSING AN AMENDMENT TO THE CONSTITUTION TO ENABLE CONGRESS TO FUNCTION EFFECTIVELY IN TIME OF EMERGENCY OR DISASTER

Mr. LANGER. Mr. President, on behalf of the standing Subcommittee on Constitutional Amendments of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, May 5, 1954, at 10 a. m., in room 424, Senate Office Building, on Senate Joint Resolution 39, a resolution proposing an amendment to the Constitution of the United States to enable the Congress to function effectively in time of emergency or disaster. At the indicated time and place all persons interested in the proposed legislation may make such representations as may be pertinent. The subcommittee consists of myself, chairman; the Senator from Illinois [Mr. DIRKSEN]; the Senator from Maryland [Mr. BUTLER]; the Senator from West Virginia [Mr. KILGORE]; and the Senator from Tennessee [Mr. KEFAUVER].

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Lawrence Quincy Mumford, of Ohio, to be Librarian of Congress, which was referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

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

Potter Stewart, of Ohio, to be United States circuit judge, sixth circuit, vice Xenophon Hicks;

James Alger Fee, of Oregon, to be United States circuit judge, ninth circuit, vice Clifton Mathews;

Jean Sala Breitenstein, of Colorado, to be United States district judge for the district of Colorado;

Bailey Aldrich, of Massachusetts, to be United States district judge for the district of Massachusetts;

Archie Owen Dawson, of New York, to be United States district judge for the southern district of New York, vice Henry W. Goddard; and

Robert Palmer Anderson, of Connecticut, to be United States district judge for the district of Connecticut, vice Carroll C. Hincks.

REFUSAL OF PRIME MINISTER NEHRU TO PERMIT UNITED STATES PLANES CARRYING FRENCH TROOPS TO CROSS INDIA

Mr. KNOWLAND. Mr. President, for the information of the Senate, I should like to read a dispatch carried on the noon ticker, under a New Delhi dateline:

NEW DELHI.—Prime Minister Nehru today forbade United States airlift planes from

flying over India with French commandos destined for battle at Dien Bien Phu.

The Prime Minister, who repeatedly has called for negotiations to end the 7-year war in Indochina, said his refusal to permit the planes to use the trans-India shortcut was a policy matter.

The United States Air Force called a special meeting at Wiesbaden, Germany, where it was announced yesterday that the 8,500-mile Paris-to-Indochina airlift had started, to discuss Nehru's ban.

An official spokesman said the planes would not land or fly over Indian territory.

The official declined, however, to reveal the route taken by the planes, which are manned by American crews, for reasons of security.

An Indian spokesman said that in the event one of the giant C-124 Globemasters made an emergency landing on Indian soil, circumstances of the landing would be studied before action was taken.

Informed sources in Paris said Nehru had been asked last week for permission to fly French troops to Indochina over the subcontinent but the official request was refused.

Nehru did not make public his refusal until Parliament last night started debate on the announcement that the planes were airborne.

That is the end of the news item.

Mr. President, I should like to say, briefly, that of course there is no question as to the legality of the position Prime Minister Nehru has taken, because his country has a right to object to the flying of these planes across Indian territory. However, Mr. President, I wish to say that I think it is a very sad thing in this day, when the free world has been attempting to build a system of collective security against the greatest menace to human freedom the world has ever known, namely, the international conspiracy of communism, that Mr. Nehru has taken this position.

He is a good deal like the owner of a piece of property who sees a neighbor's house on fire. The good neighbors would wish to attach a hose to help put out the fire; but because the line of the fire fighting would have to be laid across Mr. Nehru's lawn, so to speak, he would object to it, and in effect would say, "If the line comes this way, I will cut it, even though it is for the purpose of putting out the fire."

Mr. President, I think the people of the United States, the Congress of the United States, and every other believer in maintaining a free world of freemen will be sorely disappointed at this action by the Government of India. All I can say is that it is consistent with the votes of India in the United Nations during the entire Korean war, when more than 85 percent of the time the Indian delegates voted with the Communist powers.

Mr. BRIDGES. Mr. President, I wish to second the statements made by the distinguished and able senior Senator from California [Mr. KNOWLAND], our majority leader.

I was amazed, shocked, and disappointed when I read in the newspapers this morning the dispatch the distinguished Senator from California has just read. It is almost unbelievable that any nation wanting freedom and world peace would interpose objection to United States planes flying over its territory, when they are flying in order to carry

personnel and materials to help stop the spread of communism.

We have been told that the great objective of the free nations of the world, is a movement for mutual defense, and that foreign aid is a mutual matter. In that connection the word "mutual" must be stressed. Now it is time to emphasize the proper use of the word "mutual."

Last year we poured out, as we have done in the past, millions of dollars to India. There will soon be before the Congress of the United States requests for more millions of dollars to go to India. Yet, this refusal by Mr. Nehru is the type of cooperation the free world, including the United States, gets from India.

Let me say that I remember standing on this floor, several years ago, and, with the distinguished Senator from Michigan [Mr. FERGUSON], offering an amendment to the bill by which the United States gave India \$200 million worth of wheat. The amendment requested that India and the United States mutually assist each other with India exchanging strategic war materials necessary for the defense of the United States and the other nations of the free world. For instance, one of the items was monazite sand which is needed in the production of jet planes and atom bombs. The Senate adopted the amendment; but in the conference with the House, when the pressure was on, the amendment was knocked out, much to my regret.

The following week, as the Senator from California says, after we gave her \$200 million worth of wheat, paid for by the American people, India led the fight against us in the United Nations. I think it is time for a little mutual aid and cooperation. It is time to find out whether the aid which we are pouring out is really a part of a mutual arrangement. I want Mr. Stassen and some of the other officials who make recommendations for appropriations for mutual aid to take notice of this incident before they come to the Appropriations Committee of the Senate asking for more millions of dollars for India.

Mr. FERGUSON. Mr. President, I think it is timely to note on the floor of the Senate the position that India, through her Prime Minister, has recently taken—a position which at least gives aid and comfort to the Communist world.

No one should know better than does Mr. Nehru that the struggle today in Indochina is that of freedom against communism. Mr. Nehru should be able to see behind the claim of the Communists that they are merely fighting for the freedom of Indochina because he, of all people, should know that communism means slavery, and that under the guise of independence the Communists would impose slavery on the people of the three states of Indochina.

As I understand the press release, Mr. Nehru has announced that he will not permit the flying of troops in American planes across his country. That means that it will be necessary to use other routes. It may mean the loss of some of our pilots because of longer stretches of flying.

In the midst of a great struggle, at a time when we offer to hold a conference at Geneva, communism, taking advantage of every situation in the world from which it may benefit, inaugurates another economic, political, and propaganda battle. The Communists start the pressure in Indochina.

In order to save the lives of the garrison at Dien Bien Phu, which is so bravely defending freedom today, America, in pursuance of the plan to give material aid, is furnishing materiel, not soldiers. I take it that the transportation of these particular troops is a part of such aid. It is not an intervention in the battle by the furnishing of troops.

Again we find a roadblock thrown up by a member of the United Nations who certainly should be for peace in the world. We are attempting to get peace. We believe that by saving the garrison before the meeting at Geneva we shall be able to establish peace based upon justice.

Personally, I regard this act by a member of the United Nations outside the Communist orbit, at the present time not a satellite of Communist Russia, as an unfriendly act. At the present time India is not a satellite of Communist Russia, but, step by step, Mr. Nehru may lead his people into that status.

THE DANGER OF COMMUNISM

Mr. WILEY. Mr. President, I have prepared a statement on the subject of informing the American people on the danger of communism.

I ask unanimous consent that my statement be printed at this point in the body of the RECORD, along with an attached memorandum which I have received from the Library of Congress on the subject of the present controversy on legislation which would outlaw the Communist Party.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Is there objection?

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

STATEMENT BY SENATOR WILEY

It is my earnest hope that the 83d Congress will take certain necessary steps to strengthen national security legislation.

Essential to such action is increased public information on this problem.

It is with the purpose of presenting helpful data to our people on the problem that I have prepared this brief round-up statement.

As chairman of the Senate Foreign Relations Committee, and as the ranking majority member of the Senate Judiciary Committee, I have long been deeply interested in this security field.

In 1947 and 1948, during the 80th Congress, I had served as chairman of the Judiciary Committee. At that time, we held hearings on Communist-control legislation.

Unfortunately, the issue came before us relatively so late in the session that there was not sufficient time for the full Senate to take up our committee's recommendations. Our efforts, however, were later to bear fruit in the Internal Security Act of 1950.

SECURITY AFFAIRS SUBCOMMITTEE ESTABLISHED

As chairman of the Senate Foreign Relations Committee in the present Congress, one of my first actions in the 83d Congress was to establish a Security Affairs Subcom-

mittee designed exclusively to look into the problem of world-wide Communist espionage, sabotage, and subversion.

The reason for this subcommittee is apparent. Soviet efforts to undermine ourselves and our allies are a crucial phase of the "cold war" technique.

The recent defection of the presumed MVD head in Australia, Vladimir Petrov, reconfirmed the role of the worldwide Soviet espionage ring in the Kremlin's overall plans. The sensational disclosure of Soviet spy operations has now occurred in country after country, in the United States, in Canada, in England, in Sweden, and now in Australia. There is no country in the world which is immune from Soviet efforts at penetration. So, we here in this country, in leading the anti-Communist struggle, should constantly seek to set the highest possible standard of building our legal bulwarks for our own and others' self-protection. We trust that other nations will follow suit.

SUBCOMMITTEE'S PUBLICATIONS

In contributing to public information on this issue, the Security Affairs Subcommittee has released certain studies, including:

1. A 28-page committee print entitled "Adequacy of the United States Laws With Respect to Offenses Against National Security," dated April 17, 1953.

2. A 24-page study entitled "Restrictions on Diplomatic Personnel by and from Iron-Curtain Countries," dated April 23, 1953.

3. And then a 60-page study entitled "Strength of the International Communist Movement," dated October 15, 1953.

A revised edition of this study on the worldwide strength of the Communist movement is now being prepared.

INTERNAL SECURITY MANUAL

In addition, in an individual capacity, I arranged for the preparation of Senate Document 47, a 285-page handbook entitled "Internal Security Manual." It lists—for the first time, within the covers of one book—all of the Federal statutes, Executive orders, and congressional resolutions relating to the internal security of the United States.

The Government Printing Office advises me that thousands of requests for purchase of this document have been processed by the GPO. It is sold for 70 cents.

In addition, I have received vast numbers of requests for complimentary copies from veterans' groups, church, civil, educational, and other groups. The entire complimentary congressional supply is now exhausted, and for that reason, on January 26, 1954, I introduced Senate Resolution 200, which was referred to the Senate Rules Committee, for the reproduction of an additional 2,000 copies of the manual.

TENSIONS WITHIN SOVIET UNION

Then, as chairman of the full committee, I arranged for the publication of a new edition of Tensions Within the Soviet Union. This was a Library of Congress study which had been issued at my request originally in the 82d Congress on May 24, 1951, as Senate Document 41.

The later edition was published as Senate Document 69 of the 83d Congress, dated July 28, 1953.

Moreover, the Foreign Relations Committee has published at my request Senate Document No. 70 entitled "Tensions Within the Soviet Captive Countries." Part I, March 9, 1954, dealt with Bulgaria; part II, April 5, 1954, deals with Rumania. In the not too distant future there will be issued a new part dealing with Eastern Germany.

WIRETAP SUBCOMMITTEE

Meanwhile, on the Senate Judiciary Committee, it is my privilege to serve as chairman of a subcommittee which is reviewing legislation to make evidence in national-security cases gained through legal wiretapping admissible in Federal courts.

I present this brief rundown of these past efforts because I feel that it is incumbent upon me to carry out obligations in this security field, just as I feel it is incumbent upon the Congress as a whole to do its share in enacting the various bills necessary to close up present loopholes in our security laws.

MEMO ON OUTLAWING COMMUNIST PARTY

Now, toward the end of clarifying one additional phase of the problem, I append at this point in the RECORD a Library of Congress memo prepared at my request on the background of the controversial issue of proposed legislation to outlaw the Communist Party. This issue, involving the problem of whether or not to force the Reds to go completely underground, is now being studied in the House Judiciary Committee. I know, however, it has already engaged the attention of my colleagues in the Senate, as it has my own.

It merits our expeditious thorough attention.

OUTLAWING THE COMMUNIST PARTY

An attempt is made herein to outline chronologically, the efforts of the Federal Government to outlaw the Communist Party.

On January 3, 1941, the House Committee on Un-American Activities, which was then known as the Dies committee, submitted its report (H. Rept. No. 1, 77th Cong.), in which it recommended the enactment of legislation to outlaw every political organization which is shown to be under the control of a foreign government.

In the 77th Congress two bills on the subject were introduced but received no action. H. R. 5042, June 12, 1941, declared the Communist Party, the Fascist or Black Shirt Party, and the German-American Bund to be subject to the control of foreign governments and detrimental to the peace, safety, and well-being of the United States. It made membership in such organizations unlawful and subject to maximum penalties of \$10,000 fine and/or 5 years imprisonment, and loss of citizenship. S. 1385, April 25, 1941, provided for punishment by fine not exceeding \$10,000 and imprisonment not exceeding 10 years, of persons who advocate criminal anarchy, criminal communism, criminal nazism, or criminal fascism, and of persons who organize or join groups or attend assemblages advocating the doctrines of criminal anarchy, criminal communism, criminal nazism, or criminal fascism.

From 1941 through the period of World War II, although action was taken under various then-existing laws to hamper the activities of the Communist Party, no legislation was introduced to outlaw the party.

In the 80th Congress, 5 bills were again introduced but received no action. H. R. 2122, February 20, 1947, made unlawful membership in the Communist Party or in any organization known by the individual concerned to be: (1) an organization which aims to establish, control, conduct, seize, or overthrow government in the United States by force, or (2) a political organization that is affiliated with, or controlled or supported by a foreign government or by a political party in a foreign country. The penalty provided was 5 years imprisonment and/or \$10,000 fine, and forfeiture of right to citizenship and right to hold public office. H. R. 4482, November 17, 1947, H. R. 5403, February 16, 1948, and H. R. 5615, February 27, 1948, sought to bar the Communist Party, political parties affiliated with it, or any other un-American party, from the election ballot. H. R. 4581, November 25, 1947, defined communism and provided that any person in the United States actively practicing it should be dealt with as a treasonable enemy of the United States.

In the 81st Congress, 5 bills were introduced but received no action. H. R. 83, January 3, 1949, H. R. 3290, March 7, 1949,

and H. R. 9307, August 2, 1950, made membership in the Communist Party unlawful and punishable by 10 years imprisonment, \$10,000 fine, or both. House Joint Resolution 120, January 27, 1949, and H. R. 9218, July 24, 1950, made it unlawful, under penalty of fine or imprisonment or both, for a member of the Communist Party to attempt to secure election to a Federal office. H. R. 3290 and House Joint Resolution 120 also provided for immediate deportation of alien Communists.

The Internal Security Act of 1950 (64 Stat. 987, ch. 1024) carries several provisions which should result in hampering the operations of the Communist Party. It requires the registration and annual reports of Communist-action and Communist-front organizations (sec. 7); makes it unlawful for a member of such organizations to hold Federal employment or for a member of a Communist-action organization to hold employment in a defense facility, or for a member of a Communist-front organization in seeking employment in a defense facility, to fail to disclose such membership (sec. 5 (a)); makes it unlawful for a member of such organizations to apply for a passport or for renewal of a passport, or to attempt to use any such passport (sec. 6 (a)); requires that a member of a Communist-action organization which has not registered or which has registered but has omitted his name from the list of members, must register with the Attorney General (sec. 8); and makes it unlawful for an officer or member of a Communist organization to knowingly receive or attempt to receive classified information from a Federal employee (sec. 4 (c)). The act denies such organizations the use of interstate facilities, such as mail, radio, and television, for propaganda unless such publication or program is identified as Communist in origin (sec. 10), and in section 11 denies such organizations the right to exemptions from income tax on corporations which they might otherwise be entitled to under section 101 of the Internal Revenue Code (26 U. S. C. 101).

However, the act does not outlaw the Communist Party. In fact section 4 (f) states that neither the holding of office nor membership in any Communist organization by any person shall constitute per se a violation of any criminal statute (64 Stat. 992).

On April 20, 1953, the Subversive Activities Control Board created by section 12 of the Internal Security Act (64 Stat. 997) issued an order under section 13 (g) of the act (64 Stat. 1000) requiring the Communist Party to register as a Communist-action organization upon its finding that the party is "substantially directed, dominated, and controlled by the Soviet Union, which controls the world Communist movement referred to in section 2 of the act; and that the respondent [Communist Party, United States of America] operates primarily to advance the objectives of such world Communist movement." (*Herbert Brownell, Jr., v. Communist Party of the United States of America* (S. Doc. No. 41, 83d Cong.)) The Communist Party has applied to the United States Court of Appeals for the District of Columbia, for a review of this order, under section 14 of the act (64 Stat. 1001) and the case has not yet been heard. Should the decision of the Board be eventually affirmed, all the provisions of the Internal Security Act listed above will go into effect with regard to the Communist Party and its members, and for many practical purposes will greatly weaken the party, since most Americans will not want their names publicly listed as members of an organization which is "directed, dominated, and controlled by the Soviet Union." However, as stated above, section 4 (f) (64 Stat. 992) is an assurance to Communists that the party has not been outlawed.

In the 82d Congress two bills were introduced but received no action. H. R. 1037,

January 8, 1951, sought to outlaw the Communist Party under its present name or under any name it may use in the future, and directed the immediate deportation of any alien members thereof. H. R. 5720, October 15, 1951, sought to outlaw the Communist Party under its present name or under any name it may use in the future, or any other organization having for one of its purposes the overthrow of the Government of the United States, or the Government of any State. It provided for a fine of not more than \$10,000, or imprisonment for not more than 10 years, or both.

The Immigration and Nationality Act of 1952 (66 Stat. 163-282) specifically includes Communists in the class of deportable aliens (sec. 241 (a) (6)) and in the class of aliens who are inadmissible (sec. 212 (a) (28)) and ineligible for naturalization (sec. 313 (a) (2)); but, of course does not outlaw the Communist Party.

In the 83d Congress there are several bills now pending, but none of these received any action as of this date:

H. R. 425, Mr. DONDERO; January 3, 1953. Makes it unlawful for a member of the Communist Party to attempt to secure Federal office as a candidate either for the Communist Party or for any other party. Sets a maximum penalty of \$25,000 and/or imprisonment for 10 years.

S. 200, Mrs. SMITH of Maine; January 7, 1953. Outlaws the Communist Party (under its present name or any name it may use in the future) or any other organization having for one of its purposes the overthrow of the Government of the United States, or the government of any State. Provides for a fine of not more than \$10,000 or imprisonment of not more than 10 years, or both; imposes forfeiture of all rights of citizenship, and renders members of such party ineligible to hold any office of trust or profit under the United States.

H. R. 1576, Mr. COLE of Missouri; January 13, 1953. Prohibits the name of any member of the Communist Party or any un-American party to be printed on any ballot for an office in the Government of the United States, under penalty of a fine of not more than \$25,000 and imprisonment of not more than 10 years.

H. R. 5941, Mr. KING of California; June 25, 1953. Declares any person who knowingly and willfully becomes or remains a member of the Communist Party or any other subversive organization of similar nature may be reasonably presumed to have adopted and undertaken to support the aims and purposes of such organizations. Outlaws the Communist Party (under its present name or any name it may use in the future) or any other organization having for one of its purposes the overthrow of the Government of the United States or the government of any State. Provides for a fine of not more than \$10,000 or imprisonment of not more than 10 years or both; imposes forfeiture of all rights of citizenship and renders members of such party ineligible to hold any office of trust or profit under the United States.

H. R. 6943, Mr. STAGGERS; January 6, 1954. Establishes a bipartisan commission to study the question of outlawing the Communist Party and to make a report of its findings within 6 months.

House Joint Resolution 346, Mr. SECRET; January 11, 1954. Makes it unlawful for a member of the Communist Party to attempt to secure Federal office on penalty of fine up to \$10,000 and/or imprisonment for not more than 10 years. Provides for immediate deportation of alien members of the Communist Party.

H. R. 7312, Mr. KERSTEN of Wisconsin; January 18, 1954. Provides for the forfeiture of United States citizenship of individuals who are members of or assist in organizing the Communist Party or any Communist-

action organization so determined by the Subversive Activities Control Board.

H. R. 7337, Mr. WILSON of Texas; January 18, 1954. Outlaws the Communist Party and similar subversive organizations by making it a felony to be a member thereof. Provides for forfeiture of citizenship of persons convicted of engaging in subversive activities. Provides a penalty of a fine of not more than \$10,000 or imprisonment of up to 10 years or both, loss of nationality and all rights of citizenship, and ineligibility for employment by or contractual privileges with the United States.

H. R. 7405, Mr. MADDEN; January 20, 1954. Outlaws the Communist Party and any other organization created for the purpose of overthrowing the Government of the United States, on maximum penalty of a fine of \$10,000, imprisonment for 10 years or both, and forfeiture of all rights of citizenship and of right to become a citizen.

S. 2752, Mr. POTTER; January 18, 1954. Makes membership in the Communist Party a felony, punishable by fine or imprisonment or both.

H. R. 7814, Mr. DIES; February 9, 1954. Makes it unlawful to knowingly or willfully become or be a member of, or affiliate with any organization advocating, teaching, etc., the overthrow of the Government by force or violence. Provides that the Third International Cominform or the Communist International be held to embrace such a doctrine. Provides a penalty of up to \$10,000 or imprisonment up to 10 years or both, and makes such convicted persons ineligible for employment by the United States.

H. R. 7846, Mr. DIES; February 12, 1954. Makes affiliation with the Communist Party unlawful under penalty of fine not exceeding \$10,000 or imprisonment for not more than 10 years or both, and ineligibility for employment by the United States.

H. R. 7894, Mr. DIES; February 16, 1954. Declares the Communist Party and similar organizations illegal. Makes membership therein, or participation in the activity thereof a criminal offense punishable by imprisonment not to exceed 10 years or a fine not to exceed \$10,000, or both.

H. R. 8326, Mr. HAGEN of California; March 10, 1954. Outlaws the Communist Party of the United States and any other revolutionary conspiracy and penalizes membership therein or activities in furtherance thereof with knowledge of the revolutionary object, by a maximum \$10,000 fine and/or 10 years imprisonment.

H. R. 8363, Mr. O'BRIEN of New York; March 11, 1954. Makes unlawful membership in the Communist Party.

H. R. 8483, Mr. CARRIGG; March 22, 1954. Makes unlawful membership in the Communist Party.

S. 3191, Mr. MANSFIELD; March 25, 1954. Outlaws the Communist Party and similar subversive organizations by providing a fine of not more than \$10,000 or imprisonment of not more than 10 years, or both for any person who becomes or remains a member of such party or organization.

S. 3290, Mr. FERGUSON; April 9, 1954. The Communist Expatriation Act of 1954 treats certain acts evidencing allegiance to the Communist movement and renunciation of allegiance to the United States as an exercise of the right of expatriation.

Constitutionality: The bills which are now pending in the 83d Congress contain two outstanding provisions: (1) Membership in the Communist Party is made a felony, and (2) persons who become or continue to be members of the Communist Party will forfeit their United States citizenship. These bills proceed on the theory that the Communist Party has for one of its purposes or aims the overthrow of the Government of the United States by force or violence.

1. Membership in the Communist Party a felony: The case of *Dennis v. United States*

((1951) 341 U. S. 494), established the constitutionality of the Smith Act (54 Stat. 670, 18 U. S. C. 2385), and also established that the aims of the Communist Party of the United States are subversive as declared by the Smith Act. In the words of Justice Frankfurter, "The defendants were convicted under section 3 of the Smith Act for conspiring to violate section 2 of that act, which makes it unlawful to organize or help to organize any society, group, or assembly of persons who teach, advocate, or encourage the overthrow or destruction of any Government in the United States by force or violence. The substance of the indictment is that the defendants * * * agreed to * * * organize * * * the Communist Party of the United States; that the aim of the new party was the overthrow and destruction of the Government of the United States by force and violence. The jury found all the defendants guilty" (341 U. S. 494, 517).

Also in *Frankfeld v. United States* ((1952) 198 F. 2d 679, 684) the Court stated: "The contention of the Government on the trial was that the Communist Party of the United States had as its objective the overthrow of the Government of the United States by force and violence as speedily as circumstances would permit and that the defendants were active members and officers of the party, participated in its purposes and gave it active support with knowledge of its unlawful objective. We think that the contention was amply supported by the testimony."

It would thus appear that the aims of the Communist Party are unlawful under the Smith Act. Would it therefore follow that Congress could constitutionally declare that mere membership in the party without proof of active participation therein is also unlawful? The Court covered this point in *Frankfeld v. United States, supra.*, at page 684: "Membership in an organization renders aid and encouragement to the organization; and when membership is accepted or retained with knowledge that the organization is engaged in an unlawful purpose, the one accepting or retaining membership with such knowledge makes himself a party to the unlawful enterprise in which it is engaged. Certainly it is within the power of Congress to forbid the circulation of literature advocating the forcible overthrow or destruction of the Government or membership in an organization having such destruction as its purpose, where there is knowledge of such purpose on the part of one accepting or retaining such membership."

2. Forfeiture of citizenship by accepting or retaining membership in the Communist Party: The constitutionality of this provision would involve several factors: (a) Is the Congress empowered to enact legislation under which a person would be expatriated by any but voluntary acts? (b) If Congress does not have this power, would the acceptance or retention of membership in the Communist Party be interpreted as a surrender of allegiance to the United States and thus a voluntary surrender of citizenship? S. 3290 places such an interpretation on membership in the Communist Party.

The Supreme Court of the United States has declared that "the 14th amendment, while it leaves the power where it was before, in Congress, to regulate naturalization, has conferred no authority upon Congress to restrict the effect of birth, declared by the Constitution to constitute a sufficient and complete right to citizenship." *United States v. Wong Kim Ark* ((1897) 169 U. S. 649, 703). However, the 14th amendment does not preclude citizenship acquired by birth or naturalization from being lost by expatriation. See *McKenzie v. Hare* ((1915) 239 U. S. 299); *Reynolds v. Haskins* ((1925) 8 F. 2d 473); *Savoryman v. United States* ((1950) 338 U. S. 491). In *McKenzie v. Hare, supra.*, at page 311, the Court stated, "It may be conceded that a change of citi-

zenship cannot be arbitrarily imposed, that is, imposed without concurrence of the citizen." However, it interpreted as constitutional the act of March 2, 1907 (34 Stat. 1228) which provided that an American woman who married a foreigner assumed the nationality of her husband for the duration of the marital relationship. This decision was based on the theory that in marrying a foreigner she took a voluntary step, the legal consequences of which she is presumed to know. "It is as voluntary and distinctive as expatriation and its consequence must be considered as elected." *Ibid.*, page 312. The Court appeared to stress the element of a foreign country entering into the case by the marriage of an American woman to a foreigner, "As a Government the United States is invested with all the attributes of sovereignty. As it has the character of nationality it has the powers of nationality, especially those which concern its relations and intercourse with other countries." (*Ibid.*, p. 311.) "But there is involved more than personal considerations. As we have seen, the legislation was urged by conditions of national moment * * *. The marriage of an American woman with a foreigner has consequences of like kind, may involve national complications of like kind, as her physical expatriation may involve." (*Ibid.*, p. 312.)

Even greater conditions of national moment are involved in the pending bills. If the decision of the Subversive Activities Control Board in *Brownell v. Communist Party of the United States, supra*, is confirmed, we will have a condition where a foreign country, the Soviet Union, controls and directs a political party in our country, and uses such party as an instrument to overthrow our Government and to advance the world Communist movement which the Soviet Union now controls.

Since voluntary expatriation was interpreted by marriage to a foreigner, it would not be unlikely that voluntary expatriation be interpreted in the acceptance or retention of membership in the Communist Party which would be outlawed by the passage of one of the bills now pending in the 83d Congress.

Should any of these bills be enacted into law, section 4 (f) of the Internal Security Act (64 Stat. 992) would have to be repealed.

CRIME DECREASE IN THE DISTRICT OF COLUMBIA

Mr. CASE. Mr. President, it has been a source of considerable gratification to those of us who are charged with responsibilities for the government of the District of Columbia to learn of the significant decrease in crime in Washington, reported by the FBI.

This has occurred at a time when the national crime rate continues to rise and is, therefore, in the nature of a special tribute to the law enforcement agencies of the District.

It was nearly 3 years ago, Mr. President, on May 1, 1951, when the then chairman and now ranking minority member of the Senate District Committee, the able Senator from West Virginia [Mr. NEELY] and the junior Senator from South Dakota joined in sponsoring a resolution to investigate crime in the District.

Washington at that time was afflicted with a hard core of racketeers who had flourished unmolested here for some time. It had a handful of officials who had been disgracefully derelict in their duties and a small group of officeholders who, through indifference, inability, or

cynicism had accepted as irremedial this disgraceful situation in the Capital City.

The resolution resulted in the appointment of a subcommittee that turned the spotlight on this national shame, and recommended a series of sweeping revisions of the District's Criminal Code.

In the early days of this Congress, with the cooperation of the House District Committee, we offered to the other body and to the Senate an omnibus bill incorporating the recommendations of the Neely committee to provide for more effective detection, prevention, and punishment of crime in the District. The Senate passed that measure on June 16, 1953, and it became law June 29.

During the same period, the Congress made available additional funds for overtime police work, and granted an overdue and substantial increase in pay to the Metropolitan Police force.

All of this has now borne fruit, and I am advised that the statistics for the fiscal year may prove even more encouraging than those for the calendar year just announced by the FBI.

Chief Murray and his men have taken the tools Congress has provided, and with the cooperation of awakened courts and prosecutors taken long strides to clean up the crime in Washington.

As the Evening Star noted editorially last night, Mr. President, this is an example of how "teamwork" pays off. For myself, Mr. President, and, I am sure, for every member of the Senate District Committee, I pledge our continuing interest and cooperation in these efforts to make our Nation's Capital a model of law enforcement and a city worthy of the proud name it bears and the country of which it is a symbol before the world.

Mr. President, I ask unanimous consent that the full text of the editorial to which I have referred, in the Star of Tuesday, April 20, entitled "Anticrime Teamwork Pays," may be printed at this point in my remarks.

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

ANTICRIME TEAMWORK PAYS

There is nothing mysterious about the highly gratifying drop in the crime rate in Washington last year—in contrast to the continued upward trend of lawlessness elsewhere in the Nation. There are several perfectly good reasons for the marked improvement in the local crime situation. They add up to relentless, effective law enforcement all along the line.

That teamwork in enforcement pays off is attested by the comparative figures on crime trends just released by the Federal Bureau of Investigation. Whereas the national crime total rose 6 percent last year, major crimes in Washington declined 12 percent, according to the annual bulletin, Uniform Crime Reports. This is the first time in many years that any decrease in the amount of crime has been noted here. Yet the population of the city has been increasing steadily. There were only two exceptions to the general trend. The number of murders and nonnegligent manslaughters increased by 2 to 74 and there was a rise of 18.4 percent in the number of automobile thefts. The latter development may have been related to the disturbing outbreak of juvenile delinquency in 1953. Joyriding, a polite name for car stealing, is one manifestation of youthful criminality.

While the FBI report covered the year as a whole, the Police Department's own records show that the crime drop was even greater for the last half of 1953. The decline approximated 14 percent for that period. Significantly, it was during the last 6 months of the year that Police Chief Murray was able to put more policemen on the street, thanks to restoration by Congress of a personnel fund that had been eliminated from the previous budget. The statistics show clearly that the expanded patrol work had much to do with the falling off in such categories as street robberies, burglaries, and assaults.

But Chief Murray quite properly distributes shares of the credit to other members of the law-enforcement team—to Congress not only for appropriations but for strengthening the local crime laws, to the prosecutors who pressed the charges vigorously and intelligently in court and to the judges who cracked down on convicted defendants with sentences adequate to make other criminals pause and ponder. The net result has been to reverse the crime trend which, in recent years, had brought a bad name to the National Capital. This is reassuring to citizens of the entire area and bad news to those criminal elements that had come to regard Washington as a soft touch.

THE ADMINISTRATION'S MONEY POLICY

Mr. BUSH. Mr. President, recently, the floor of the Senate has again become the scene for vehement attacks on the administration's sound money policies by certain Senators of the opposition. They would have the country believe that what they term the administration's "hard money, tight credit" policy has brought on a recession; also, that this policy is costing the taxpayers hundreds of millions of dollars through increased interest payments on the public debt; that it is subsidizing a handful of bankers, a few wealthy individuals, and large investment companies at the expense of consumers, farmers, and small-business men who have to pay higher rates for the money they borrow.

To back up their charges, these Senators have torn a few statistics out of context, incidentally distorting many of them, and when statistics were not available for their purposes they have attempted to prove their points by "you know and I know" generalities.

I do not doubt the personal integrity or sincerity of these Senators. Nor am I losing sight of the fact that this is an election year—a fact of which they appear to be fully aware. But I do say that the people of the United States are entitled to all the real facts on the administration's money policies. That is why I take the time of the Senate today to reply to certain rash statements which have been made, either through misunderstanding or political design. If left unchallenged they might give many of our citizens erroneous impressions of the administration's money and credit policies and other steps it is taking to effect the necessary transition from a war economy to an economy based on the prospect of peace.

First, let me make it clear that the administration never has had and does not now have a "hard money, tight credit" policy. The term was one conceived last spring by partisan critics of the administration to lead people into the

false notion that the new administration was out to fill the pockets of the wealthy at the expense of the great mass of our people. Nothing could be further from the truth. Nor, incidentally, could any catch phrase less accurately describe the administration's money and credit policies than to say that they are "hard" or "tight."

This administration has never advocated either hard money or cheap money, as such. It does not believe in rigid money policies in either direction. It has always been convinced that the interests of the entire country could best be served by a sound money policy, and a flexible-credit policy, under which the Federal Reserve would be free to take steps to help tighten the money supply when an overexpansion of credit could bring on another round of inflation and further cheapening of our dollars, and conversely, to take steps to ease the money supply when more credit is needed to stimulate business or counteract deflationary tendencies in our economy.

The Federal Reserve should be freed "to restrict credit and raise interest rates for general stabilization purposes even if the cost should prove to be a significant increase in service charges on the Federal debt."

That, as Senators know, was the conclusion reached by two congressional committees—the Douglas committee of 1950 and the Patman committee of 1952. As we also know, this general conclusion, supported by public opinion, was partially put into effect by the Federal Reserve-Treasury accord reached in March 1951, which released the Federal Reserve from its prior commitment to support the Government bond market at par in order to artificially suppress interest rates.

Now let us take a look at the Federal Reserve Board's flexible-credit policy in action, and the economic background in which it has been carried out. This policy has been supported by the Treasury.

In the first 4 months of 1953 the Federal Reserve followed a restrictive credit policy in order to hold down dominant inflationary pressures prevailing at the time and to help stabilize our economy. As a result the Treasury had to pay higher rates on its borrowings during that period. This was not a new policy but a continuation of the policy begun with the Federal Reserve-Treasury accord in early 1951. The governors of the Federal Reserve Board were not Eisenhower appointees. They were Democrats, all appointed prior to 1953.

Nevertheless, in early 1953 some critics first tried to pin the tag of hard money on the administration. It was not, however, a sudden shift, due to activity on the part of the new administration, from low to high interest rates, as some of our opponents would lead us to believe. Money rates throughout the country had been moving up for several years, mainly because of the huge demand for borrowed funds by individuals, business concerns, and State and local governments.

The rates at which the Treasury could borrow short-term money had been rising steadily since 1946. For example, Treasury bills rose from their low wartime yield of .38 percent to slightly over

2 percent at the end of December 1952. Long-term Government rates were, of course, artificially suppressed during the 1946-1950 period due to the Federal Reserve's compulsion by the Truman administration to support the Government bond market. However, following the accord in March 1951, the yield on long-term Victory 2½'s rose from 2.45 percent to 2.80 percent at the end of December 1952.

These are facts. They do not add up to a sudden shift by this administration in early 1953 from low to high interest rates.

Here is the economic backdrop against which the Federal Reserve moved to permit a tightening of the money supply during 1952 and continuing in the first part of 1953.

In early 1953 business was close to record levels. Unemployment averaged less than 3 percent. Civilian employment reached all-time highs. Much of industry was on an overtime basis. Production was at a peak. The Federal Reserve Board index of industrial production reached an all-time high in both May and July. Inventories were rising and overstocking of this nature was particularly dangerous in view of the likelihood of a decline in Federal expenditures under the new administration. In spite of the then outlook for a decline in Federal spending, the Government at that time faced a prospective deficit in fiscal 1954 estimated to exceed \$5 billion. Price and wage controls had been removed. Consumer spending was at record levels, and buying power was being sustained in part by rapid increases in consumer credit each month.

Businesses, too, were both spending and borrowing heavily. Spending for plant and equipment reached new highs. Although interest rates had been rising steadily for 3 years, there was no slackening in the continued expansion of bank borrowing. Total loans of all commercial banks increased \$1 billion from the end of December to the end of March—many times as much as the increase in the same period of the preceding year. Total new security issues for new capital—both corporate and municipal—reached an all-time record of \$7 billion in the first half of 1953. Mortgage lending was also expanding. And at the same time, Federal Government borrowing was a substantial factor in the picture.

Indeed, the new administration inherited the unavoidable prospect of a \$9 billion deficit in fiscal 1953, which in itself provided additional inflationary force. That was the situation in the early part of 1953.

This was the environment in which the Federal Reserve followed a policy of monetary restraint—and appropriately so. It was the environment in which the Treasury, coordinating its debt management program with Federal Reserve credit policy, sold a 30-year bond bearing 3¼ percent interest.

Some have criticized this rate on the ground that former long-term bonds had been sold at 2½ percent. They overlook the fact, however, that no long-term marketable Treasury bonds had been sold since 1945, and that rising interest rates over the past several years had made the sale of such a bond at

2½ percent impossible. The outstanding 2½ percent Treasury bonds at the time of the new bond offering were, in fact, selling well below par, at a market price to yield just under 3 percent. Since the maturity of the new bond was 10 years longer, it had to be priced at an even higher rate.

It is true, as President Eisenhower stated in his economic report to the Congress, that the monetary and debt management policies undertaken in order to keep the boom from getting out of hand had a more potent effect than had generally been expected. That, however, does not indicate any error in judgment. No one can state with certainty what would have happened if these restrictive policies had not been put into effect. But from past experience it seems highly probable that if the over-extension of credit and the heavy accumulation of inventories had not been restrained or even perhaps overrestrained, the succeeding readjustment would have been far more severe.

So, that was the situation in the early part of 1953.

Now, let us take a look at the direction of Federal Reserve and Treasury money policies since mid-1953, when substantial cutbacks were made in the planned spending programs of the previous administration. The administration knew and industry knew that these cutbacks in Government spending would mean that production which otherwise would have gone to fill Government orders would have to be converted to production for civilian needs in order to avoid a loss of jobs, a downturn in business, and a strain on our economy.

Under these changing circumstances, the Federal Reserve acted quickly to ease credit and in turn ease the problems of reconversion which inevitably occur in the transition from a war to peace economy. As early as last June the Federal Reserve Board reduced reserve requirements of member banks substantially to make sure that there would be no bar to the proper volume of bank credit necessary to a growing peace economy. I emphasize the word "peace." It also purchased short-term Government securities in the market on occasion in order to increase bank reserves. In February of this year the Reserve banks reduced the rate at which bankers can borrow from the Federal Reserve, and the rate is being reduced further in April. That is the rediscount rate.

Likewise, the Treasury's debt-management program has been a positive factor in easing the current transition to a peace economy. Government interest rates have fallen substantially. Last July the Treasury had to pay 2½ percent for an 8-month loan. In February it paid the same rate for a loan running almost 8 years. And the Treasury's last 1-year money borrowing was at 1½ percent. Ninety-day bills which cost close to 2½ percent last June now are down to 1 percent.

However, as the Secretary of the Treasury pointed out to the Senate Finance Committee the other day:

In the current economic environment the Treasury has purposely done its financing in a way that would not interfere with the availability of long-term investment funds to

corporations, State and local governments, and for mortgages to homeowners. We want to be sure that plant and equipment, home building, and other construction all have ample available funds.

The quick action of the monetary authorities in expanding the availability of credit to offset the deflationary effect of defense cutbacks has been successful in helping to minimize the economic reaction to the reduction in Government spending. The easy availability of credit permitted excessive business inventories to be liquidated gradually, lessening the depressing effect of forced calling of loans. The ample credit supply enabled other economic activities, such as housing and commercial and municipal construction, to be expanded to take up part of the slack.

These moves to ease credit have been geared to the change in business activity. The stimulant has been applied as the changes took place. The purpose was to check declines. That is the purpose of a flexible money-management policy—to check declines by easing credit, and to check inflation and dangerous booms by tightening credit.

Mr. ROBERTSON. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. ROBERTSON. The distinguished Senator from Connecticut is giving us a very interesting discussion of a very vital problem. Does the Senator agree with the Spanish economist who said that a managed currency can be as sound as one of gold, provided the government will issue money only in relation to the work to be done? We have a gold backing, but we are not on a gold standard. We have a managed currency. Is not that correct?

Mr. BUSH. That is correct.

Mr. ROBERTSON. Is not the essential thing for the Government always to bear in mind that with a managed currency, when it has the power to issue an unlimited number of Federal Reserve notes which go into the money stream over and above bank-check money, which is now used more than is currency itself, it is essential that we do not issue money with which to pay debts, but to do the workload that money has to do?

Mr. BUSH. The Senator from Virginia has made a very acute observation, and I am grateful to him for his contribution to the discussion.

As to the reference to gold which the Senator made, I believe that we shall some day be able to return to a gold convertibility, but before we do that we must form the habit of balancing the Federal budget so that the convertibility will not be an immediate invitation for everyone to rush in and take the gold. Does the Senator agree with that observation?

Mr. ROBERTSON. I think the observation is sound. I also feel that there are a great many persons in our country who are still like Bob Ingersoll, back in 1896, when William Jennings Bryan was advocating the free coinage of silver at the ratio of 16-to-1 for gold. Mr. Ingersoll opposed it, and said, "I want every greenback to be able to stand on end and say 'I know that my redeemer liveth.'"

Mr. BUSH. I thank the Senator from Virginia.

Mr. President, at this point I should like to quote from the report of the Subcommittee on Monetary, Credit, and Fiscal Policies of the Joint Committee on the Economic Report. I quote from page 18 of that report:

Monetary policy is strong precisely where fiscal policy is weakest; it is capable of being highly flexible. It can be altered with changes in economic conditions on a monthly, daily, or even hourly basis.

Mr. President, in consequence, the economy today presents a notable picture of overall sustained well-being in the face of sharp reductions in a few industries—largely those associated with the defense cutbacks or burdened by excessive inventories.

The impact of the business setback has been, of course, severe on factory production and factory employment. Industrial production in February was down 8 percent from a year ago and factory employment was down 6 percent. But total employment in nonagricultural establishments, excluding factories, showed an actual increase over the previous year to a new all-time high record for February.

Total personal income during the month of February was nearly 1 percent higher than a year earlier, and the income of individuals after taxes showed an even larger gain in the first quarter of 1954 compared with the first quarter of 1953. These facts I have taken directly from the Economic Indicator.

Total expenditures for new construction, aided by the ample supply of credit at low interest rates, were 1½ percent higher in February than a year earlier, and March construction contract awards were 13 percent above last March.

Neither the money supply nor general commodity prices show any evidence of deflation. In February, both were 1 percent higher than a year earlier. At the present time the money supply is the highest on record for this time of year. There is no cash stringency at the present time.

The measures taken by the Federal Reserve Board to provide abundant credit at low interest rates have given assurance to the Nation that the credit authorities will turn to a policy of credit expansion whenever the economic situation requires it. There is strong evidence that this policy, with other administration measures, has been effective in smoothing the inevitable readjustment. At least, this is the interpretation that a growing number of business observers are placing on current economic trends. The 7-month advance in the stock market, in the face of business downturn, to new record highs for industrial stocks is a remarkable demonstration of investor confidence in the coming business trend, or the present business trend.

This, then, has been the Federal Reserve Board's flexible monetary policy in action—a policy which did much to restrain overexpansion in the early part of 1953 and a policy which is currently easing our problems in the transition to a peace economy. This policy had the blessing of the administration.

Now, I want to set the record straight on some of the specific charges which some of the Senators of the opposition

have made against the administration's monetary program.

First, they would lead you and the country to believe that the Treasury's 30-year 3¼-percent bond issue last spring started a recession. There is no basis whatever for associating this particular bond offering with the business downturn that began in the autumn of 1953. As I pointed out earlier, interest rates on Government securities had been rising steadily for several years previous to this offering.

The business downturn was initiated by severe cutbacks in defense orders in August 1953, which have resulted in a curtailment in factory production. The liquidation of excessive inventories, which prolonged the business decline, would undoubtedly have been a more serious depressing factor had it not been for the administration's policy of credit restraint in early 1953.

The opposition has suggested that the business downturn could not have been caused by cuts in defense spending since defense spending has actually been increasing. This is a complete misstatement of fact.

Government purchases of goods and services for national security have declined steadily since the peak was reached in the second quarter of 1953, when it was at an annual rate of \$53.5 billion. It dropped to a rate of \$52.1 billion in the third quarter of 1953, to \$50 billion in the fourth quarter, and on down to \$47 billion in the first quarter of this year.

This cut in national security outlays has taken \$6½ billion out of the annual national spending stream and it had an immediate effect on the national economy. It put out of employment the workers who were making the things the Federal Government had been buying, pending the transition of these workers to jobs making things for the civilian economy.

I have already pointed out the alertness of the monetary authorities—both the Federal Reserve and the Treasury—in helping to meet this transition problem. The administration has also been moving forward on other fronts. Over \$7 billion in tax cuts are taking place this year. These cuts we can afford only because of reduced Government spending. They will return huge amounts of money to the people of this country for their own spending or saving. This should have a direct effect in stimulating the economy.

Positive administration programs are now before the Congress to strengthen our economy in a variety of ways. A vital one is the tax-reform program now before the Committee on Finance awaiting Senate action. There are many business projects around the country which are being held up pending final decision on this revision bill. It is imperative that the earliest possible action should be taken so that business can go ahead with their plans which will result in the creation of thousands of jobs and the vital expansion of our economy.

As Senators across the aisle know full well, we have had to make readjustments before as we made the changeover from a war to peace economy. There is every

evidence that we can meet the current readjustment without any serious dislocation to our economy. As the Committee for Economic Development concluded in its recent national policy statement on defense against recession:

Our economy can achieve its high potential without violent fluctuations. We base our confidence upon many facts—such as the strengthening of our financial and economic structure, the longer-term perspective of business planning, the stabilizing influence of unemployment compensation and income taxation, the other powerful instruments now available and the improved understanding of their use. And most important of all, we base our confidence upon the determination of the American people to meet the challenge.

Second, let me take up the opposition's specific charge that by increasing interest rates the administration has been subsidizing a handful of bankers, a few wealthy individuals, and large investment companies at the expense of consumers, farmers, and small businessmen who have to pay higher interest rates for the money they borrow.

Here are some facts that the critics did not give us. Interest rates on all classes of Government securities today are substantially lower than they were at the beginning of 1953, before the Republican administration came into office. The rate paid by the Government on 90-day Treasury bills is now 1 percent, as compared with over 2 percent in January 1953. Bill rates in 1954, in fact, are the lowest since 1949. The market rate on 3- to 5-year bonds is down to 1½ percent, the lowest since early 1951, which compares with about 2½ percent in January 1953. The Treasury's 2½ percent long-term bonds now actually sell in the market to yield 2½ percent, the first time the yield has dropped that low since early 1951. These facts directly contradict the inference that the Government is forcing money rates up.

No lowering has been made in the interest rates on Government guaranteed FHA and VA loans. The increase which was made in these rates last year merely brought them into line with other mortgage rates which had been rising for a number of years, and they are in line with other mortgage rates today.

Incidentally, the fact that those rates were held down is one of the reasons why the Federal Government owns more than \$3.5 billion worth of mortgages in the FNMA organization. It is simply because rates were not allowed to go up and to compete with the rates in the ordinary market.

Following a substantial rise in both 1951 and 1952, average mortgage interest rates held steady during all of 1953. The rates currently being paid have helped to attract funds to this field and thus to stimulate home construction.

Next, I desire to point out the true facts on the charge that has been made that higher interest rates paid by this administration will cost the taxpayers \$297 million more for public debt interest in fiscal 1955 than in the 1953 fiscal year. It is a distortion of fact to say that this entire increase was due to increased interest rates paid by this administration. That is not the case.

As pointed out by the Bureau of the Budget in its publication called, *The Federal Budget in Brief, Fiscal Year 1955*:

Interest payments in the fiscal year 1955 are estimated at \$6.9 billion. This is an increase of \$275 million over the estimated expenditures for the current fiscal year. About two-thirds of this increase is due to the rise in the public debt.

It has nothing to do with the interest rates; it is simply because the debt was that much larger.

The other one-third increase reflects the increased rates which the Treasury had to pay on its refundings last year. With interest rates considerably down, however, and with the ugly possibility of the Treasury having to do around \$1 billion in additional borrowing due to the congressional cut in Federal excises, it would appear that in fiscal 1955 even less of the debt charge will be attributable to the higher rates paid in early 1953.

I would also remind Senators of the opposition party that when President Truman submitted his administration's budget for the fiscal year 1954, he was careful to point out that increased interest payments on the public debt were due in large part to the higher interest rates paid on securities issued or refunded during the past 2 years.

That is what President Truman said.

Finally, I wish to take up the opposition's charge that the Treasury has over \$6 billion lying around in the banks of the country on which the American taxpayers are having to pay from 2½ to 3 percent interest. The opposition has estimated it is costing the taxpayers around \$175 to \$200 million a year for the Treasury to maintain such a large cash balance in the banks.

Before getting to the heart of this charge, let me take a moment to point out the sheer extravagance of the computations of members of the opposition. First, the \$6.2 billion figure they cited was the Treasury's total general fund balance on March 26, 1954. It was not the amount of the Treasury's balance at that time in the tax and loan accounts of commercial banks. That figure was \$4.2 billion on March 26, or \$2 billion less than the figure they used.

Moreover, the particular date they selected for a figure is not typical at all. It was in a period when tax collections normally swell the amount of money in the general fund as well as that portion of it which is represented by the Treasury's balances in the tax and loan accounts of commercial banks. For example, in the calendar year 1953, tax and loan account balances averaged \$3.8 billion. The cash balance fluctuates from day to day and month to month, due to the wide swings in receipts and expenditures and their unpredictability, and one should not try to use any one day's balance as typical.

Second, the interest rate members of the opposition chose to use in their computations apparently came out of thin air. It certainly does not line up with the fact that the Treasury is currently borrowing short-term money at 1 percent, or even that the average interest rate on the entire marketable public debt is only 2½ percent.

But let us get on to the heart of the matter. Why is it necessary for the Treasury to maintain a substantial cash balance each month, and how high have these balances with the commercial banks been running?

Typically, over the years, the Treasury has kept a monthly operating balance, including deposits with the Federal Reserve, as well as with commercial banks, at least equal to average monthly expenditures, and on occasions much more. It is only good business sense to keep a cash reserve in case it becomes necessary to meet some bills a little earlier than anticipated, or emergency situations arise when ready cash is needed. It is even more important that our Government always be in a position to meet its obligations on time.

As I mentioned previously, the Treasury's balances in tax and loan accounts of commercial banks in the calendar year 1953 amounted to \$3.8 billion. This compares with an average of \$4.3 billion in 1952. Since average monthly budget expenditures rose from \$5.9 billion in 1952 to \$6.1 billion in 1953, the ratio of average balance to average monthly expenditures fell from 72 percent to 63 percent.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a statement made by Secretary of the Treasury Humphrey which shows the average balances in Treasury tax and loan accounts at commercial banks during the past 2 years.

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

The average balances in Treasury tax and loan accounts at commercial banks during the last 2 years were as follows: February 1952, \$2,821 million; March, \$3,500 million; April, \$4,022 million; May, \$3,716 million; June, \$3,767 million; July, \$7,240 million; August, \$5,619 million; September, \$4,621 million; October, \$4,992 million; November, \$4,630 million; December, \$4,393 million; January 1953, \$3,425 million; February, \$4,067 million; March, \$3,808 million; April, \$3,281 million; May, \$2,203 million; June, \$2,105 million; July, \$4,944 million; August, \$6,095 million; September, \$4,957 million; October, \$3,698 million; November, \$4,268 million; December, \$3,223 million; January 1954, \$2,536 million.

In the calendar year 1953 these balances averaged \$3,839 million, as compared with an average of \$4,268 million in 1952. Since average monthly budget expenditures rose from \$5,947 million in 1952 to \$6,135 million in 1953, the ratio of average balance to average monthly expenditures fell from 72 to 63 percent.

Mr. BUSH. Mr. President, the reasons why the Treasury's cash balance is largely kept in the form of Government deposits with the commercial banks throughout the country were clearly outlined in Secretary Humphrey's statement in early February before the Joint Committee on the Economic Report. Let me read his concise explanation:

The Treasury keeps money in banks because (a) it is the most efficient and economical way to handle the Government's business, and (b) it avoids withdrawing funds from communities before they can be returned through Government disbursements.

Congress passed the National Banking Act in 1863 specifically authorizing the Secretary of the Treasury to deposit money in banks after efforts by the Government during the Civil War to act as its own banker failed, resulting in the suspension of specie payments.

The present system enables the Treasury to keep a smooth flow of money despite the unevenness of the flow of Government revenue and expenditure.

Assume for instance that bank X in Panhandle, Tex., sells a half million dollars of savings bonds to its customers. This money is left on deposit in Panhandle until it is needed at the Federal Reserve bank of Dallas to pay the Government's bills. If this money should immediately be withdrawn from the bank at Panhandle, before it can be returned to channels of trade through Government disbursement, the money in the community of Panhandle would be transferred to Dallas.

During heavy tax periods particularly there would be a tremendous shifting of funds between banks and between communities. The transfer of \$8 to \$9 billion in the middle of March from the various communities throughout the country to the accounts of the Government just at Federal Reserve banks would play havoc with the banking system and business and with local communities. In order to meet such withdrawals, in many instances, banks would have to restrict credit and liquidate securities in the market.

Millions of dollars of additional clerk hire, costs of currency shipments, and transfer of funds would be necessary if the Government should handle the business now handled for it by banks in connection with deposits of withheld income and social-security taxes, the issuance of United States savings bonds, and the handling of subscriptions to other types of Government securities. If all remittances had to be sent to Reserve banks for collection, the Government would have many more millions of dollars tied up in process of collection.

All Government deposits in banks are fully secured by securities pledged with the Federal Reserve banks; also, member banks are required to maintain a reserve with Federal Reserve banks against Government deposits as well as other deposits. At the present time this reserve amounts to about 18 percent for all classes of member banks.

Under the Banking Act of 1933, banks are prohibited from paying interest on demand deposits, including Government deposits, which is often only for a few days in any definite amount, and the services they render, the present arrangement appears equitable.

At a time when more and more of our citizens are taking such an active interest in the monetary operations of Government, I feel it is up to us to further the understanding of the opposition with regard to the basic facts and issues involved, and not to becloud it with distorted statistics and unwarranted inferences and conclusions. That is why I have taken considerable Senate time today to set the record straight on what I consider to be some gross misrepresentations of the administration's money and credit policies. Given the facts, I am sure the people of the country are capable of drawing their own conclusions.

THE MIRACLE OF WATER

Mr. EASTLAND obtained the floor.

Mr. ELLENDER. Mr. President, will the Senator from Mississippi yield to me, in order that I may suggest the absence of a quorum?

Mr. EASTLAND. Yes, provided it is understood that in yielding for that purpose, I shall not lose the floor.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. EASTLAND. Mr. President, the Senator from Vermont [Mr. ARKEN], the Senator from Minnesota [Mr. THYE], the Senator from Kansas [Mr. SCHOEPEL], and I have introduced a bill to extend the Water Facilities Act to the humid areas of the United States. Previously, substantially the same bill has been introduced by the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. THYE], and myself, looking forward to the accomplishment of the same purpose.

It is a source of deep satisfaction to me that the administration has adopted this proposal of ours, and will assist us in the drive to secure its enactment. Long after the present legislative controversies concerning support prices, export of surpluses, and other features of the farm program are forgotten, this proposal will be remembered as one of the cornerstones of American prosperity.

The extension of the Water Facilities Act to the humid areas can change the face of American agriculture. It will reduce the cost per unit of producing agricultural products. In a hungry world it will greatly expand the production of food and fiber and it will give the farmer some control over the elements which have always beset him.

Mr. President, I remember hearing my father use a quotation time and time again as he pictured the lot and difficulties that beset those who toiled on the farm:

And the hurricane roared; then came the drought, and the locusts descended upon the earth.

Thus, in a few words has been expressed the constant battle of those farmers against the elements, against insects, and against the parching effects of drought that dries up the results of man's labor before his very eyes.

To a great extent, through scientific research, insects which ate the farmers' substance have been brought under control. But the withering effects of still-unconquered drought, slowly progressing from day to day, with no clouds in the heavens, and with vegetation becoming brown and parched, create one of the most desolate feelings that any man ever felt. It is a feeling of tragic helplessness. Yet oftentimes this helpless feeling occurs when water is all about us, either in flowing streams adjacent to parched fields or in a water table a comparatively few feet below the surface of the ground. It just remains to divert water from where it is abundant to where it is needed.

Crops can be rescued; a man's labor can be saved.

Irrigation built the West. Western soils are no better than southern soils. Yet, solely because of irrigation, western agriculture is one of the most prosperous in the Union. The fact is that because of irrigation, the agriculture of non-irrigated areas cannot compete with western agriculture.

In the development of the West, the outlines of the deserts were shoved back, until sometimes today they are no longer visible. Vast reclamation projects were instituted. Desolate wastes have been converted into gardens. The hunger and the nakedness of the world have been alleviated by the production that has come from the reclaimed deserts of the West. The Nation did this at great cost, but the benefits have far surpassed the material wealth invested in these projects. Most of these projects have been self-liquidating. The farmers who received the benefits have paid for the costs. The Government merely extended its credit to these reclamation districts.

A few years ago, in the arid or semi-arid States, credit was made available to individual farmers in order to permit farmers not in reclamation districts to secure the benefits of irrigation, where water was available. This legislation was known as the Water Facilities Act, but it applied only to the 17 arid or semi-arid Western States that had formerly been the beneficiaries of large-scale reclamation legislation.

Mr. President, it is amazing what the Water Facilities Act accomplished in the areas where it was made applicable. It saved individual farmers from bankruptcy; it made thousands of them prosperous. It made farming in arid areas, which was previously impossible, a safe and profitable enterprise.

I hold in my hand a graph showing the production tables of a group of farms, many in submarginal areas, upon which the benefits of the Water Facilities Act have been applied. This graph reveals that with the aid of irrigation the per-acre yield of corn has increased from 15 to 54 bushels; of small grains from 14 to 28 bushels per acre; of milk from 39,477 pounds to 49,651 pounds per farm; of cotton from 198 to 421 pounds per acre. Meanwhile the net worth of farmers in these areas has increased from \$10,650 to \$26,600 and net cash farm income from \$2,300 a year to \$6,200 a year. Such are the blessings of irrigation. I ask, Mr. President, that this table may be placed in the RECORD.

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

Table shows average gains by the 213 FHA irrigation loan borrowers who repaid in full in 1950, 1951, and 1952 fiscal years:
 Corn: 15 to 54 bushels per acre.
 Small grains: 14 to 28 bushels per acre.
 Milk: 39,477 to 49,651 pounds per farm.
 Cotton: 198 to 421 pounds per acre.
 Net worth: \$10,650 to \$26,600.
 Net farm cash income: \$2,300 to \$6,200.

SUPPLEMENTAL IRRIGATION NEEDED IN THE SOUTHEASTERN STATES

Mr. EASTLAND. Few areas of the earth have ever been so abundantly

blessed by nature as the southeastern part of the United States. Its soil is fertile; its growing season is long; its vegetation is luxuriant and crops of all kinds flourish. This area likewise has more bountiful rainfall than other portions of the United States—Mississippi, Louisiana, Alabama, and Florida having the heaviest rainfall found among the 48 States. Yet drought is not uncommon even here, and in recent years we have had some of the most prolonged droughts in our history. Even in years of ordinary rains our crops do not reach the fullest production of which the soil is capable, due to periods of droughts. Yet flowing streams are everywhere in the lower Mississippi Valley and the southeastern part of the United States.

As to water resources the State of Mississippi itself is peculiarly fortunate. Here is a State where the Father of Waters, the great Mississippi, forms its western boundary. The great Tombigbee parallels its eastern boundary, and in between are the watersheds of the Coldwater, the Yalobusha, the Tallahatchie, which form the great valley of the Yazoo; the Big Black, the Pearl; farther south the Leaf, the Bouie, the Pascagoula, the Strong, Bogue Chitto, Homochitto, the Chickasawhay, the Chunky, to say nothing of the lesser tributaries of these streams. In the delta the Sunflower, the Bogue Phalia and Deer Creek and smaller streams in extreme northeast Mississippi. Never was a State so abundantly blessed with surface water, so well distributed, given by God.

Mr. President, while it is true that surface streams may not always be entirely dependable for widespread irrigation in times of drought, yet Mississippi has a tremendous reserve of ground water which can easily be reached by the drilling of wells which will be financed under this plan.

The March 1954 issue of *Fortune* magazine gives several maps showing the underground water resources of all the States in the Union. It is interesting to observe that the two States with the most abundant and widespread underground water resources are Mississippi and Wisconsin. In both States 98 percent of the entire area is underlaid by readily accessible ground water. This is a great potential blessing to the farmers of these States. It makes the problem of periodic drought solvable by supplemental irrigation at relatively low cost.

PROPOSED ACT EXPLAINED

The extension of the Water Facilities Act to humid areas does not contemplate the creation of great irrigation districts such as we find in the West. If we go into the field of irrigation, the future may disclose cases in which such districts will become desirable. If so, no doubt the State Legislatures will provide laws for the creation of such districts and the full utilization of our rivers and water resources.

The expanded Water Facilities Act contemplates loans to individual farmers or to small associations of farmers to provide sufficient capital for the instal-

lation of irrigation equipment; for the drilling of wells and the purchase of pipe. These loans are to be repaid over a period of years, in some instances 20 years, at the interest rate of 3 percent. The loans to cover the entire cost of the installations, including the drilling of wells for subsurface water, will be made to farmers or to associations of farmers by the Farmers' Home Administration. The loans will be repaid from the increased production which irrigation will bring about. Loans will be made to farmers of all sizes. In the 17 arid States where the law has been in operation for several years there have been loans as small as \$200 and as large as \$50,000. It is my judgment that in Mississippi the average loan would not be too large since the cost of obtaining water would not be excessive.

The act provides that associations of farmers may borrow \$250,000 and pay the loan back over a period of 40 years.

HISTORIC ROLE OF AMERICAN AGRICULTURE

Mr. President, to observe that American agriculture in the second half of the 20th century has become a highly mechanized and highly scientific vocation is to state a truism. The high productivity of American farms is not an accident. It is not by chance that the average American farm family of today feeds and clothes eight city families. When this Nation was first established in 1776, the picture of the American economy was pyramidal, with agriculture, comprising the bottom 90 percent of the pyramid, supporting a small crown of urban life. Today the picture is reversed. The pyramid has been turned upside down, and a relatively small but highly skilled and highly productive farm population supports a great aggregation of urban life, a great industrial civilization. There are 47 million families in America today, and only 5½ million of them live on farms. But these farm families are still the foundation of America's greatness. Like Atlas, supporting the world on his shoulders, rural America, with its rugged character, its dawn-to-dark industriousness, and its highly varied skills supports our unprecedented industrial civilization.

America's farms are being mechanized. The problem of fertilizer and sufficient plant food has been solved. Great advances in insecticides and insect control have been made. New selective chemical weed killers, some working in the soil eliminating weeds at the time of germination without injury to living plants, reduce production costs. New and improved breeds of animals and plants—triumphs of genetic science—afford higher yields. In all this ferment of progress, one is led to ask: What will be the next great practical advance made by American agriculture?

Mr. President, I am willing to hazard a prediction that it will be the supplementary irrigation of farms in the humid areas of the United States.

NEW DIVERSIFICATION ON SOUTHERN FARMS

Mr. President, a quiet revolution has been taking place in southeastern agri-

culture during the last decade. Dairy products and cattle for the first time in history have become major products of southeastern farms.

The statistics make good reading: For only the States of Mississippi, Alabama, Georgia, Florida, North and South Carolina, and Tennessee—that is, the so-called Deep South, east of the Mississippi River—the gross cash income from dairy products has increased from \$192 million in 1940 to \$535 million in 1952. This is the equivalent of a 278-percent increase.

In my own State of Mississippi gross cash income from dairy products has increased from \$26 million in 1940 to \$76 million in 1952, an expansion of close to 300 percent.

Now let us look at the record as regards beef production. For the Southeast as a whole, gross farm income from cattle and calves increased from \$50 million in 1940 to \$281 million in 1952, a 560-percent increase. In Mississippi gross farm income from cattle and calves increased from \$8 million in 1940 to \$52 million in 1952, about a 650-percent expansion.

This is a record of progress that we and all America can well be proud of. But, Mr. President, shall we permit this tremendous progress to stop at this point? The further expansion of the dairy and beef industries in the Southeast depends on the development of supplemental irrigation.

Now, let us look at what has been happening to the commercial-vegetable industry in southeastern United States. In 1940, the total value of commercial vegetables produced in this area, including both vegetables produced for the fresh market and for processing, was \$46 million. By 1953 it had increased to \$180 million, an expansion of nearly 400 percent.

In my own State of Mississippi during the same period the value of commercial vegetables increased from \$1,439,000 to \$3,269,000, an increase of over 200 percent. The vegetable industry in the south central part of our State and along our Coastal Plain is still in its infancy; irrigation will build it.

We of the South have always recognized that our long growing season gave us a great advantage in the production of vegetables for the fresh market. What we have failed fully to appreciate is the fact that the same climatic advantage could be applied to the production of dairy products and beef. In my own State of Mississippi we can graze cattle 9 months in the year in the northern part of the State, and nearly 12 months in the year in the southern part. This gives us an enormous advantage over northern States, where cattle can be grazed only 6 or 7 months. Furthermore, huge expensive barns and silos for the storage of winter feed and the protection of cattle from cold are much less essential in our mild climate. As a result of our climatic advantages, Mississippi and the South can potentially outproduce the northern dairy belt in dairy products and the Western ranges

in beef. We can pasture more cattle to the acre. As a result, the South is potentially the lowest cost dairy and beef producing area in the United States.

But we suffer from recurrent droughts and must have supplemental irrigation fully to realize on our climatic advantages.

A few years ago a western Texas rancher, viewing a verdant Mississippi pasture, exclaimed: "You can graze as many cattle on 300 acres of Mississippi pasture as we can on 3,000 acres of Texas range." That is true, Mr. President, but we can do twice as well as that with supplementary irrigation that will allow us to take full advantage of our long growing season.

The importance of supplementary irrigation to the southern dairy industry is recognized by the Mid-South Milk Producers Association, which in the February 1954 issue of its magazine, the Dairy News, featured the value to farmers of the Water Facilities Act, whose benefits the bill proposed by Senators AIKEN, THYE, SCHOEPPEL, and myself would now extend to all of the United States.

IRRIGATION PAYS OFF

The economic soundness of supplemental irrigation is proved by the fact that the cost of equipment is quickly repaid out of increased production. Farmers in humid areas who have put in irrigation systems report that increased production will pay for a system in 3 or 4 years even if there are no serious droughts; whereas, if there should be a severe drought, a system will pay for itself in a single year.

The United States Department of Agriculture gives us some interesting figures on beef production in the humid portion of the Pacific Northwest which has long dry summers such as we often experience in Mississippi. Without irrigation, beef production there seldom exceeds 250 pounds per acre. With irrigation, 600 pounds of beef can be produced per acre.

Experiments conducted in Virginia, as reported by the United States Department of Agriculture, also reveal a gain through irrigation of 3,000 pounds, dry weight, of alfalfa per acre.

The Farm Quarterly magazine for the spring of 1954 features an excellent article about supplemental irrigation in the South and Midwest. Their figures on increased production of various crops resulting from irrigation are convincing evidence of the value of irrigation in humid areas. I quote the following from the Farm Quarterly:

In Tennessee dairy farmers made a net gain of \$121 per acre on irrigated over unirrigated pasture in 1951, and \$110 in 1952. This is after the cost of depreciation, interest, and operating expenses of the irrigation system has been deducted. In Georgia, twice as many steers were pastured on irrigated pastures as on rain watered land, and dairy farmers were able to figure an increase of 4 to 7 gallons more milk per acre each day from their irrigated pastures. In Indiana, a corn farmer who has a reputation for his accurate bookkeeping, reports that his 1952 crop showed a difference of \$93 an acre in

favor of his irrigated corn after he had charged off depreciation, interest, and cost of operation of the system. South Carolina, where Clemson College is preaching supplementary irrigation with the fervor of a convert to a new religion, reports cotton yields that have been more than doubled by two applications of irrigation water to supplement the rain, and several cases of corn yields which were jumped from a puny 8 bushels an acre for unirrigated corn to anywhere from 73 to 134 bushels for irrigated corn. When it comes to tobacco, a Kentucky farmer said, "Does irrigation pay? Listen to this. In 3 years with irrigation I've bounced my yields 400 to 700 pounds an acre more than my neighbors who don't irrigate and the price I get for my tobacco is 5 to 10 cents a pound more than they get. Man, it's like having your acreage allotment doubled."

Elsewhere the Farm Quarterly notes that it requires 12 inches of rain from June to September to make a crop of corn. If only 6 inches fall, irrigation can supply the lacking 6 inches. Thus the farmer can, with irrigation, harvest a maximum crop every year.

Mr. President, everyone will concede the importance of irrigation in a dry season. But how about a good growing season? Would not irrigation equipment stand idle in a year in which corn, for instance, would average 100 bushels per acre without irrigation? This, I think, is an exceedingly interesting question and the answer will surprise you, Mr. President. J. A. Hardin, of Indiana, in a year in which his unirrigated corn averaged 102 bushels per acre—which anyone will admit is a mighty good yield—averaged from 134 to 166 bushels per acre for irrigated corn.

The variation was due to the fact that Mr. Hardin was trying out different hybrids. The average increase due to irrigation even in a good corn year was approximately 50 bushels per acre.

No wonder Mr. J. A. Hardin, who is a banker as well as a farmer, says, in the Farm Quarterly for the spring of 1954, that he "doesn't know any other way to get the return on an investment that irrigation will give."

IRRIGATION EXPERIENCE OF MISSISSIPPI FARMERS

Now, let us focus our attention on the irrigation experience of farmers in my own State of Mississippi. The following paragraphs are quoted from the Progressive Farmer of February 1953:

Throughout the South a searing, parching drought took a tragic toll of crops and pastures in 1952. Oldtimers said it was the driest year they ever saw.

But in Copiah County, Miss., some farmers, with disaster all around them, produced the biggest crop yields they ever harvested. Quality of the crops was tops.

And they revived their pastures during the dry, hot summertime. They seeded fall pastures at the right time, obtaining perfect stands, and got a quick growth of clovers and grasses before cold weather came.

The secret was water—irrigation. Water is magic material when it is needed and used at the right time. Water can and sometimes does make the difference between brilliant success and dismal failure.

That's the story, folks. We saw it in Copiah County. R. M. Coman, manager of the Copiah County Cooperative and for many years one of Mississippi's outstanding county

agents, went with us to see the farmers who were irrigating crops and pastures.

On small farms we saw small irrigation outfits that cost as little as \$640; on larger farms we saw others that cost as much as \$7,500. In each instance the owners declared that if their irrigation equipment and their tractors were taken away from them they would quit farming.

A. T. Barron, who lives among the steep hills east of Crystal Springs, was one of the first to install a small irrigation outfit. In 1949 he bought a small motor, a 3-inch pump, 400 feet of 2½-inch pipe, and 6 sprinklers.

"All my life I had been trying to raise 10 tons of cabbage per acre," he told us. "This year with irrigation I averaged 14 tons of cabbage per acre."

And Mr. Barron received an average price of \$139 per ton for his cabbage—just about \$2,000 per acre. The quality of his cabbage was rated excellent. But that is not the whole story. He followed cabbage with corn and gathered 80 bushels per acre. No wonder Mr. Barron declared that "irrigation is a paying proposition."

He says he found that even so-called normal years it pays to irrigate some crop at sometime during the year. Sometimes only one irrigation is required, but it pays real dividends.

For Judge W. S. Catchings at Hazlehurst, one of Copiah County's most prominent farmers, it was his first year to try irrigation. But he "made 87 bushels of corn per acre by actual weight, no guessing, no estimating." He said that "practically every ear of corn I made was due to irrigation." To obtain this fine yield of corn, he irrigated only once. But it was at exactly the right time, and he really soaked the soil.

Judge Catchings irrigated his corn in July and saved the crop. Then he moved into his permanent pastures during the hot, dry summer, irrigated them, and got fine grazing.

September came and then October—still no rain to plant his fall pastures.

He seeded fescue, red clover, crimson clover, and irrigated. Soon he had a perfect stand. And I wish you could have seen his green pasture of clovers and grasses on December 6. It was enough to tempt any animal.

T. J. Howard, who also lives in the hills east of Crystal Springs—where they have perennial springs and running streams no matter how dry it gets—irrigated 14 acres of corn, 3 acres of pepper, and 20 acres of pasture. He estimates he made 80 to 100 bushels of corn per acre. He grazed 35 heads of cattle on 20 acres of pasture, and saved a pepper crop for a neighbor who hired him to custom-irrigate the crop.

He also seeded fall pasture, irrigated, and got a good stand and fine growth. He has a 20-horsepower motor, a 3-inch pump, and 1,000 feet of 3-inch pipe—another comparatively small outfit that is moved easily from one location to another.

Vernon Fairchild, near Hazlehurst, has an outfit big enough to irrigate about 200 acres. He has a 180-horsepower industrial motor, a 6-inch pump, plenty of 6-inch mainline pipe and 4-inch pipe for lateral lines and sprinklers. We saw this outfit in operation. It does a beautiful job. Each lateral covers an area 80 by 80 feet. He can irrigate 7 to 8 acres at a time and put out 2 inches of water in 4 hours. He had wonderful pasture of fescue and oats, fescue and clover.

Kaywood Plantation west of Hazlehurst is irrigating 200 acres of pasture. The outfit includes 180-horsepower motor, 6-inch pump, 1,520 feet of 6-inch pipe, 2,560 feet of 4-inch pipe, and sprinklers. R. S. Glenn, manager, told us that on one 40-acre tract of good bottom-land pasture that was well seeded to clovers and grasses and heavily fertilized,

they grazed from 1 to 2 animals per acre and cut 2,700 bales of hay.

There are 20 farmers in Copiah County who have installed irrigation outfits, Mr. Coman told us. Most of the farmers financed the purchase of their motors and equipment through the Jackson Production Credit Association.

Mr. President, the Production Credit Association has financed many of the irrigation systems already in operation in humid portions of the United States. The PCC deserves great credit for their foresightedness. Their pioneering has proved supplemental irrigation eminently practical. The problem of financing the purchase of irrigation equipment and the drilling of wells in a really widespread manner in the humid States is a problem of such magnitude, however, as to necessitate special legislation. That is why I am sponsoring a bill to provide low-cost financing of such systems, namely, at 3 percent over a period of up to 20 years.

FHA financing is not intended to be exclusive financing, however. The Production Credit Association will continue its assistance and local banks may provide an important share of the financing.

Incidentally, creation of a really large-scale rural demand for irrigation equipment will stimulate industrial activity in many urban areas and thus add to our country's industrial prosperity as well.

NEW METHODS MAKE IRRIGATION PRACTICAL ON SMALL FARMS

The type of irrigation system a farmer purchases should be left to irrigation experts which the Government will provide. In the arid West, open-ditch or gravity irrigation of leveled areas is the customary method. Such irrigation with laterals is also successful on level areas in the South. An entirely different method is favored, however, for rolling country, namely, irrigation by means of portable aluminum sprinkling systems. These portable sprinkling systems are a clever device. Because they are portable, a small investment in pipe enables a farmer to irrigate a considerable area simply by moving the system. They do not interfere with crop rotation or contouring practices. They can be moved out of the way for cultivation or harvesting. They work equally well on flat or hilly areas.

The rustproof aluminum pipe is amazingly light, weighing only 7 pounds for a 20-foot section of 2-inch pipe to 27 pounds for 6-inch pipe. Various sizes of pipe will be used in different parts of a system, with 4-inch pipe perhaps the most extensively used. Pipe comes in 20-, 30-, and 40-foot lengths. Two high-school boys can move in an hour enough pipe to irrigate two acres. Couplings are instantaneous so that no time is wasted. Internal water pressure is utilized to make the couplings leakproof.

Experiments have shown that liquid fertilizer can be fed into a system, affording opportunity for frequent light applications of needed nutrients, resulting, in combination with the water, in really bumper crops. In fact, an irrigated crop can utilize 50 to 100 percent more fer-

tilizer of any type than it would be safe to apply without irrigation. This is part of the reason for the phenomenal increases in yields secured by experienced irrigationists.

Next to a good heavy drought-breaking rain from heaven, there is no prettier sight to the eye of a farmer than one of these sprinkler systems in operation. To be able to turn on the rain at will seems too good to be true. The amount of water these sprinkler systems can lay down is amazing. There are about 30,000 gallons to an acre-inch of water, and most systems will lay down an inch in 2 or 3 hours. Many systems will irrigate from 5 to 10 acres at a time but coverage may vary from a garden plot to a very large field.

G. A. Luno, of the Louisiana Extension Service, writing in the *Progressive Farmer*, states:

The time is not too far in the future when cotton irrigation will be a regular practice, rather than the oddity it is today.

And in the same periodical, Jesse B. Hearin, former president of the Production Credit Corporation of New Orleans, writes:

I would like to see our agricultural leaders, including the agricultural colleges, the county agents, and others, stress irrigation.

I know of some 8 or 10 projects that have been financed by the Production Credit Associations in the last year. Not one of them has been a failure; on the contrary, every one of them paid. Most of them have been so profitable as to pay for the full cost in 1 year.

Nature has been good to us in many places; we have many rivers and creeks and branches, overflowing artesian wells, and big springs that could easily be harnessed to provide irrigation for small and large tracts.

I know of a dairy farm, a large dairy farm, where the owner irrigates 80 acres of his pasture. When the long drought came last summer this 80 acres meant more to him than the 400 acres of his other pasturelands. He had four cross fences on this 80 acres, and it is hard to believe that irrigation and fertilizer could have made 80 acres produce as much grass and clovers as this place was made to yield. In 1 year it more than paid for the cost of irrigation.

Another instance that I recall is a man who had 180 acres in corn. He irrigated 40 acres. When the sustained drought hit his section, in spite of the fact that all the land was well fertilized, cultivated, and planted with good seed, the 140 acres yielded only 24 bushels of corn per acre, while the 40 irrigated acres yielded 122 bushels per acre. It is not necessary to say that this man will irrigate a larger portion of his place next year.

There is nothing we can think of that offers greater possibilities to the people of our section than more irrigation projects. Portable irrigators could be made easily and at not too great a cost in many of our sections. If the ground is well drained and then irrigated, it insures a good crop under nearly all conditions.

Mr. President, at this point I should like to have printed in the *RECORD* a table showing the amount of land under irrigation in each of the Southeastern States from Texas to Virginia. Unfortunately, the 1949 figures are the latest available.

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

How irrigation is growing in Dixie

	1939	1944	1949
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Texas.....	843,839	1,358,800	3,430,000
Louisiana ¹	413,969	535,619	1,526,791
Arkansas ¹	159,412	288,665	422,107
Florida ¹	126,191	221,917	365,421
Oklahoma.....	10,000	18,000	96,000
Virginia.....	687	1,419	2,817
South Carolina.....	411	62	6,408
Tennessee.....	311	393	1,012
Alabama.....	281	487	367
West Virginia.....	270	42	40
North Carolina.....	246	229	2,803
Kentucky ¹	205	230	485
Georgia ¹	158	423	3,161
Mississippi.....	94	3	5,086
Total for South....	1,556,074	2,425,489	5,861,778

¹ Preliminary 1950 releases.

NOTE.—1939 data are from the 1940 Census of Agriculture, 1st series. Source: Census of Agriculture 1950. The above figures include rice areas as well as the irrigated semiarid portion of western Texas where irrigation has been practiced for many years.

MIDWEST SHARES INTEREST OF THE SOUTH IN SUPPLEMENTAL IRRIGATION

Mr. EASTLAND. Mr. President, supplemental irrigation as a crop-insurance device is arousing great interest in the Midwest as well as in the South. Last autumn, on October 10, 1953, the *Chicago Tribune* published a very interesting interview on the subject, which I wish to quote:

IRRIGATE LAND FOR INSURANCE; MIDWEST TOLD EXPERT ADVISES FARMERS TO WATER CROPS

October 9.—Supplemental irrigation of farmlands in the Midwest and elsewhere in the rainfall belt is the best method of crop insurance and increasing yield per acre.

This is the experience and the advice of Wofford B. Camp, chairman of the agricultural committee of the United States Chamber of Commerce. He is the man who founded the cotton-growing industry of California and is one of the State's most successful farmers.

"There would be bigger and better corn yields in Illinois and Iowa if there was more irrigation," Camp told the *Tribune* in an interview.

Irrigation the year around, and particularly in the dry months, would be a salvation to Midwestern farmers who do get regular winter and spring rains.

Camp, 59, was born in Cherokee County, S. C., and attended Clemson College in that State. He has been an advocate of irrigation all his long farming life and has endowed research in crop watering at Clemson.

THIRTEEN-YEAR-OLD MISSISSIPPI CORN CHAMP

"South Carolina has frequent and long droughts," Camp said, "but its crops, cotton and other, have been bettered by irrigation. On a specific test we conducted for one farmer there, we had him irrigate two fields of corn side by side. One field was irrigated 4 times and produced 110.6 bushels per acre. The other field was watered only twice and produced 73 bushels to the acre.

"A third field adjoining was not irrigated at all, and made only 8.3 bushels per acre."

Camp also noted that the Nation's individual corn growing champion for 1952 was Lamar Ratliff, 13, of Baldwin, Miss.

"That was probably the driest year in the history of the South," Camp said. "Young Ratliff defied the drought by irrigating and

grew 214 bushels of corn on a measured acre.

"That was something for the proud Corn Belt States of Illinois and Iowa to think about—a kid from Mississippi showing the Midwest how to grow the maximum amount of corn."

Mr. President, this young Mississippi farm boy, Lamar Ratliff—at that time only 13 years old—not only amazed farmers all over the Corn Belt with his phenomenal yield but he opened the eyes of southerners generally—he opened my eyes—to the tremendous opportunity inherent in the use of supplemental irrigation. With the advantage of our long growing season, all we have to do to make Mississippi and the South the garden spot of the Nation is to overcome our seasonal moisture deficiencies.

At this point, Mr. President, in discussing this fabulous yield of corn brought about by supplemental irrigation, I wish to point out that by making corn a profitable crop on Mississippi farms, we will greatly expand the beef cattle industry in Mississippi. Irrigation water, of course, will sustain our pastures, but let us not forget that the fattening and finishing of a beef cow requires corn. Our land in Mississippi is ideally adapted to the production of corn, except for drought. We never have a dependable water supply to produce corn in the hot Mississippi summers. What Lamar Ratliff and others have demonstrated with corn yields through irrigation opens the door to the possibility of developing the beef cattle industry in Mississippi beyond our fondest dreams. We already have established a cow-calf program, but if we can successfully produce corn through irrigation, we will be able to finish our beef cattle. We can successfully feed cattle commercially. We can have a feeder program as well as a cow-calf program, and this will solve to some extent the question of our diverted acres in years when cotton is controlled. It will intensify diversification. It will stabilize the beef cattle industry and furnish markets within our State for pasture cattle to be finished for the market.

Mr. President, this whole idea of supplemental irrigation in humid areas is so new that the Department of Agriculture does not have a printed booklet on the subject, and I have requested the Secretary of Agriculture to prepare such a booklet that Members of the House of Representatives and Senators may mail to their constituents in answer to inquiries.

COST OF IRRIGATION SYSTEMS

Before concluding, Mr. President, I wish to give some figures on the costs of portable irrigation systems and on the cost of operating them to show how thoroughly practical supplemental irrigation really is.

A good farmer wants to have vision without being visionary. This necessitates careful figuring as to costs. No overall figures can be given since every irrigation system must be tailored to each farmer's individual needs and situation—the amount and proximity of his water supply, his crops, his soil, the contour of his land, the type of power available.

No farmer should purchase an irrigation system without first engaging expert engineering assistance. Irrigation poses more complex engineering problems than the layman might suppose. The bill to extend the Water Facilities Act to the humid areas of the United States contains a provision whereby farmers interested in acquiring irrigation systems may secure free engineering advice. Many irrigation equipment companies also provide a free engineering service as a necessity for securing customer satisfaction and the Soil Conservation Service has been helpful in providing technical assistance. In fact, I am advised that upon passage of this bill the Farmers' Home Administration will use the technical facilities of the Soil Conservation Service.

If the irrigation engineer finds adequate water readily available, in streams, ponds, reservoirs, or underground, and ground-water surveys suggest that it will be found readily available on about 98 percent of Mississippi farms, then the next question is, What kind of power is going to be used? Many farmers often prefer to use their tractors as a source of power to save the cost of a special powerplant and this is frequently quite satisfactory, if the tractor's engine is not overloaded. Other farmers use tractors temporarily to reduce the first cost of a system, and later switch to some permanent type of power plant. Where three-phase electric power is available, an electric motor is generally both the most convenient and the cheapest type of permanent installation. Electricity is now available on 71 percent of Mississippi farms, largely through REA. The same type motor that propels a 2-ton automobile along the highway at a mile a minute can also pump a phenomenal amount of water. I have seen a 180-horsepower automobile engine pump a 6-inch stream of water up a hill 700 feet long and irrigate several acres at the top of the hill at one time.

The amount of friction inside of pipes can be computed from tables, but this is also a job for an engineer. An irrigation system should be an integrated unit with both pump and powerplant selected for the job at hand.

W. P. Law and C. M. Lund, agricultural engineers, writing in the Progressive Farmer for February 1953, cite the cost of a small unit, minus powerplant, suitable for irrigation of up to 20 acres, as follows:

3- by 2½-inch pump, with belt and priming device.....	\$175
4-inch by 20-foot aluminum suction pipe, with elbow and strainer.....	50
1,000 feet of 4-inch aluminum portable pipe.....	950
500 feet of 3-inch aluminum portable pipe.....	350
Elbow, cap and risers.....	25
10 rotating sprinklers.....	60
Total.....	1,610

The authors then proceed to analyze these costs and discuss depreciation, as follows:

This is about \$80 per acre, which is typical for this size system without its own power

unit. Small systems may run twice this much per acre, and large systems half this much. The most effective way to reduce per-acre cost of a system is to pump more hours per week. This way, more acres can be irrigated with the same system. Distance water must be pumped also is very important. Note the cost of 4-inch main is over half total cost. A source of water nearer field would save a great deal in first cost and pumping costs.

Aside from engine and sprinklers, there is little to wear out about an irrigation system. Sprinklers, used only for supplemental irrigation, should last about 5 years. Rubber suction and discharge hoses may last only 5 or 6 years if left exposed, but aluminum pipe used in place of rubber should last at least 20 years, as will properly cared-for portable pipe. A good pump should also last 20 years if properly serviced.

Using these figures to compute annual overhead cost of our system we get about \$88. Adding 5 percent for interest and 1 percent for repairs makes a total annual overhead of \$185. So about \$9 (\$185 divided by 20 acres) per acre should be our annual cost of the system.

Operating costs (fuel and labor) generally run about \$2 per acre-inch of water applied. To get water to his peach orchard, Dave White of McBee, S. C., pumps it farther (5,500 feet) and higher (155 feet) than anyone we know. He said his operating cost is about \$3 per acre-inch.

Mr. President, if the farmer can get financing through the Farmers Home Administration at 3 percent it would make the annual cost of such a system, including depreciation, only \$7.50 per acre, with cost of operation, including fuel and labor of moving pipes, only \$2 per acre-inch of water in average cases. What farmer would not gladly pay this to lay down a few inches of lifegiving water on his valuable crops in times of critical drought? Remember that in practice, irrigation systems frequently pay for themselves in a single year in increased harvests, as previously noted; and, even with a favorable pattern of natural rainfall, normally pay for themselves in 3 to 4 years.

Let us not fear the production of surplus abundance. It is a transient and temporary phenomenon. The Department of Agriculture reports that by 1975 the increased population of America will be such that it will require the complete productive capacity of the present American agricultural machine, plus that of another State as productive as the State of Iowa. Let us not be fearful. The future is bright.

American agriculture has reached the point where we can reduce costs only by increasing yields. The farmer cannot reduce the cost of his labor. He cannot reduce the cost of his machinery, his housing, his equipment. Only through science, fertilization, and irrigation can he reduce the unit cost of his product and thereby stay in business and show a profit. What we have learned from soil conservation, from the experience of the West, and from the scattered irrigation know-how now available in the South and East, makes us ready to take the next great step in the development of American agriculture—supplemental irrigation.

Mr. President, the miracle of water can be ours, even in times of drought, if Congress passes the far-reaching piece of proposed legislation we have introduced. Nothing will insure the prosperity of the individual farmer so effectively as the possession of his own irrigation system. I am hopeful that the constructive significance of this proposal to extend the Water Facilities Act to humid areas will be so self-evident to the Members of the Senate that we shall be able to pass this bill in short order. The day we pass it will be historic in the annals of American agriculture.

Mr. ELLENDER. Mr. President, will the Senator from Mississippi yield to me?

The PRESIDING OFFICER (Mr. PURTELL in the chair). Does the Senator from Mississippi yield to the Senator from Louisiana?

Mr. EASTLAND. I yield.

Mr. ELLENDER. I desire to compliment my good friend, the senior Senator from Mississippi, upon his very illuminating address.

Let me ask about the status of the bill he has been discussing.

Mr. EASTLAND. It is now before the Senate Committee on Agriculture and Forestry, with the blessings of the administration. I understand that hearings on the bill will begin as soon as the farm bill is out of the way.

Mr. ELLENDER. Has a report on the bill yet been made by the Department of Agriculture?

Mr. EASTLAND. Yes, and it is a favorable report.

Mr. ELLENDER. Can the distinguished Senator from Mississippi give us an idea of how much more production could be obtained in the area affected by the bill from land now available for irrigation, if the bill were passed and if the irrigation methods the Senator has been discussing were put into effect?

Mr. EASTLAND. Figures I have quoted show fantastic yield increases, sometimes double or triple normal yield. The first essential is to get production, and then to get a price for the product. That is why I am in favor of mandatory 90-percent price supports.

Mr. ELLENDER. Yes. I was going to ask the Senator from Mississippi about that.

I was very much interested in the Senator's statement about the greatly increased population of the United States predicted for 1975. I have before me estimates of the population to which the distinguished Senator from Mississippi has referred. In a recent series of estimates that had its origin in the Bureau of the Census, it was stated that it is possible that by 1975 the population of the United States will total 221 million.

As the Senator from Mississippi knows, the present cropland base in the United States, or the amount of land now in cultivation, amounts to about 462 million acres.

Mr. EASTLAND. That is correct.

Mr. ELLENDER. As the Senator from Mississippi also knows because many of our farms are being mechanized, a good deal of land is being released to the cultivation of cash crops. This land was

formerly used to produce feed for horses and other work animals, which are being replaced by tractors and other mechanical equipment.

Mr. EASTLAND. That is correct.

Mr. ELLENDER. It is estimated that in the course of time, as many as 50 million acres of land will be made available from that source, and also as a result of various reclamation activities, draining and irrigation.

Mr. EASTLAND. But by 1975, all that land and additional land equal in area to that of the State of Iowa will be required in order to feed the people of the United States.

Mr. ELLENDER. If the estimate to which I have just referred should prove correct—namely, that by 1975 the population of the United States will be 221 million—my guess is that a much larger acreage than that suggested by the distinguished Senator from Mississippi will be required.

As I pointed out a moment ago, with the present land base of 462 million acres, plus the acreage which will be released because of the decrease in the feeding of horses and other work animals, plus the acreage which may be made available as a result of reclamation, the total land available by 1975 will be only 507 million acres. That is the total number of acres which we will have available for cultivation by 1975.

Mr. EASTLAND. That is correct.

Mr. ELLENDER. If our population of 221 million, which the Bureau of the Census says may be achieved by 1975, is to enjoy the same standard of living as our people enjoyed during the years 1935 to 1939, and is to have the same diet standards or levels, an additional 109 million acres of land will be required 21 years hence. This is considerably more than the acreage just indicated by the distinguished Senator from Mississippi.

Mr. EASTLAND. I hope the figures submitted by the Senator from Louisiana are correct. Irrigation and better farm practices will be required in order to feed the population of the United States. That is especially true because our people have a constantly increasing or rising standard of living. The present diet of all Americans is not adequate.

Mr. ELLENDER. That is why I believe the speech the distinguished Senator from Mississippi has just made is a timely one, for it will assist us in developing ways and means to produce more food and fiber in future years, in order to give the people who will live in the United States in 1975 the same standard of living that our people are enjoying at this time.

Further to demonstrate the necessity for the program the distinguished and able senior Senator from Mississippi is advocating, let me say that if the population of the United States as of 1975 is to enjoy the same standard of living that the people of the United States are now enjoying, 165 million additional acres of land will be required.

I am pointing this out simply to demonstrate that something along the line which my distinguished friend from

Mississippi has been talking about must be done.

Mr. EASTLAND. It is the only solution. It is the only way we shall be able to feed the population of this country.

DEVELOPMENT OF THE DOMESTIC WOOL INDUSTRY

The Senate resumed the consideration of the bill (S. 2911) to provide for the development of a sound and profitable domestic wool industry under our national policy of expanding world trade, to encourage increased domestic production of wool for our national security, and for other purposes.

Mr. ELLENDER. Mr. President, during the course of his remarks my distinguished friend from Mississippi mentioned the pending amendment, which provides for a continuation of the present farm program for 2 more years. The Senator is a member of the Committee on Agriculture and Forestry as am I. I should like to ascertain from him if he favors the pending amendment. If so, will he give us some of the reasons why he favors it?

Mr. EASTLAND. Of course I favor the pending amendment. One of the basic commodities covered by the amendment is American cotton. If we were to reduce the support price of American cotton from 90 percent to 84 percent of parity, or even if we were to reduce it to 75 percent of parity, it would not appreciably increase the amount of American cotton that would be exported. If I remember the figures correctly, it would increase our exports only from half a million to 1 million bales. This year we will consume in the United States about 9 million bales of American-grown cotton. We will export about 3½ million bales of American-grown cotton. The only object of reducing the support price would be to reduce the price of cotton so that our exports would pick up from half a million to 1 million bales; but to get those additional exports, in only a nominal amount, we would reduce the price of the 9 million bales which are being spun by American mills, and we would reduce the price of the 3½ million bales which we export this year. The farmer would lose. The only beneficiary would be the textile industry of the United States. It would be an exceedingly profitable windfall for the cotton mills of the United States.

Mr. ELLENDER. It is contended by the Secretary of Agriculture that if the prices of cotton and other basic commodities are reduced, such reduction will be reflected advantageously to the consumers, in that they will pay lower prices for the things they buy. Would the Senator comment on that point?

Mr. EASTLAND. Take American cotton, for example. There is no connection between the price of raw cotton and the price of the apparel into which it is woven, at the retail level. In fact, the price of raw cotton is a small item in the manufacturer's cost. I know that when the support prices hold basic commodities at uneconomic levels, and when the acreage reduction and controls which

follow cost us our export market and cause synthetic fibers to eat into our domestic consumption, we must do things to regain the markets for cotton.

Today the price of American cotton is only about 2 cents a pound above the world price. Before we talk about reducing support prices, I think there are several things we should do to recapture those markets. I think they can be recaptured. I believe the cotton exports of the United States can be built up to 5 million or 6 million bales a year, while at the same time we retain the 90-percent support price. I think it can be done, first, by the extension of credit. As the distinguished Senator knows, interest rates in foreign countries are very high. Credit is in short supply. If we finance American cotton to mills abroad at reasonable interest rates, they can pay us a cent or two a pound above the world price. They would rather have the American product because it is a superior product.

Another thing which the distinguished Senator knows is that we can take payment in foreign currencies. We can take payment in yen, and use the yen to pay some of our bills for military equipment and the occupation costs in Japan.

I think those things should be done, first, to regain and expand export outlets, before we start talking about reducing support prices, and that at the same time we should retain the 90-percent support price.

Let me tell the distinguished Senator another thing. Not only do I favor retaining the 90 percent, but I favor coupling with it, if necessary, export subsidies to make the American product competitive in the markets of the world.

One year the National Bank of Brazil had a support price on Brazilian cotton of 50 cents a pound, and got the entire crop. The next year it financed a support price on Brazilian cotton of 40 cents a pound and, because it was a support price at an uneconomic level, it got that entire crop. Then it broke the world price of cotton, and worked off its product by subsidizing its export at, roughly, 2 cents a pound under the American price. It got 50 percent of this country's export outlets.

Our State Department took the position that the United States could not use an export subsidy, but it would not even protest the use of a subsidy by Brazil which came close to bankrupting the American cotton industry. That is why I have frequently said that it sometimes seems that it is not an American arm of Government.

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

Mr. EASTLAND. I yield.

Mr. ELLENDER. Reverting to my earlier question about the extent to which the consumer will benefit if the prices of basic commodities are further depressed, I hold in my hand a document upon which I will later ask the Senator to comment. This document shows that a reduction of 5 cents a pound in the price of cotton would reduce the cost of a shirt by about 7 cents, but it would cost the cotton in-

dustry \$350 million annually. I ask my good friend what effect there would be on the economy of the South and West where cotton is produced if the income to the cotton farmers of those two areas were reduced by \$350 million.

Mr. EASTLAND. I think the 90-percent support-price program is the basis of agricultural prosperity in this Nation. I think the 90-percent support-price program has supported the economy of the Nation. I think it prevented a very drastic and serious depression in the United States after the close of World War II and before Korea. I believe that today we must do everything we can to shore up the economy of the United States. Instead of talking about reducing support prices, we must retain them as the foundation of the American economy, and we must take the steps which I have advocated when our prices get out of line with world prices, to move our products into consumption and to avoid drastic acreage reduction. I am confident that that is the road to prosperity in America.

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

Mr. EASTLAND. I yield to the Senator from Louisiana.

Mr. ELLENDER. I wonder whether the distinguished Senator from Mississippi has any doubt at all in his mind as to the claims made by proponents of the so-called flexible price-support program, namely, that if it is made operative, it will reduce the prices of our basic commodities.

Mr. EASTLAND. It would reduce the prices of our basic commodities. When the world price and the American price are so close together, I do not see any necessity for such a program. As I told the distinguished Senator, if the 90 percent program had deprived this country of its cotton-export outlets, that would be another thing, but we can have such outlets and at the same time make the 90-percent program function. I certainly believe it should be tried.

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

Mr. EASTLAND. I yield for a question.

Mr. AIKEN. Will the Senator from Mississippi advise the Senate how much the program incorporated in the bill now before the Committee on Agriculture and Forestry would reduce the support price on cotton?

Mr. EASTLAND. From 90 to 84 percent, if I remember.

Mr. AIKEN. No; the Senator is somewhat mistaken. According to the figures submitted to the committee yesterday by the Secretary of Agriculture, under the bill before the committee the cotton grower would be guaranteed a minimum and also a maximum of 90 percent of parity for the next 2 years.

Mr. EASTLAND. If I remember correctly the Secretary's testimony—and I was present at the hearing—what the Secretary said was that if we stockpiled 4 million bales of cotton—

Mr. AIKEN. Or 3 million bales.

Mr. EASTLAND. Or 3 million—

Mr. AIKEN. It would not matter either way.

Mr. EASTLAND. Or 3 million bales, that in 1955 it would be 84 percent, and for the next 3 years it would be 90 percent. That is the way I recall the Secretary's testimony.

Mr. AIKEN. That depends on the assumption that the maximum supply percentage at which support at 90 percent of parity is required would be reduced to 102 percent from 108 percent. Under the bill now before the Senate committee, which does not so reduce the supply percentage at which support at 90 percent of parity would be required, the minimum support for cotton for the next 2 crop years following this year would be 90 percent of parity, and would continue at 90 percent so long as the production is kept in line.

Mr. EASTLAND. Let me say to the distinguished Senator that we have no quarrel with him. I am not criticizing the Secretary of Agriculture, the President of the United States, the administration, or anyone else. The statement I made was that before we reduce support prices certain steps should be taken, which I have outlined, which would expand the markets for American farm products, and that we are not confronted, and should not be confronted, with the problem of reducing support prices until we try out the steps I have enumerated.

Mr. AIKEN. Will the Senator from Mississippi permit me to point out something that is not generally known to the South? Under the proposed legislation, the 90-percent support price for rice, tobacco, and cotton will be continued for 2 years, and during those 2 years it is anticipated that we will have made every possible effort to have our markets expanded, both domestic and foreign. Of course, I wish to be fair about it. There would be a possible reduction to 86 percent of parity in the case of peanuts, but that would be more than 90 percent of modernized parity. The support for peanuts would be at least 90 percent of the new parity, not the old parity, which gives peanuts about a 3-cent-a-pound advantage.

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

Mr. EASTLAND. I yield.

Mr. ELLENDER. The Senator from Vermont assures us that, under the Benson bill, tobacco, cotton, and rice will receive a 90-percent support price for the next 2 or 3 years. I should like to ask what the objection is to writing such a provision into the new bill. Can the Senator tell us? I ask the question because that is what the pending amendment provides. What objection does the Senator have to the spelling out of a guaranty which has already been offered by the Secretary of Agriculture? If I understand him correctly, we see eye to eye on this problem. Why should we not simply spell out in black and white that prices will be supported at 90 percent of parity? It seems to me that it is simply safer to spell the guaranty out than to merely let nature take its course. The Senator from Vermont should have no objection to such a course, since he has stated that his proposal will have the same result as my amendment.

Mr. EASTLAND. That is what the Senator from Vermont tells us. We have no such bill before the Senate. Such a bill is being considered by the committee.

Mr. AIKEN. I am referring to the bill before the committee.

Mr. ELLENDER. The amendment pending before the Senate would do exactly what the Senator from Vermont says would be done by the bill.

Mr. AIKEN. No; it would not.

Mr. ELLENDER. Yes; it would. On the six basic crops the amendment now pending before the Senate provides for a continuation of the 90-percent support program for 2 more years.

Mr. AIKEN. Will the Senator from Mississippi permit me to ask one question of the Senator from Louisiana?

Mr. ELLENDER. First, I should like to complete my statement; then I shall be happy to yield. I desire to make myself perfectly clear on the record. I realize that we cannot pass a law to hold prices of commodities at uneconomic levels. The point I am making is that the difference between the world price and the American price is so close that the mandatory 90 percent support level would not hold the prices of the basic commodities at uneconomic levels.

While the present program may have cost us some export business, I believe we should take certain steps to expand the markets for our products before we talk about reducing support prices. I have no quarrel with the Senator from Vermont and I have no quarrel with anyone else. But I have my own views as to what we should do. It matters not whether we do it in the pending bill or in the bill to which the Senator from Vermont has referred, of which he is the author, but I believe that we should renew the 90-percent support and take those steps to expand our export outlets. Since the Senator has stated that his bill will provide a support level equivalent to 90 percent of parity, I do not see why he should object to my amendment, which merely states in black and white what the Senator says his bill will do by effect.

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

Mr. EASTLAND. I yield.

Mr. AIKEN. I believe the Senator is correct in saying that the world market price is not far from the American support prices as it relates to some commodities. In the case of wheat there is a really wide difference of approximately from 70 to 80 cents a bushel.

Mr. EASTLAND. Frankly, I do not know about wheat. However, I know that in the case of cotton, since Brazil worked off her two crops, the world price of cotton has come up to about the level prevailing in this country.

Mr. AIKEN. If the Senator will permit me to do so, I should like to point out that there never has been and there is not likely to be a more propitious time for changing over from rigid price supports to the flexible support program than there is right now, when there would be no change whatever in the support for tobacco, cotton, and rice over a 3-year period, and a change of possibly

a few percentage points of parity in the case of wheat and corn. Therefore there will never be any better time for making the transition than there is right now. That is why it is important to do it at this time. After the 2-year period beginning next year is ended, the producers of cotton, tobacco, rice, and of every other basic crop, will continue to get 90-percent supports under the flexible support program if they keep supplies in line.

It is my hope, if we can make the transition at this time, that the cotton-grower and the wheat-grower can get back to planting normal acreages of their commodities at an earlier period than they would if we were to continue the high price supports and the rigid controls which go with that program.

Mr. EASTLAND. No, Mr. President. If we take those steps to expand our export outlets and promote foreign trade, we shall not have rigid control.

Mr. AIKEN. Under either plan.

Mr. EASTLAND. That is correct. We can plant a reasonable acreage in cotton. The distinguished Senator mentioned wheat. I should like to ask this question: Is not the export of wheat subsidized?

Mr. AIKEN. That is correct. The subsidy is 72 cents a bushel, I think, at the present time. The support price of wheat to the farmer is \$2.21 a bushel at the present time. If we add to that the handling and transportation costs, it brings it to approximately \$2.50 a bushel at shipside. It is not selling very well. That is the difficulty.

Mr. EASTLAND. So long as it is competitive in world markets, and we meet competition through an export subsidy paid by the Government, why is it not moving in world markets?

Mr. AIKEN. Because the subsidy is not sufficiently large to interest foreign purchasers. I think we shall have to pay a subsidy of approximately \$1 a bushel to put considerable amounts of wheat in the export market at this time.

Mr. EASTLAND. Would that mean that our price is below the world price, or would it place it at the world price?

Mr. AIKEN. It means that our price is approximately \$2.50. The world price is about 75 cents less than that, and so American wheat is not attracting foreign buyers.

Mr. EASTLAND. Certainly, if we subsidize the export of wheat at \$1 a bushel and break the world price level other nations would do the same thing, and then we would not get any export business.

Mr. AIKEN. That is correct. We could not do that.

Mr. EASTLAND. So long as we make wheat competitive in price, if it does not sell, then what we have to do is to reduce the acreage. That is the only thing we can do. I think that making our wheat competitive is a very fine thing, because it gives the wheat farmer an income which helps to support the American economy. I think he is just as much entitled to it as is the wool grower who will get help by virtue of this bill.

Mr. AIKEN. If the Senator will further yield, I should like to say that if the Canadian and United States crops of wheat were put on the world market at competitive prices at this time, the world price would drop to approximately \$1.50 a bushel. I think the smart thing to do is not to sell it or give it away merely for the sake of getting it out of the country.

Mr. EASTLAND. I agree with the Senator. Of course, we do not want to break the world price of any commodity. Certainly, we do not want to break the world prices of farm commodities, because that would destroy the foundation of our own economy. But what is being done for wheat I think should be done for all other farm products. Where there is a wide disparity in the domestic price and the world price, which prevails in the case of wheat, I think we should use export subsidies, but we should retain the 90-percent-support price in this country to shore up the economy of the United States.

Mr. AIKEN. I may say, if the Senator will permit me, that the support price of wheat under the President's program would be the full 90 percent of modernized parity under the formula which would come into effect in another year. The program under the President's proposal would take surpluses off the market, set them aside, and not consider them in reference to the support level. With the use of the new parity formula which was worked out some time ago and then suspended through next year, the support prices for all the basic commodities would get a fresh start at 90 percent of such parity under the President's program. We would have to set aside nearly \$2½ billion worth of commodities and not consider them in fixing support levels in order to do that.

Mr. EASTLAND. Certainly. I think we need a strategic stockpile.

The only criticism I have—and it applies equally to the administration of my party and to the present administration—is that sufficient steps have not been taken to expand our export outlets. In my opinion, the trouble lies in the Government itself, in the inability of the officials of the departments, who have not had the necessary training and do not have a knowledge of world conditions, to handle these commodities in export trade.

Mr. AIKEN. The Senator from Mississippi will get no disagreement whatever from me on that point. I agree with him.

Mr. EASTLAND. Mr. President, I yield the floor.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The PRESIDING OFFICER (Mr. BEALL in the chair) laid before the Senate the amendments of the House of Representatives to the concurrent resolution (S. Con. Res. 60) favoring the suspension of deportation of certain aliens, which were, on page 2, line 13, strike out "Benndetti," and insert "Benedetti"; on page 46, after line 20, insert:

A-6988016, Nicolaou, Kaliope Mosas nee Kaliope Nikolaos Karavokirou.

And on page 46, after line 20, insert:

A-677542, Satyendra, Kudumalakunte Narasinagar.

Mr. WATKINS. Mr. President, under date of March 1 the Senate adopted Senate Concurrent Resolution 60. Thereafter, on April 6, the House of Representatives amended Senate Concurrent Resolution 60 by changing the spelling of the name of a certain alien embraced in the concurrent resolution and by adding two cases.

These cases have been examined and have been found to comply with all of our standards and, accordingly, I move that the Senate concur in the House amendments to Senate Concurrent Resolution 60.

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

Mr. WATKINS. I yield.

Mr. MAYBANK. Is it the unanimous recommendation of the committee that the Senate concur in the House amendments?

Mr. WATKINS. Yes. The amendments are purely technical.

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

The motion was agreed to.

DEVELOPMENT OF THE DOMESTIC WOOL INDUSTRY

The Senate resumed the consideration of the bill (S. 2911) to provide for the development of a sound and profitable domestic wool industry under our national policy of expanding world trade, to encourage increased domestic production of wool for our national security, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER] for himself and other Senators.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. BARRETT. Mr. President, livestock is the basic industry of the Western States. Grass is the main crop harvested from about 90 percent of the 800 million acres of the West. About 11 million head of sheep presently are grazing on the Western ranges, daily gathering the products of the soil and processing them for utilization by the people. The economy of 200 counties in the Western States can be maintained only with a stable and a prosperous livestock industry.

The sheep industry is on the brink of disaster. Statistics tell the story better than words. Our stock sheep population dropped from 49 million head in 1943 to 26 million head in 1953. The number of sheep dropped 1 million head

last year. Our sheep population is the lowest in 75 years.

The population of the United States has grown from 80 million in 1880 to 160 million in 1954; yet there are fewer sheep today than there were in 1880.

The Department of Agriculture reports that domestic wool production has dropped from 460 million pounds in 1943 to 230 million pounds today, which is exactly one-half of what the wool production was 10 years ago.

That is the story, Mr. President. Strange as it may seem, the sheep industry went broke beginning in the war years, when it was producing food and fiber for the war effort. All this happened during the war years, when the Army and Navy Munitions Board made its finding that wool was a strategic and critical material, necessary for the security of the United States.

The answer is simple. The OPA froze the price of wool at 41 cents a pound when Japan struck at Pearl Harbor, and maintained that price throughout the war. On the other hand, the operating expenses of the sheep industry increased by 66 percent. Wages, in particular, went up 100 percent during the same time. As a result, thousands upon thousands of wool growers throughout the West were forced to convert from the sheep business to the cattle business. Oldtime families who had been in the sheep business for three-quarters of a century were forced to turn to cattle-raising, or else to go broke.

Over a 10-year period, the cattle numbers rose to 94 million head, an alltime high, while the numbers of sheep declined to 26 million head, almost an alltime low.

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

Mr. BARRETT. I yield.

Mr. WATKINS. Are there any other reasons besides those the Senator from Wyoming has mentioned in the excellent speech, which he has just begun, for the changeover from sheep raising to cattle raising?

Mr. BARRETT. There is one other reason which I should mention. Labor was scarce during the war years, and it is necessary to have a larger number of persons working on a sheep ranch than are required on a cattle ranch. In other words, in the Western States, sheep must be herded, at least where there are no woven wire fences; whereas cattle can be allowed to roam without cowboys having to watch them at least some of the time.

Mr. WATKINS. Did not the price of cattle and dressed beef have much to do with the changeover?

Mr. BARRETT. Yes, that is true. There were no restrictions on the prices of cattle, or of lamb, for that matter. As I mentioned a while ago, the price of wool was frozen at a level of 40 cents a pound, on the average, throughout the country, and maintained at that figure all during the war years. In other words, it seems to me that the policy of the Government initiated the decline in the sheep industry, and, worse than that, as if that were not bad enough, in 1948 the last administration took 25 percent off

the tariff on wool, resulting in a reduction in the price from 34 cents a pound to 25½ cents a pound.

Mr. WATKINS. Was that done after World War II had ended?

Mr. BARRETT. That was in 1948, after the war was over. The fact remains that the sheep population dropped about 5 million head every year from 1944 up until after the war was over. Then, after being in such terrible shape, the industry found itself confronted with the action taken by the administration which reduced the tariff on wool and permitted foreign producers to take over practically the entire market.

Mr. WATKINS. Was that reduction made under the reciprocal trade program?

Mr. BARRETT. The reduction was made under the Reciprocal Trade Agreements Act of 1934.

Mr. WATKINS. I should like to make an observation at this point. The Senator from Wyoming has stated quite accurately the conditions which prevail in my own State, the State of Utah. I have known of the conditions for many years, and I have had practical experience with sheep growers and wool producers. During World War I they had great difficulty. Most of the sheep growers in Utah at that time had their businesses either liquidated, or they were put in such bad financial condition that it took many years for them to recover. They expected to be given different treatment in World War II, but, as the Senator from Wyoming has pointed out, a ceiling was placed on the price of wool which made it unprofitable to produce wool.

Following World War II there has been a competitive situation which has made it almost impossible for sheep growers to continue in business. In my State it is not because we do not have men with ambition enough to produce wool, as they have done in the past, but it has been unprofitable for them to do so because of existing conditions.

If we are to have a domestic wool industry which will make this country anywhere near self-sufficient, or even only 50 percent self-sufficient, there must be put into effect the program which has been proposed. I personally prefer tariff protection, but since that is not practicable as of today, I strongly favor the passage of the bill which is now being considered.

I have been unable to find any Senators who have any real opposition to the wool program. The only opposition to the bill seems to be by those Senators who have some desire to add to the bill amendments which are very controversial. The bill ought to be voted on in the near future, and I believe it would be passed overwhelmingly.

Mr. BARRETT. The Senator from Utah is entirely correct. I believe there is very little objection to the bill itself. The sole purpose of the opponents of the bill, if they can be classed as opponents, is merely to load it down with amendments. I hope the bill can be passed in the form in which it was reported to the Senate by the committee. I hope proposals affecting other commodities

produced in this country, and particularly the basic commodities, may be made and debated on the floor of the Senate in an orderly fashion, and be acted upon after the committee makes its recommendations and report.

Mr. WATKINS. Am I correct in my understanding that with a few days the regular agricultural bill will be brought to the floor and made the pending business?

Mr. BARRETT. I heard the debate concerning that subject on the floor yesterday, and my recollection is that the distinguished Senator from Vermont [Mr. AIKEN], the chairman of the Committee on Agriculture and Forestry, and other members of the committee, indicated it may be a matter of a few weeks before the bill is reported to the Senate itself, but that the committee has been working quite regularly on the subject and will very shortly go into an executive session to consider the bill itself. I think it will be a matter of only a few weeks before the bill will be brought before the Senate and be acted upon.

Mr. WATKINS. Is it not true that the wool industry needs help, and needs it now?

Mr. BARRETT. The wool industry needs help now; the Senator is entirely correct. It seems to me that wool is in a special class because of the fact that there are produced in this country only 230 million pounds of wool, while about 700 million pounds of wool are consumed. About one-third of the amount of wool which is consumed in the United States is being domestically produced.

The problem facing the country as regards most agricultural commodities is one of surpluses rather than of shortages of products needed for consumption.

Mr. WATKINS. The help which is being offered is the type of help which should be granted when there exists a shortage, and heavier production is needed. Is that not correct?

Mr. BARRETT. The Senator is correct. I thank him very much for his contribution.

Mr. WATKINS. I thank the Senator for yielding to me.

Mr. BARRETT. Mr. President, as I stated previously, the livestock industry of the West finds itself in such a condition that, because of the unprofitable returns on the production of sheep, many of the livestock producers have been forced to convert their ranches from sheep to cattle production. As of January 1 of this year there were in this country 94 million head of cattle, the highest number in our history. The condition has resulted from the actions of the Government itself, in the first instance the action of the OPA, from the day the Japs struck at Pearl Harbor and all during the war, of holding the price of wool down to such an unconscionable figure as 41 cents a pound, when the Tariff Commission itself reported year after year that the wool growers of America were forced to produce wool at a loss of 10 cents a pound. So the wool growers had no other choice than to go into cattle production, and that has

caused the trouble facing the cattle industry of the West.

Mr. President, I call attention to a report made by the Department of Agriculture, which appears at page 489 of its Yearbook of 1951, in which appears this statement:

We want to keep our wool industry vigorous, because wool is essential to our national health and security; the Armed Forces consider wool a strategic and essential material. Domestic-wool production, even in peacetime, has never been equal to consumption. Normally we produce only from one-fourth to one-third of our total requirements. To meet any emergency we should produce at least two-thirds of our normal requirements of apparel wool.

Last year the sheepgrowers were forced to take a loss of about 10 cents a pound on wool and 5 cents a pound on every pound of lamb produced.

In connection with the statement by the Department of Agriculture, since the old Munitions Board has declared wool to be a necessary and strategic material to the defense of America, it seems to me there should be taken into consideration the fact that during World War II it took 135 pounds of wool to equip one soldier. The present domestic production of wool would equip about 1,900,000 soldiers; and even the goal of 300 million pounds, as set forth in the bill, would equip only 2,160,000 men. So it is quite apparent that in the bill we are dealing with bare minimums necessary for the welfare of our country.

As the Senator from Utah indicated a moment ago, the woolgrowers of America traditionally have been committed to a fair and reasonable tariff which would compensate for the difference between low labor and production costs offshore as against the high costs here at home. It seems plain and evident to the domestic wool industry that there is no prospect whatsoever for an adequate tariff.

The situation with reference to the wool industry became so critical that on July 9 last the President requested the Tariff Commission to institute an investigation of the effects of wool imports on the domestic wool price-support program, as authorized under section 22 of the Agricultural Adjustment Act. At the same time the President requested the Department of Agriculture to supplement the Tariff Commission's investigation by a broader study of the domestic factors which have contributed to the decline in the wool industry. The President stressed the importance of having the Secretary of Agriculture make constructive suggestions which would promote a sound and prosperous domestic wool industry.

Mr. President, let me call your attention to several statements made in the report of the Tariff Commission to the President last February. On page 6 of the report the Commission states:

The best evidence of the comparative costs of domestic and foreign wools is to be obtained from data on mill consumption and imports. From these, it is clear that foreign wools laid down in the United States duty paid have generally been available below the sale and CCC loan prices of domestic wools on a comparable basis; otherwise mills

would have purchased more domestic wool and less foreign wool than they did. In view of the current downward trend of wool prices generally, there is little prospect that this price disparity between foreign and domestic wools will reverse itself in the immediate future in the absence of some action by the United States Government.

On page 14, its conclusions are very significant:

The Commission concludes that imports are materially interfering with and are tending to render ineffective the price-support program for wool because they are driving the cost of conducting it to excessively high levels. For reasons already cited, there is no certainty that the legislatively prescribed production goal for wool can, as a practical matter, be achieved without resorting to measures outside the framework of the present price-support program for wool.

Mr. ANDERSON. Mr. President, will the Senator from Wyoming yield to me?

The PRESIDING OFFICER (Mr. BEALL in the chair). Does the Senator from Wyoming yield to the Senator from New Mexico?

Mr. BARRETT. I yield.

Mr. ANDERSON. I was very much interested when, a moment ago, the Senator from Wyoming said it seemed difficult to obtain tariff protection. The Senator from Wyoming was on the floor, I believe, when the Senator from Idaho [Mr. WELKER] expressed his general opposition to the bill, because he would prefer to have a higher tariff on wool. I think the Senator from Wyoming and I would also prefer to have a higher tariff on wool.

Mr. BARRETT. Exactly.

Mr. ANDERSON. However, do not both of us recognize that it will be impossible to obtain tariff relief?

Mr. BARRETT. That seems to be the situation with which we are confronted today. Regardless of our feelings in the matter, we must be realistic and practical about it.

Mr. ANDERSON. I am happy to have the Senator from Wyoming say that, because all of us, I think, agree with what the Senator from Idaho said. It might have been much better to obtain the necessary relief by means of the simple expedient of raising the wool tariff higher and higher; but, I think the Senator from Wyoming knows, as I do, that probably the State Department would be strongly opposed to an increased tariff, and probably the President would be strongly opposed to it.

Therefore, if we wish to help the wool industry, we must take the only avenue that appears open. Is not that the way the situation seems to the Senator from Wyoming?

Mr. BARRETT. That is precisely the way I see it. Judging from the portion of the report of the Tariff Commission I just read to the Senate, evidently the Tariff Commission takes the same view.

Mr. ANDERSON. Yes. I was going to say that if the Tariff Commission had been enthusiastic about a tariff change, then the Senator from Wyoming and I might feel somewhat differently about what we should do.

However, the Tariff Commission sees no possibility of making a change in the

tariff, and obviously there is no possibility of having such a change made. In the meantime, the domestic wool industry is going down and down. So, if we are to have any domestic wool industry, this bill is the only means, in the opinion of the Senator from Wyoming, I am sure, of preserving it. Certainly it is the only means, in my opinion.

Mr. BARRETT. I thank the Senator from New Mexico for his valuable contribution. I agree with him 100 percent.

Mr. President, to sum up the situation, these facts seem to be crystal clear:

First. The absurdly low price fixed on wool during the war years by the OPA forced thousands of wool growers to desert the sheep business and to enter the cattle business.

Second. In 1948 the reduction by 25 percent in tariff duties on wool was a solar plexus blow to an industry already wobbling on its feet.

Third. Sheep numbers dropped from 49 million head in 1943 to 27 million head in 1953.

Fourth. Sheep numbers declined another million head in 1953.

Fifth. The President called upon the Tariff Commission and the Department of Agriculture to recommend such steps as may be necessary to put the wool industry on a sound and prosperous basis.

Sixth. The Tariff Commission recommended that an import fee of 10 cents a pound, clean basis, be imposed on wool imports, to protect the wool price-support program.

In the light of the fact that the foreign-trade policies of the administration conflicted with higher tariff duties or possibly even with the imposition of import fees, as recommended by the Tariff Commission, the Secretary of Agriculture, working with representatives of the sheep industry, proposed legislation along the lines of the Wool Act of 1954, now the pending business before the Senate.

Broadly speaking, Mr. President, this bill would require the Secretary of Agriculture, first, to determine an incentive price that would encourage the wool growers of the country to increase their flocks until we would have a domestic production of 300 million pounds; second, to determine the average price received by all producers for their wool during the year; and, third, make payments to the growers for the difference, on a percentage basis, between the amount received for their wool and the incentive price.

Payments to growers would be limited to 70 percent of the specific cumulative duties collected on wool and wool manufactures over the years beginning with January 1, 1953.

The present tariff would be kept intact, and would be used to maintain the economic position of the industry, as originally designed.

It also would maintain the usual relationship between domestic and world prices of wool and wool products. The competitive position between domestic and imported wools and between wools and other fibers would not be affected.

Mr. President, in my opinion, one of the very fine provisions of the bill is

that the producer would sell his wool through normal trade channels, and would obtain from the buyer an account sale to file with the Department of Agriculture. In other words, the producer would sell his wool in the free, open market, and would use his best judgment to dispose of the wool at the best price available.

Under the provisions of this bill, the tariff on wool would be required to do double duty. First, it would protect the domestic industry in a limited degree from foreign imports from low-cost producing countries; second, the custom receipts from foreign wools would be used to make payments to domestic producers, in lieu of an adequate tariff. By limiting the payments to not exceeding 70 percent of the duties collected, the amounts available for section 32 programs under existing legislation would not be affected. Under section 32 of the Agricultural Adjustment Act of 1938, 30 percent of the custom receipts, including those on wool, have been set over to the Department of Agriculture, for assistance to such agricultural commodities as the Secretary shall determine.

For the 10-year period 1943 through 1952, the tariff on wool amounted to \$1,096,145,883, or an average of over \$100 million a year. During that period, over \$300 million from the customs receipts on wool was set over to the Secretary of Agriculture, for use under section 32; and during the same period of time, a total of \$1,388,000,000 has been allocated from all custom receipts, for use under section 32. It is significant to note, Mr. President, that 86 different agricultural commodities have benefited by the use of tariffs, including the duties paid on foreign wool, during that 10-year period; but not 1 cent of section 32 funds has been used to help the sheep industry.

Now, Mr. President, we are down to brass tacks. The question resolves itself down to whether or not we want a domestic wool industry. If we want to preserve that industry, which is so vital to so much of the West, wool must be treated in the same manner that other commodities have been treated. If it is fair to assist other commodities with funds from tariff receipts, then by all means wool should be helped by a tariff on foreign wools, which are permitted to come into this country and take the market away from our domestic producers.

It is apparent that the situation confronting the wool industry is entirely different from that confronting the producers of most other agricultural commodities. The situation is so different that it demands special treatment.

It is manifestly unfair to load down the bill with amendments affecting other commodities. The committee is at present considering each of those amendments. It is only logical that the committee pursue its study of each of these proposals and report in an orderly fashion. Before calling upon the Senate to come to a conclusion with respect to the important overall agricultural problems, the committee should be permitted to conclude its deliberations and make its

full report to the Senate. It is not only unfair to the wool industry to attempt to add these amendments to the pending bill, but it is also unfair to the Senate to force a decision before the committee is able to report. I trust that the amendments will be defeated, and that the bill will be passed.

Mr. MAYBANK. Mr. President, I desire to discuss the amendment to the pending bill which was offered by the Senator from Louisiana [Mr. ELLENDER] for himself, the Senator from North Dakota [Mr. YOUNG], the Senator from Georgia [Mr. RUSSELL], the junior Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. HUMPHREY], and myself.

Mr. President, I believe now and have always believed, that 90 percent of parity on the basic major crops was the only way to bring about fair and equitable distribution of income among the producers of those crops.

There has been some talk to the effect that perhaps the bill now before the Senate should not be amended so as to include other commodities. In my judgment, some of those commodities are in the same position as the wool industry, or in a worse position. I can quite understand the trouble the wool growers and sheep raisers have had, not only during World War II, when certain control measures were instituted, but following that, during the Korean conflict. I quite understand the losses suffered by the wool growers and sheep raisers. I am aware of the low prices at which wool sold.

I remind the Senate that during those years cotton also sold at very low prices. The price of cotton was below parity for many years. The Government took over much of the stock, and later, when more normal times returned, it was sold at a profit to the Government of \$300 million.

The question of the necessity for stockpiling wool is familiar to me, as one who served on the committee which dealt with stockpiling. The stockpiling situation with respect to cotton is likewise well known to me. We did not actually stockpile cotton. The Government stockpiled it through the Commodity Credit Corporation, and large stockpiles accumulated. They not only paid dividends to the Government in the short crop years which followed World War II, but made possible the operation of the textile industry in this country, and the manufacture of cloth and other articles produced by the cotton mills and textile factories for the benefit of the world.

During the years of shortage which followed World War II and the Korean conflict the cotton crop went down to 8 or 10 million bales. There was a great shortage throughout the world. Cotton sold for 75 cents a pound, except here in the United States, where, because of the Commodity Credit Corporation cotton, which was released and sold to the manufacturing establishments at prices between 30 cents and the lower 40's, and to exporters and others, the situation became so bad because of crop failures that it was necessary to place a limitation on

exports and to prohibit any exportation whatever of American cotton.

I have supported the principle of 90 percent of parity since its inception. I was not in the Senate when it was instituted, but I supported such legislation in 1941. I supported the late Senator Bankhead when parity was raised to 95 percent during World War II. Even after we raised it, cotton sold at prices far below parity. The farmer was the sufferer.

The farm index published day before yesterday showed the lowest level in 20 years for the farmer's purchasing dollar, as compared with the purchasing power of other people.

I was told by the chairman of the Committee on Agriculture and Forestry that yesterday Secretary Benson made the statement that it would not make much difference, because when we stockpiled cotton it would probably be at 90 percent.

I do not know what the present administration intends to do in connection with agriculture, and I do not think anyone else does. A bill has been before the Committee on Agriculture, and that committee has held hearings month after month. No bill dealing with the overall agricultural problem has yet reached the floor of the Senate or the floor of the House. So far as agricultural appropriations are concerned, I happen to be a member of that particular subcommittee of the Committee on Appropriations. We have held hearings. Aside from research and development—and I heartily agree with the Secretary of Agriculture that more research work should be undertaken—I am unable to figure out what the Department recommends, except a reduction in soil conservation and other necessary agricultural projects.

Knowing the rural population as I do, having come from a rural area myself, I appreciate what they are up against. I believe that unless a 90-percent parity bill is passed we shall be doing to the American producers of the basic commodities what the Senator from Wyoming [Mr. BARRETT] said had been done to the woolgrowers and sheep raisers in Wyoming, and what the Senator from Utah [Mr. WATKINS] says has been done to them in his State. The large herds are gone, and former sheep raisers have shifted from sheep to cattle. The losses on wool and on lambs continue. We will have the same losses in the basic crops unless we are very careful.

I merely wish to say that if we allow the support price to fall below 90 percent of parity we would approve wide open gambling in the United States, and everyone running a gambling house should open a bucketshop at the crossroads.

I have seen gambling in bucketshops. I have seen gambling in the various exchanges, when there was no stability of prices. I saw the price of wheat go down 50 cents and the price of cotton go down 20 cents in 1 day. If we fail to maintain the 90-percent-of-parity program, and as a result there is no floor for wheat, corn, or cotton, we will be opening up bucketshops throughout the

country, and the situation will be worse than it is in the FHA, where the loans were made at the rate of 150 percent, not 90 percent.

Having planted cotton and having grown it and having financed the growing of it, and having bought and sold cotton, I know what would happen. It would open the door wide. Who is to determine the surplus? The Department of Agriculture? Certainly. The Department makes crop estimates on wheat and corn and cotton and other commodities, but private firms make the real estimates. The "boys" at the crossroads go down to the bucketshops and usually come out with empty pockets. The poor farmer is the one who is taken for a ride.

There are more than 50 different grades of cotton. There are more than 50 different staples. It is possible to have a surplus in one grade and at the same time have a deficit in another grade.

I can well remember—and I believe the distinguished ranking minority member of the Committee on Agriculture and Forestry [Mr. ELLENDER] will remember also—that many years ago at the time when former Senator Smith was chairman of the committee, we had a great surplus of cotton. When the committee looked into it, it was found that to a large extent it was unusable and low-grade cotton, with which it was impossible to do anything. At the same time cotton mills could not buy good cotton.

I know, of course, that parity is based on Middling $1\frac{1}{16}$ upland. But the fluctuations between Middling inch, inch and a sixteenth, inch and a quarter, and what we call buzz-fuzz cotton, $\frac{5}{8}$ or $\frac{7}{8}$ cotton, will bring only terrible headaches and problems that the Department of Agriculture could never solve. Cotton grading, cotton ginning, cotton sampling is an art for which the Department of Agriculture through its appropriations does not have sufficient money to employ adequate personnel.

The large brokers in New York and New Orleans also estimate the cotton crop. They estimate the cotton crop in August, September, and October, creating fluctuations in the market that keep the cotton world going round—that keep the market going up and down. This is also true of all other commodities.

I have been in the Senate since 1941. I was on the committee which considered the commodity credit bill. I was on the subcommittee of the Committee on Banking and Currency with the late Senator Bankhead. I say, Mr. President, we have done pretty well. Through the Commodity Credit Corporation the Government has made money on most commodities. Of course, the war came along. But do you realize, Mr. President, that in 1941, 1942, 1943, and 1944, even with the war, cotton and other commodities were below parity?

I mention the operations of the Commodity Credit Corporation at this time because of the important role it has played over the years in the economic life of the American farmer. Since

there seems to be a continuing effort on the part of metropolitan newspapers and some of the magazines to discredit the parity program, I am happy to report to the taxpayers that insofar as cotton is concerned, they have earned \$300 million. This should be called to the attention of the taxpayers more frequently. People forget too easily.

In 1945 alone, the Commodity Credit Corporation sold $5\frac{1}{2}$ million bales of cotton. Shortly after that, the Department of Agriculture stopped the exportation of cotton. Because of that action, large mills—heavy taxpayers—which would have been forced to close, were able to continue operations.

The market price of Central and South American cotton at that time averaged about 75 cents a pound. American cotton would have gone to that price had it not been for the Government stocks which were sold at around 35 cents. Had our mills been required to pay up to 75 cents, the prices of cotton dresses and overalls to the working people would have exceeded their capacity to buy.

If we reduce the farmer's parity, we are taking a cut of his income, which is low enough as it is. The farmer buys the bread and manufactured goods; he works from sunup to sundown and spends his money. When we injure the farmer we seriously injure the Nation's economy.

Parity represents a fair relationship between prices received by farmers for their commodities and prices paid by farmers for goods and services. Congress has consistently recognized this relationship by including the parity concept in the Agricultural Adjustment Acts of 1933 and 1938, the Steagall amendment to the act of July 1, 1941, and the Agricultural acts of 1948 and 1949.

Historically the need for a parity formula arose from the severe depression suffered by farmers in 1920. Then prices of farm products fell rapidly before any general collapse of economic activity took place and for too long a time remained far below the cost of production. The aim of parity was to restore the farmer's dollar to normal purchasing power when expressed in prices paid by the farmer for commodities he must buy.

This was first measured by comparison with the amount of goods a farm commodity unit would buy as an average during the period August 1909–July 1914, inclusive. In recent years when this base period became too far removed for practical use, the base was changed to a more recent 10-year average with a transitional brake of a limit in the decrease in parity of 5 percentage points a year. The parity formula arose out of attempts to restore the farmer from a depression position to one where his income would more nearly equal the nonfarmer's income in terms of the goods and services the farmer has to buy. It is not intended to get for the farmer more than his fair share of the national income. I repeat that it would more nearly equal, not equal, the nonfarmer's income.

In view of the nature of parity, if the cost of the goods farmers must buy remains stable, parity would also remain

constant. It would rise only if the cost of goods to farmers rises.

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

Mr. MAYBANK. I yield.

Mr. ELLENDER. As a matter of fact, even under the 90 percent formula the farmer is 10 percent short of the break-even point. Is that not correct?

Mr. MAYBANK. The Senator is absolutely correct. That formula was established at 10 percent below 100 percent, I might say, because in many instances it was felt there would be more trading, perhaps, among business firms. They said, "If you make it 100 percent of parity, we will not be able to operate the exchanges." Some of them were firms in Chicago and New York. I want to add that I speak most respectfully of those firms. However, that is what they said. As a result, the farmer is already 10 percent short with respect to parity.

Mr. ELLENDER. The Senator is familiar with the pending wool bill; is he not?

Mr. MAYBANK. I am familiar with it.

Mr. ELLENDER. In that bill we are confronted with the provision that the producers of wool may get as much as 110 percent of parity, or even more, if the Secretary should so proclaim. Is that correct?

Mr. MAYBANK. That is correct.

Mr. ELLENDER. Of course it may be necessary to do that for wool, but in so doing, are we not probably doing violence to some other commodities?

Mr. MAYBANK. I believe cotton and wool are so closely allied that if wool were to get as much as 110 percent of parity and cotton only 75 percent, the 35 percent differential would undoubtedly induce textile mills to use more cotton than wool. Of course the Senator understands that the two commodities are mixed together usually.

Mr. ELLENDER. And other products are used also, of course.

Mr. MAYBANK. That is correct; cotton and rayon and other synthetics. I am not opposing the wool bill at all; I am only speaking on behalf of the cotton farmer, as a matter of justice.

Mr. ELLENDER. I am making a comparison between the various commodities. The Senator is aware of the statement made a moment ago by my friend the Senator from Vermont [Mr. AIKEN] that Mr. Benson appeared before the committee yesterday and assured the members of the committee that if the flexible price-support program is put into effect the cotton farmer will be assured 90 percent of parity. In the pending amendment we are only asking for assurances of 90 percent of parity for the six basics. Does the Senator from South Carolina see any reason why we should not simply spell out in the pending bill the guaranty that the farmer will get the same 90 percent of parity that Mr. Benson states will be made available if the flexible price-support program goes into effect?

Mr. MAYBANK. Mr. President, I believe in government by law. I think the law should be specifically written. In my opinion, the Senate Banking and Currency Committee made a mistake in

believing that what was testified to before that committee was going to be done. We did not write it into the law. I have nothing but respect for the Secretary of Agriculture when he says he is going to do something. He may intend to do it, but suppose something should happen to him. The specific language should be in the law. This is a government of laws and not of men. The Secretary of Agriculture may not be with us tomorrow. I may not be here myself. We cannot tell what will happen tonight. We should not take a chance on what someone says he intends to do. It should be specifically written into law. I think the distinguished Senator from Vermont well understands that I would rather see the language in the law than to have it remain merely word of mouth.

Mr. AIKEN. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. AIKEN. If the provisions of Senate bill 3052, which bill is now before the Senate Committee on Agriculture and Forestry, were enacted into law, the support price for cotton for the marketing years 1955-56 and 1956-57 would be 90 percent of parity, regardless of whether 3 million or 4 million bales were set aside.

Mr. MAYBANK. I agree with my friend from Vermont. I have great respect for the distinguished chairman of the Committee on Agriculture and Forestry. We have served on many committees together. But if what he says is the fact, why not put the language into the law? I have perfect confidence and belief that Mr. Benson is stating only what he believes to be the truth, but where may Mr. Benson be next year?

Mr. AIKEN. The answer to the question is that there is no better time to effect the transition between the wartime support program and the peacetime support program than in a year when there will be no noticeable difference in the support level. It is proposed to write it into the bill which is now being considered by the committee.

Mr. MAYBANK. If the bill were written by the distinguished chairman of the Committee on Agriculture and Forestry, naturally, I would not be speaking here today.

Mr. AIKEN. The Department of Agriculture has approved all the provisions of Senate bill 3052. There are omitted from that bill, however, three or four provisions which the Department also recommended.

Mr. MAYBANK. Then the Department should approve this amendment. It is a very simple one, as the Senator will see if he reads it carefully. I well understand the plight of the sheep raisers and their tremendous losses, because I have not only heard about them today, but I heard about them when I was chairman of the Joint Committee on Production during the days of the OPA and the OPS. The wool producers used to appear quite regularly and tell us of their losses. They also testified before the Committee on Banking and Currency which had jurisdiction of controls at that time. They told us of the terrible losses they had suffered. I felt

sorry for them and I still feel sorry for them. I am not speaking against the wool bill. But why not put specific language into the law?

Mr. AIKEN. Inasmuch as the bill which is before the Senate would provide the cotton grower, the rice grower, and the—

Mr. MAYBANK. What bill is it about which the Senator from Vermont is speaking?

Mr. AIKEN. It is Senate bill 3052.

Mr. MAYBANK. Where is that bill?

Mr. AIKEN. It is before the Committee on Agriculture and Forestry.

Mr. MAYBANK. Oh, yes. I join with the distinguished Senator from Vermont with reference to that bill, and I would speak for it as long as he asked me to speak, until next week, if it were necessary, to urge the passage of the bill, but the bill is not before the Senate.

Mr. AIKEN. Inasmuch as the bill guarantees to the producers 90 percent of parity for the next 2 years, why does not the Senator, instead of supporting an amendment to the wool bill, simply support the proposed legislation which will give him what he says he desires?

Mr. MAYBANK. I wish to say to my friend that there is no such bill before the Senate at this time. What assurance have I that the chairman is going to report a bill guaranteeing 90 percent of parity?

Mr. AIKEN. I hope—

Mr. MAYBANK. The Senator hopes. I hope, too. I join with the distinguished Senator in hoping.

Mr. AIKEN. I hope the distinguished Senator from South Carolina will not support any crippling amendment to the wool bill.

Mr. MAYBANK. The amendment would strengthen the wool bill, because the Government would take less wool, and the textile mills would use more and more wool to mix with synthetic fibers. Very few garments these days are made of pure wool. They are mostly a mixture of cotton and wool, or a mixture of rayon and wool, or Indian cotton mixed with wool.

Mr. AIKEN. No one is proposing 75 percent of parity for cotton.

Mr. MAYBANK. I understand that; but I also understand that if the sliding scale should go into effect the parity on cotton would go to 75 percent.

Mr. AIKEN. If what the Senator refers to as the sliding scale goes into effect, and the amount of cotton recommended by the President to be set aside—

Mr. MAYBANK. What kind of cotton does the President recommend setting aside?

Mr. AIKEN. It is upland cotton.

Mr. MAYBANK. On one occasion there was a surplus, putting cotton prices down to 20 cents a pound. There was a surplus of low-grade, unusable cotton, which kept down the price of good cotton. As a cotton man, I can tell the Senator that it would not make any difference. It would include what we call down South "dogtail" cotton.

Mr. AIKEN. What grade is the Senator recommending?

Mr. MAYBANK. It is based on fifteen-sixteenths, and we have better grades.

Mr. AIKEN. I believe that is the grade of cotton which the President proposes to set aside. Of course, so far as determining the support prices, it does not matter what grade is set aside.

Mr. MAYBANK. That is the grade of cotton which is basic for the New York-New Orleans-Liverpool cotton market. It is the standard grade.

Mr. AIKEN. What I wish to point out is that under the bill which is now before the Senate Committee on Agriculture and Forestry, the support level for upland cotton would be 90 percent of parity for the next 2-year period.

Mr. MAYBANK. I would not oppose such a proposal, but such a bill is not before the Senate at this time.

Mr. AIKEN. I hope the Senator from South Carolina understands that the President did not pretend to go into the minutest details in connection with the agriculture bill.

Mr. MAYBANK. I have nothing but respect for the President of the United States. I am trying to help him solve the agricultural problem.

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

Mr. MAYBANK. I yield to the Senator from North Dakota.

Mr. YOUNG. Much has been said about the administration's proposal to extend 90 percent supports, and to reduce them gradually. In my opinion, the administration's bill, now pending in the Senate Committee on Agriculture and Forestry, would put a ceiling of from 75 to 76 percent of parity supports on wheat.

Mr. MAYBANK. Did I understand the Senator from North Dakota correctly to say that the bill would provide a ceiling of 75 percent of parity on wheat?

Mr. YOUNG. I shall give the figures in a moment. I think the only opportunity wheat producers of the United States will have to extend the 90 percent support may be by an amendment to the pending wool bill.

According to the figures of the Department of Agriculture, which I placed in the RECORD the day before yesterday, if there were a minimum of 400 million bushels of wheat set aside, the support level would be 76 percent.

Mr. MAYBANK. May I ask the Senator what kind of wheat or what grade of wheat it is proposed to set aside?

Mr. YOUNG. Any kind of wheat. It would not make much difference. But I think the figures are very interesting.

Mr. MAYBANK. I want to hear them.

Mr. YOUNG. If there were 500 million bushels of wheat set aside, the maximum support level for 1955-56 would be 81 percent of parity. But that would be based on 55 million acres of wheat. That would mean that the wheat producers would have to reduce their acreage next year 11 percent more, on top of a 21-percent cut in acreage this year.

Mr. MAYBANK. Will the Senator from North Dakota yield back to me? I yielded only for a question.

Mr. YOUNG. Certainly.

Mr. MAYBANK. I made a statement that it was rather hard for me to ascertain what happened to certain moneys which the Department of Agriculture recommended, save for research purposes.

Does the Senator agree that it was difficult to determine the disposition of appropriations for certain items?

Mr. YOUNG. Yes—for certain control programs?

Mr. MAYBANK. That is correct.

Mr. YOUNG. I received these figures from the Department of Agriculture today. Under the pending price-support bill in the Senate, if we farmers were permitted to plant 62 million acres, as is the case this year, which is 21 percent less than a year ago, the support price would be 75 percent of parity. The minimum price would have been 75 percent of parity if there had been 400 million bushels set aside.

If 500 million bushels are set aside, with 62 million acres planted, the maximum price support would be 76 percent in marketing year 1955-56. The maximum support price would be 76 percent of parity.

I should, unless the provisions are changed, prefer the old Anderson Act of 1949 to the present proposal because, in effect, there would be a ceiling set at 62 million acres, of 75 or 76 percent of parity.

Mr. MAYBANK. The Senator believes, then, I take it, that wheat would receive 90 percent of parity?

Mr. YOUNG. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, two tables I have received from the Department of Agriculture today which prove conclusively what the present administration's proposal would do.

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

Wheat: Estimated normal supply, total supply, quota level, allotment objective, and price support level, assuming certain legislative revisions (House of Representatives Committee Print of Mar. 9, 1954) including set-aside as shown

[Quantities are in million bushels]^{1 2}

Normal supply (assumed the same for all years):		Normal supply—Continued	
1. Domestic consumption and exports.....	900	5. Acreage allotment objective (item 3).....	1,080
2. Carryover allowance (20 percent of 1).....	180	6. Supply for minimum support at—	
3. Normal supply (1±2).....	1,080	90 percent of parity (1.02×3).....	1,102
4. Marketing quota point (110 percent of 3).....	1,188	75 percent of parity (1.3×3).....	1,404

	Marketing year				
	1954-55	Set-aside of 400 million bushels		Set-aside of 500 million bushels	
		1955-56	1956-57	1955-56	1956-57
Total supply:					
7. Allotment (million acres).....	62.0	62.0	62.0	62.0	62.0
8. Total carryover July 1.....	875	899	932	899	932
9. Assured set-aside.....	0	400	400	500	500
10. Carryover for price-support purposes.....	875	499	532	399	432
11. Production ³	901	930	930	930	930
12. Imports.....	3	3	3	3	3
13. Total supply for price-support purposes.....	1,779	1,432	1,465	1,332	1,365
14. Total supply for marketing quota and allotment purposes.....	1,779	1,832	1,865	1,832	1,865
15. Disappearance.....	880	900	900	900	900
Minimum support level:					
16. Supply percentage (13÷3).....		132.6	135.6	123.3	126.4
17. Minimum support level (percent parity).....	4.90	75	75	79	77
18. Effective parity price, basis Mar. 15, 1954 (dollars per bushel).....	2.49	2.49	⁴ 2.37	2.49	⁴ 2.37
19. Minimum support price (dollars per bushel).....	2.24	1.87	1.78	1.97	1.82
20. Marketing quota following year? (Compare items 4 and 14.).....	Yes	Yes	Yes	Yes	Yes

¹ Major revisions: Carryover allowance of 20 percent (now 15) of domestic disappearance and exports in computing normal supply. A marketing quota would be proclaimed when the total supply exceeded the normal supply by more than 10 percent. The allotment objective is normal supply. Set-aside from 400 to 500 million bushels. Quantity set-aside to be excluded from carryover computation for price support purposes. Transitional parity provision effective Jan. 1, 1956.

² Assumes normal yields and compliance with quotas.
³ 1954 crop based on Prospective Plantings for 1954 and Apr. 1, 1954, Crop Report. 1955 and 1956 crops assume production on 62 million planted acres at an average yield of 15 bushels per planted acre.
⁴ 90 percent support required by law.
⁵ Transitional parity.

Wheat: Estimated normal supply, total supply, quota level, allotment objective, and price-support level, assuming legislative revisions proposed in S. 3052, including set-aside as shown

[Quantities are in million bushels] ^{1 2}

	Marketing year				
	1954-55	Set-aside of 400 million bushels		Set-aside of 500 million bushels	
		1955-56	1956-57	1955-56	1956-57
Normal supply (assumed the same for all years):					
1. Domestic consumption and exports.....	900				
2. Carryover allowance (15 percent of 1).....	135				
3. Normal supply (1+2).....	1,035				
4. Marketing quota point (120 percent of 3).....	1,242				
Normal supply—Continued					
5. Acreage allotment objective (130 percent of 1).....					1,170
6. Supply for minimum support at—					
90-percent parity (1.02×3).....					1,056
75-percent parity (1.3×3).....					1,346
Total supply:					
7. Allotment (million acres).....	62.0	62.0	62.0	62.0	62.0
8. Total carryover July 1.....	875	899	932	899	932
9. Assumed set-aside.....	0	400	400	500	500
10. Carryover for price support purposes.....	875	499	532	399	432
11. Production ⁴	901	930	930	930	930
12. Imports.....	3	3	3	3	3
13. Total supply for price-support purposes.....	1,779	1,432	1,465	1,332	1,365
14. Total supply for marketing quota and allotment purposes.....	1,779	1,832	1,865	1,832	1,865
15. Disappearance.....	880	900		900	
Minimum support level:					
16. Supply percentage (13÷3).....		138.4	141.5	128.7	131.9
17. Minimum support level (percent of parity).....	⁵ 90	75	75	76	75
18. Effective parity price, basis Mar. 15, 1954 (dollars per bushel).....	2.49	2.49	⁶ 2.37	2.49	⁶ 2.37
19. Minimum support price (dollars per bushel).....	2.24	1.87	1.78	1.89	1.78
20. Marketing quota following year? (Compare items 4 and 14.).....	Yes	Yes	Yes	Yes	Yes

¹ Major revisions: Set-aside from 400 to 500 million bushels. Quantity set-aside to be excluded from carryover computation for price-support purposes. Transitional parity provision effective Jan. 1, 1956.
² Assumes normal yields and compliance with quotas.
³ Should be equal to "a normal year's domestic consumption and exports plus 30 percent thereof," rather than 130 percent of item 1.

⁴ 1954 crop based on Prospective Plantings for 1954 and Apr. 1, 1954, Crop Report. 1955 and 1956 crops assume production on 62 million planted acres at an average yield of 15 bushels per planted acre.
⁵ 90-percent support required by law.
⁶ Transitional parity.

Mr. AIKEN. Mr. President, will the Senator yield?
 Mr. MAYBANK. I yield.
 Mr. AIKEN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD tables submit-

ted by the Department of Agriculture to the Senate Committee on Agriculture and Forestry, which will bear out the facts as I have presented them. The tables in exhibit E are based on S. 3052

and the tables in exhibit F are based on the House committee print. There being no objection, the tables were ordered to be printed in the RECORD, as follows:

EXHIBIT E

Wheat: Estimated normal supply, total supply, quota level, allotment objective, and price support level, assuming legislative revisions proposed in S. 3052, including set-aside as shown

[Quantities are in million bushels] ^{1 2}

	Marketing year				
	1954-55	Set-aside of 400 million bushels		Set-aside of 500 million bushels	
		1955-56	1956-57	1955-56	1956-57
Normal supply (assumed the same for all years):					
1. Domestic consumption and exports.....	900				
2. Carryover allowance (15 percent of 1).....	135				
3. Normal supply (1+2).....	1,035				
4. Marketing quota point (120 percent of 3).....	1,242				
Normal supply—Continued					
5. Acreage allotment objective (130 percent of 1).....					1,170
6. Supply for minimum support at—					
90 percent parity (1.02×3).....					1,056
75 percent parity (1.3×3).....					1,346
Total supply:					
7. Allotment (million acres).....	62.0	55.0	55.0	55.0	55.0
8. Total carryover July 1.....	875	899	827	899	827
9. Assumed set-aside.....	0	400	400	500	500
10. Carryover for price-support purposes.....	875	499	427	399	327
11. Production ⁴	901	825	825	825	825
12. Imports.....	3	3	3	3	3
13. Total supply for price-support purposes.....	1,779	1,327	1,255	1,227	1,155
14. Total supply for marketing quota and allotment purposes.....	1,779	1,727	1,655	1,727	1,655
15. Disappearance.....	880	900		900	
Minimum support level:					
16. Supply percentage (13÷3).....		128.2	121.3	118.6	111.6
17. Minimum support level (percent of parity).....	⁵ 90	76	80	81	85
18. Effective parity price, basis Mar. 15, 1954 (dollars per bushel).....	2.49	2.49	⁶ 2.37	2.49	⁶ 2.37
19. Minimum support price (dollars per bushel).....	2.24	1.89	1.90	2.02	2.01
20. Marketing quota following year? (Compare items 4 and 14.).....	Yes	Yes	Yes	Yes	Yes

¹ Major Revisions: Set-aside from 400 to 500 million bushels. Quantity set-aside to be excluded from carryover computation for price-support purposes. Transitional parity provision effective Jan. 1, 1956.
² Assumes normal yields and compliance with quotas.
³ Should be equal to "a normal year's domestic consumption and exports plus 30 percent thereof," rather than 130 percent of item 1.

⁴ 1954 crop based on Prospective Plantings for 1954 and Apr. 1, 1954, Crop Report 1955 and 1956 crops assume production on 55 million planted acres at an average yield of 15 bushels per planted acre.
⁵ 90-percent support required by law.
⁶ Transitional parity.

Cotton, upland: Estimated normal supply, total supply, quota level, allotment objective, and price-support level, assuming legislative revisions proposed in S. 3052, including set-aside as shown

[Quantities are in million bales]^{1 2}

	Marketing year				
	1954-55	Set-aside of 3.0 million bales		Set-aside of 4.0 million bales	
		1955-56	1956-57	1955-56	1956-57
Normal supply (assumed the same for all years):					
1. Domestic consumption and exports.....	12.0				
2. Carryover allowance (30 percent of item 1).....	3.6				
3. Normal supply (also allotment objective) (1+2).....	15.6				
Normal supply—Continued					
4. Marketing quota point.....					15.6
5. Supply for minimum support at—					
90 percent parity (1.08×3).....					16.8
75 percent parity (1.3×3).....					20.3
Total supply:					
6. Allotment (million acres).....	21.4				
7. Total carryover on Aug. 1.....	³ 9.6	9.2	7.3	9.2	7.3
8. Assumed set-aside.....	0	3.0	3.0	4.0	4.0
9. Carryover for price-support purposes.....	9.6	6.2	4.3	5.2	3.3
10. Production ²	11.5	10.0	10.0	10.0	10.0
11. Imports.....	.1	.1	.1	.1	.1
12. Total supply for price-support purposes.....	21.2	16.3	14.4	15.3	13.4
13. Total supply for marketing quota and allotment purposes.....	21.2	19.3	17.4	19.3	17.4
14. Disappearance.....	12.0	12.0		12.0	
Minimum support level:					
15. Supply percentage (12+3).....		104.5	92.3	98.1	85.9
16. Minimum support level (percent of parity).....	⁴ 90	90	90	90	90
17. Eff. parity pr., basis Mar. 15, 1954 (cents per pound).....	34.97	34.97	⁵ 33.65	34.97	⁵ 33.65
18. Minimum support pr. (16×17) (cents per pound).....	31.47	31.47	30.28	31.47	30.28
19. Marketing quota following year? (Compare items 3 and 13.).....	Yes	Yes	Yes	Yes	Yes

¹ Major revisions: Set-aside from 3.0 to 4.0 million bales, such quantity to be excluded from carryover computation for price-support purposes. Modernized parity to become effective Jan. 1, 1956.

² Assumes normal yields and compliance with quotas.

³ Published figure. Recent information indicates carryover may be slightly higher.

⁴ Ninety percent support required by law.

⁵ Modernized parity.

Corn: Estimated normal supply, total supply, quota level, allotment objective, and price support level, assuming legislative revisions proposed in S. 3052¹

[Quantities are in million bushels]

	Marketing year		
	1954-55	1955-56	1956-57
	Normal supply (assumed the same for all years):		
1. Domestic consumption and exports.....	3,200		
2. Carryover allowance (10 percent of 1).....	320		
3. Normal supply (1+2).....	3,520		
Normal supply—Continued			
4. Acreage allotment objective.....			3,520
5. Supply for minimum support at—			
90 percent parity (1.01×3).....			3,555
75 percent parity (1.15×3).....			4,048
Total supply:			
6. Allotment in commercial area (million acres) ²	47.0	46.6	50.6
7. Assumed acreage in commercial area (million acres).....	³ 54.0	⁴ 54.0	⁵ 55.0
8. Assumed acreage in noncommercial area (million acres).....	⁶ 25.7	25.7	25.7
9. Assumed yield, commercial area (bushels per acre) ⁷	44.3	44.3	44.3
10. Assumed yield, noncommercial area (bushels per acre) ⁸	24.5	24.5	25.3
11. Carryover Oct. 1.....	900	823	646
12. Production, commercial area (7×9).....	2,392	⁴ 2,392	⁹ 2,437
13. Production, noncommercial area (8×10).....	630	630	630
14. Imports.....	1	1	1
15. Total supply (11+12+13+14).....	3,923	⁹ 3,846	⁹ 3,714
16. Disappearance.....	3,100	3,200	
Minimum support level:			
17. Supply percentage (15+3).....	¹⁰ 111.4	109.3	105.5
18. Minimum support level (percent of parity).....	90	81	85
19. Effective parity price basis Mar. 15, 1954 (dollars per bushel).....	1.81	1.81	¹¹ 1.72
20. Minimum support price (18×19) (dollars per bushel).....	1.63	1.47	1.46

¹ Major revisions: No authority for marketing quotas; support price to vary 1 percentage point for each 1 percentage point variation in supply. Transitional parity provision effective Jan. 1, 1956.

² Based upon acreage required, at normal yield per planted acre (1949-53 average), which would result in a normal supply, considering carryover imports, and production in noncommercial area.

³ Prospective Plantings for 1954, dated Mar. 19, 1954, indicates the acreage might be as much as 55.3 million acres. Adjustment to 54.0 is made because farmers did not have their individual acreage allotments at the time their intention reports were made.

⁴ Assumes acreage the same as 1954 crop acreage estimate; production is at normal yield.

⁵ Assumes overplanting by 1 million acres more than the previous year's acreage estimate; production is at normal yield.

⁶ Based upon calculations made from Prospective Plantings for 1954.

⁷ United States 5-year average for commercial area, 1949-53, per planted acre.

⁸ United States 5-year average for noncommercial area, 1949-53 adjusted, per planted acre.

⁹ Each 100 million bushels change in supply would affect minimum support level by about 3 percent of parity.

¹⁰ Not applicable since 90 percent support required by law.

¹¹ Transitional parity.

Rice, rough: Estimated normal supply, total supply, quota level, allotment objective, and price support level, under present legislative provisions and provisions of S. 3052 and House committee print of Mar. 9, 1954¹

[Quantities are in thousand hundredweight]

Normal supply (assumed the same for all years):		Normal supply—Continued	
1. Domestic consumption and exports.....	51,250	5. Acreage allotment objective (same as item 3).....	56,375
2. Carryover allowance (10 percent of 1).....	5,125	6. Supply for minimum support at—	
3. Normal supply (1+2).....	56,375	90 percent parity (1.02×3).....	57,502
4. Marketing quota point (110 percent of item 3).....	62,012	75 percent parity (1.3×3).....	73,283

	Marketing year		
	1954-55	1955-56	1956-57
Total supply:			
7. Allotment (thousand acres) ¹	2,312	2,132	2,173
8. Assumed acreage (thousand acres).....	2,370	2,150	2,190
9. Assumed yield (pounds per acre) ²	2,326	2,326	2,326
10. Carryover Aug. 1.....		6,776	5,835
11. Production (8×9).....	55,126	50,009	50,939
12. Imports.....	300	300	300
13. Total supply (10+11+12).....	58,026	57,085	57,074
14. Disappearance.....	51,250	51,250	
Minimum support level:			
15. Supply percentage (13+3).....	102.9	101.3	101.2
16. Minimum support level (percent of parity).....	90	90	90
17. Effective (modernized) parity price, basis Mar. 15, 1954 (dollars per hundredweight).....	5.49	5.49	5.49
18. Minimum support price (16×17) (dollars per hundredweight).....	4.94	4.94	4.94
19. Marketing quota for following year? ³	No	No	No
	(Compare items 13 and 4.)		

¹ In accordance with the President's farm message, revisions would permit "mandatory price supports at 90 percent of parity * * * to expire after the 1954 crop." Assumes normal yields and compliance with allotments.
² 1953-54 estimated domestic consumption 25,900,000 hundredweight, and 1954-55 estimated exports of 25,350,000 hundredweight.
³ Based upon acreage required, at normal yield per planted acre (1949-53 average), which would result in a normal supply considering carryover. Assumes that allotments would be in effect in 1955-56 and 1956-57.

⁴ From Prospective Plantings for 1954, dated Mar. 19, 1954, adjusted upward by 10,000 acres to cover minor producing States.
⁵ United States 5-year average, 1949-53, per planted acres; assumed the same each year.
⁶ Not applicable since 90 percent support required by law; however, if supply-percent table were in effect (Agricultural Act of 1949) support still would have been at 90 percent, based upon estimates then available.

Peanuts: Estimated normal supply, total supply, quota and allotment level, and minimum price support level assuming legislative revisions proposed in S. 3052^{1,2}

[Quantities in thousand tons]

Normal supply (assumed the same for all years):		Normal supply—Continued	
1. Domestic consumption and exports.....	647	5. Quota in absence of minimum (also allotment objective) ³	647
2. Carryover allowance (15 percent of item 1).....	97	6. Supply for minimum support at—	
3. Normal supply (1+2).....	744	90 percent parity (1.08×3).....	804
4. Marketing quota point. (Quota applicable each year.)		75 percent parity (1.3×3).....	967

	Marketing year		
	1954-55	1955-56	1956-57
Total supply:			
7. Allotment (1,000 acres) ⁴	1,610	1,610	1,610
8. Assumed acres picked and threshed (1,000 acres) ⁵	1,513	1,513	1,513
9. Assumed yield, picked and threshed (pounds per acre) ⁶	927	927	927
10. Production (8×9+2,000).....	701	701	701
11. Carryover Aug. 1 ⁷	148	148	148
12. Imports.....	1	1	1
13. Total supply (10+11+12).....	850	850	850
14. Disappearance ⁸	702	702	
Minimum support level:			
15. Supply percentage (13+3).....		114.2	114.2
16. Minimum support level (percent of parity).....	90	786	786
17. Effective parity price Mar. 15, 1954 (cents per pound).....	13.5	13.5	12.8
18. Minimum support price (cents per pound).....	12.2	11.6	11.0
19. Marketing quota following year ¹⁰	Yes	Yes	Yes

¹ In accordance with the President's farm message, revision would permit "mandatory price support at 90 percent of parity * * * To expire after the 1954 crop." Transitional parity provision to become effective Jan. 1, 1956, with change limited to not more than 5 percent per year.
² Assumes normal yields and compliance with quotas.
³ Computed under sec. 358 of AAA of 1938, as amended. Assumed the same as item 1.
⁴ Minimum acreage allotment.
⁵ About 94 percent of allotment, based on previous year's experience.
⁶ 1949-53 adjusted average yield.

⁷ Assumes that Commodity Credit Corporation diverts sufficient quantities to domestic crushing or export to reduce carryover to 148,000 tons each year. It should be noted that peanuts which are surplus to edible requirements are largely diverted for crushing, usually at substantial loss to CCC. Were larger carryovers feasible, any such surpluses would lower minimum support levels from those indicated. For example, if there were no diversion by CCC the minimum support levels could drop as low as 83 and 77 percent of parity, respectively, for 1955 and 1956.
⁸ 90 percent support required by law.
⁹ Transitional parity.
¹⁰ Quota in effect each year, by law.

EXHIBIT F

Wheat: Estimated normal supply, total supply, quota level, allotment objective, and price-support level, assuming certain legislative revisions (House committee print of Mar. 9, 1954), including set-aside as shown

[Quantities are in million bushels] ^{1 2}

Normal supply (assumed the same for all years):

1. Domestic consumption and exports	900
2. Carryover allowance (20 percent of 1)	180
3. Normal supply (1+2)	1,080
4. Marketing quota point (110 percent of 3)	1,188

Normal supply—Continued

5. Acreage allotment objective (item 3)	1,080
6. Supply for minimum support at:	
90-percent parity (1.02×3)	1,102
75-percent parity (1.3×3)	1,404

	Marketing year				
	1954-55	Set-aside of 400 million bushels		Set-aside of 500 million bushels	
		1955-56	1956-57	1955-56	1956-57
Total supply:					
7. Allotment (million acres)	62.0	55.0	55.0	55.0	55.0
8. Total carryover July 1	875	899	827	899	827
9. Assumed set-aside	0	400	400	500	500
10. Carryover for price-support purposes	875	499	427	399	327
11. Production ³	901	825	825	825	825
12. Imports	3	3	3	3	3
13. Total supply for parity support purposes	1,779	1,327	1,255	1,227	1,155
14. Total supply for marketing quota and allotment purposes	1,779	1,727	1,755	1,727	1,655
15. Disappearance	880	900		900	
Minimum support level:					
16. Supply percentage (13+3)		122.9	116.2	113.6	106.9
17. Minimum support level (percent parity)	4.90	7.9	8.2	8.4	8.7
18. Effective parity price, basis Mar. 15, 1954 (dollars per bushel)	2.49	2.49	2.37	2.49	2.37
19. Minimum support price (dollars per bushel)	2.24	1.97	1.94	2.09	2.06
20. Marketing quota following year? (Compare items 4 and 14.)	Yes	Yes	Yes	Yes	Yes

¹ Major revisions: Carryover allowance of 20 percent (now 15) of domestic disappearance and exports in computing "normal supply." A marketing quota would be proclaimed when the total supply exceeded the normal supply by more than 10 percent. The allotment objective is normal supply. Set-aside from 400 to 500 million bushels. Quantity set-aside to be excluded from "carryover" computation for price-support purposes. Transitional parity provision effective Jan. 1, 1956.

² Assumes normal yields and compliance with quotas.
³ 1954 crop based on "Prospective plantings for 1954" and Apr. 1, 1954, crop report, 1955 and 1956 crops assume production on 55 million planted acres at an average yield of 15 bushels per planted acre.
⁴ 90 percent support required by law.
⁵ Transitional parity.

Cotton, Upland: Estimated normal supply, total supply, quota level, allotment objective, and price-support level, assuming certain legislative revisions (House committee print, Mar. 9, 1954), including set-aside as shown ^{1 2}

[Quantities are in million bales]

Normal supply (assumed the same for all years):

1. Domestic consumption and exports	12.0
2. Carryover allowance (20 percent of item 1)	2.4
3. Normal supply (also allotment objective) (1+2)	14.4

Normal supply—Continued

4. Marketing quota point (110 percent of 3)	15.8
5. Supply for minimum support at—	
90 percent parity (1.02×3)	14.7
75 percent parity (1.3×3)	18.7

	Marketing year				
	1954-55	Set-aside of 3.0 mil. bales		Set-aside of 4.0 mil. bales	
		1955-56	1956-57	1955-56	1956-57
Total supply:					
6. Allotment (million acres) ³	21.4	18.2	17.3	18.2	17.3
7. Total carryover on Aug. 1	49.6	9.2	7.8	9.2	7.8
8. Assumed set-aside	0	3.0	3.0	4.0	4.0
9. Carryover for price-support purposes	9.6	6.2	4.8	5.2	3.8
10. Production ⁴	11.5	10.5	10.0	10.5	10.0
11. Imports	.1	.1	.1	.1	.1
12. Total supply for price-support purposes	21.2	16.8	14.9	15.8	13.9
13. Total supply for marketing quota and allotment purposes	21.2	19.8	17.9	19.8	17.9
14. Disappearance	12.0	12.0		12.0	
Minimum support level:					
15. Supply percentage (12+3)		116.7	103.5	109.7	96.5
16. Minimum support level (percent parity)	90	82	89	86	90
17. Effective parity price, basis Mar. 15, 1954 (cents per pound)	34.97	34.97	33.65	34.97	33.65
18. Minimum support price (16×17) (cents per pound)	31.47	28.68	29.95	30.07	30.28
19. Marketing quota following year? (Compare items 3 and 13.)	Yes	Yes	Yes	Yes	Yes

¹ Major revisions: Carryover allowance of 20 percent (now 30) of domestic disappearance and exports in computing "normal supply." A marketing quota would be proclaimed when the total supply exceeded the normal supply by more than 10 percent. The supply percent-support price scale would start at "not more than 102 percent" (now 108) for minimum support at 90 percent of parity, with support to vary 1 point for every 2 points variation in total supply. Set-aside from 3.0 to 4.0 million bales, such quantity to be excluded from "carryover" computation for price-support purposes. Revises the minimum national marketing quota (see note 3). Modernized parity to become effective Jan. 1, 1956.

² Assumes normal yields and compliance with quotas.
³ Revision: The larger of the equivalent of 10 million bales, or 85 percent of the previous year's acreage allotment (or 80 percent of July 1 acreage if no allotment in effect) but not less than that acreage required to assure a normal supply.
⁴ Published figure. Recent information indicates carryover may be slightly higher.
⁵ 90-percent support required by law. If supply-percent table were in effect, support would be 75 percent.
⁶ Modified parity.

Corn: Estimated normal supply, total supply, quota level, allotment objective, and price support level, assuming certain legislative revisions (House committee print of Mar. 9, 1954)¹

[Quantities are in million bushels]

Normal supply (assumed the same for all years):		Normal supply—Continued	
1. Domestic consumption and exports.....	3,200	4. Acreage allotment objective (same as 3).....	3,680
2. Carryover allowance (15 percent of 1).....	480	5. Supply for minimum support at—	
		90-percent parity (1.01×3).....	3,717
3. Normal supply (1+2).....	3,680	75-percent parity (1.15×3).....	4,232

	Marketing year		
	1954-55	1955-56	1956-57
Total supply:			
6. Allotment in commercial area (million acres) ²	47.0	50.2	53.2
7. Assumed acreage in commercial area (million acres).....	³ 54.0	⁴ 55.0	⁴ 56.0
8. Assumed acreage in noncommercial area (million acres).....	⁵ 25.7	25.7	25.7
9. Assumed normal yield, commercial area (bushels per acre) ⁶	44.3	44.3	44.3
10. Assumed yield, noncommercial area (bushels per acre) ⁷	24.5	24.5	24.5
11. Carryover Oct. 1.....	900	823	691
12. Production commercial area (7×9).....	2,392	⁸ 2,437	⁸ 2,481
13. Production noncommercial area (8×10).....	630	630	630
14. Imports.....	1	1	1
15. Total supply (11+12+13+14).....	3,923	⁹ 3,891	⁹ 3,803
16. Disappearance.....	3,100	3,200
Minimum support level:			
17. Supply percentage (15+3).....	¹⁰ 106.6	105.7	103.3
18. Minimum support level (percent of parity).....	90	85	87
19. Effective parity price basis, Mar. 15, 1954 (dollars per bushel).....	1.81	1.81	¹⁰ 1.72
20. Minimum support price (18×19) (dollars per bushel).....	1.63	1.54	1.50

¹ Major revisions: Carryover allowance of 15 percent (now 10) of domestic consumption and exports in computing normal supply. No authority for marketing quotas. Support price to vary 1 percentage point for each 1 percentage point (now 2 percentage points) variation in supply. Transitional parity provision effective Jan. 1, 1956.

² Based upon acreage required, at normal yield per planted acre (1949-53 average), which would result in a normal supply, considering carryover, imports, and production in noncommercial area.

³ Prospective Plantings for 1954, dated Mar. 19, 1954, indicates the acreage might be as much as 55.3 million acres. Adjustment to 54.0 is made because farmers did not have their individual acreage allotments at the time their intention reports were made.

⁴ Assumes overplanting by 1 million acres more than the previous year's acreage estimate; production is at normal yield.

⁵ Based on calculations made from Prospective Plantings for 1954.

⁶ United States 5-year average for commercial area, 1949-53, per planted acre.

⁷ United States 5-year average for noncommercial area, 1949-53 adjusted, per planted acre.

⁸ Each 100 million bushels change in supply would affect minimum support level by about 3 percent of parity.

⁹ Not applicable since 90 percent support required by law.

¹⁰ Transitional parity.

Rice, rough: Estimated normal supply, total supply, quota level, allotment objective, and price-support level, under present legislative provisions and provisions of S. 3052 and House committee print of Mar. 9, 1954¹

[Quantities are in thousand hundredweight]

Normal supply (assumed the same for all years):		Normal supply—Continued	
1. Domestic consumption and exports.....	³ 51,250	5. Acreage allotment objective (same as item 3).....	56,375
2. Carryover allowance (10 percent of 1).....	5,125	6. Supply for minimum support at	
		90 percent parity (1.02×3).....	57,502
3. Normal supply (1+2).....	56,375	75 percent parity (1.3×3).....	73,288
4. Marketing quota point (110 percent of item 3).....	62,012		

	Marketing year		
	1954-55	1955-56	1956-57
Total supply:			
7. Allotment (thousand acres).....	2,312	2,132	2,173
8. Assumed acreage (thousand acres).....	⁴ 2,370	2,150	2,190
9. Assumed yield (pounds per acre) ⁵	2,326	2,326	2,326
10. Carryover Aug. 1.....	2,600	6,776	5,835
11. Production (8×9).....	55,126	50,009	50,939
12. Imports.....	300	300	300
13. Total supply (10+11+12).....	58,026	57,085	57,074
14. Disappearance.....	51,250	51,250
Minimum support level:			
15. Supply percentage (13+3).....	⁶ 102.9	101.3	101.2
16. Minimum support level (percent of parity).....	90	90	90
17. Effective (modernized) parity price, basis Mar. 15, 1954 (dollars per hundredweight).....	5.49	5.49	5.49
18. Minimum support price (16×17) (dollars per hundredweight).....	4.94	4.94	4.94
19. Marketing quota for following year? (Compare Items 13 and 4.).....	No	No	No

¹ In accordance with the President's farm message, revisions would permit "mandatory price supports at 90 percent of parity * * * to expire after the 1954 crop." Assumes normal yields and compliance with allotments.

² 1953-54 estimated domestic consumption, 25,900,000 hundredweight, and 1954-55 estimated exports of 25,350,000 hundredweight.

³ Based upon acreage required, at normal yield per planted acre (1949-53 average), which would result in a normal supply, considering carryover. Assumes that allotments would be in effect in 1955-56 and 1956-57.

⁴ From Prospective Plantings for 1954, dated Mar. 19, 1954, adjusted upward by 10,000 acres to cover minor producing States.

⁵ United States 5-year average, 1949-53, per planted acres; assumed the same each year.

⁶ Not applicable since 90-percent support required by law; however, if supply-percent table were in effect (Agricultural Act of 1949) support still would have been at 90 percent, based upon estimates then available.

Peanuts: Estimated normal supply, total supply, quota and allotment level, and minimum price-support level assuming legislative revisions proposed in House committee print of Mar. 9, 1954^{1,2}

[Quantities are in thousand tons]

Normal supply (assumed the same for all years):		Normal supply—Continued	
1. Domestic consumption and exports.....	647	5. Quota in absence of minimum (also allotment objective) ³	647
2. Carryover allowance (15 percent of item 1).....	97	6. Supply for minimum support at:	
3. Normal supply (1+2).....	744	90 percent of parity (1.02×3).....	759
4. Marketing quota point. (Quota applicable each year.)		75 percent of parity (1.3×3).....	967

	Marketing year		
	1954-55	1955-56	1956-57
Total supply:			
7. Allotment (1,000 acres) ⁴	1,610	1,610	1,610
8. Assumed acreage picked and threshed (1,000 acres) ⁵	1,513	1,513	1,513
9. Assumed yield, picked and threshed (pounds per acre) ⁶	927	927	927
10. Production (8×9+2,000).....	701	701	701
11. Carryover Aug. 1 ⁷	148	148	148
12. Imports.....	1	1	1
13. Total supply (10+11+12).....	850	850	850
14. Disappearance ⁸	702	702	702
Minimum support level:			
15. Supply percentage (13+3).....		114.2	114.2
16. Minimum support level (percent of parity).....	90	83	83
17. Effective parity price Mar. 15, 1954 (cents per pound).....	13.5	13.5	12.8
18. Minimum support price (cents per pound).....	12.2	11.2	10.6
19. Marketing quota following year? ⁹	Yes	Yes	Yes

¹ Major revisions: The supply percent-support price scale would start at "not more than 102 percent" (now 108) for minimum support at 90 percent of parity, with support to vary 1 percentage point for every 2 points variation in total supply. Transitional parity provision effective Jan. 1, 1956.

² Assumes normal yields and compliance with quotas.

³ Computed under sec. 358 of AAA of 1938, as amended. Assumed the same as item 1.

⁴ Minimum acreage allotment.

⁵ About 94 percent of allotment, based on previous years' experience.

⁶ 1949-53 adjusted average yield.

⁷ Assumes that Commodity Credit Corporation diverts sufficient quantities to domestic crushing or export to reduce carryover to 148,000 tons each year. It should be noted that peanuts which are surplus to edible requirements are largely diverted for crushing, usually at substantial loss to CCC. Were larger carryovers feasible, any such surpluses would lower minimum support levels from those indicated. For example, if there were no diversion by CCC the minimum support levels could drop as low as 80 and 76 percent of parity, respectively, for 1955 and 1956.

⁸ 90 percent support required by law.

⁹ Transitional parity.

¹⁰ Quota in effect each year, by law.

Mr. YOUNG. The only difference between the tables presented by the distinguished Senator from Vermont and mine is that the tables I have presented are based on 62 million acres of wheat for next year, as against 55 million acres in his tables.

Mr. MAYBANK. That is a reduction of 7 million acres.

Mr. YOUNG. It would be an additional cut of 11 percent.

Mr. AIKEN. It is perfectly obvious that if the wheat growers produced 300 million more bushels of wheat than are needed next year, there would be a difference in the level of supports. The tables I have presented are based on existing law.

Mr. MAYBANK. Would there be the same differential in cotton?

Mr. AIKEN. No. I do not know what it would be in respect to cotton, but with respect to Senate bill 3052 the Secretary of Agriculture has advised the committee that the support level for cotton for the next 2 years would be 90 percent of parity. I presume that his statement assumes normal yields.

Mr. MAYBANK. But there again is the difficulty. We do not have such a bill before the Senate. No one knows what the normal yield is. With different soil conservation programs and diversification programs, and with the farmer, as everyone knows, being dependent upon God and the weather for rain at the right time, except those who are fortunate to live in irrigated districts, no one knows what will happen as a result of droughts, bollweevils, worms, and other poor growing conditions.

Mr. AIKEN. If one wishes to presume conditions which he thinks might occur, one can get any answer he desires to a problem. The Department of Ag-

riculture has based its estimates on the existing law.

Mr. MAYBANK. But the Department of Agriculture ought to think about conditions 5 or 10 years from now, just as the Commodity Credit Corporation thought about them in the days of surplus cotton, in 1942, 1943, and 1944, when the price was at 60 percent of parity.

Mr. AIKEN. If Senators cannot use official figures of the Department of Agriculture in arriving at conclusions, what earthly figures can we use?

Mr. MAYBANK. I was only saying that there is no bill before the Senate on which to base the figure of 90 percent of parity. It is said that the price will be 90 percent of parity, and that the President proposes to set aside 4 million or 5 million bales of cotton. But there is no bill before the Senate providing for that.

Mr. YOUNG. What the Secretary of Agriculture is proposing is a still further reduction and stricter regulations. The wheat acreage was reduced 21 percent last year, and the Secretary is proposing to reduce it an additional 11 percent. The total reduction is taking away one-third of the acreage of wheat producers. On top of that, the Secretary of Agriculture is proposing to reduce the support level 15 percent more and then, following that, to switch over to a modernized parity formula, which means, at the end of the transitional period, another 35 cents per bushel cut.

Mr. MAYBANK. That would destroy the wheat farmers; am I not correct?

Mr. YOUNG. Certainly it would destroy them.

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

Mr. MAYBANK. I yield.

Mr. AIKEN. I am a little resentful of the insinuation that the Secretary plans to destroy the farmers.

Mr. MAYBANK. I did not mean to say that; I meant to say that it would destroy the support program.

Mr. AIKEN. The Secretary plans to operate according to the law which was enacted by Congress.

Mr. MAYBANK. I am not so familiar with the wheat situation as I should be, but if the wheat acreage has been reduced 21 percent, as I understand, and there is to be a further reduction of 11 percent, making a total reduction of 32 percent, and then if the support price is to be reduced, I do not see how the farmer can survive.

Mr. AIKEN. How can the Secretary survive if he does not proceed according to the laws established by Congress?

Mr. MAYBANK. I hope I did not vote for such a law as that.

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

Mr. MAYBANK. I yield.

Mr. YOUNG. The Secretary of Agriculture has been making many proposals. He has been proposing flexible price supports. He knows, that unless the law is changed, wheat farmers again will have to reduce their wheat acreage next year, by 11 percent on top of a 21-percent cut this crop year. The Secretary is sending out charts based upon 55 million acres. I asked him twice if he proposed to maintain the acreage this year at 62 million, but he has so far declined to state what his recommendations will be. He continues to use the 55-million-acre figure in his charts. I gather, he proposes that wheat farmers reduce their acreage next year by 11 percent.

Mr. MAYBANK. Of course, there is no such law as that.

Mr. YOUNG. The present law makes it mandatory that wheat acreage go to 55 million acres next year, unless the law is changed before we adjourn.

Mr. MAYBANK. The Senator from North Dakota and I are trying to have the law changed.

Mr. YOUNG. Congress passed a 1-year law. Unless the law is extended, the wheat farmers and cotton farmers will have to reduce their acreage.

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

Mr. MAYBANK. I yield.

Mr. AIKEN. The Secretary of Agriculture told the Committee on Agriculture and Forestry yesterday that he would have recommendations with respect to acreage ready within the near future. As I understand, he did not say that he is not going to recommend an increase in acreage for wheat and cotton. In fact, I think he could very well recommend an increase above 17 million acres of cotton, which would be the allotment next year under the existing law, and still maintain a supply situation requiring 90 percent price supports.

Mr. MAYBANK. I do not think he could do that, either.

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

Mr. MAYBANK. I yield.

Mr. YOUNG. If the Secretary recommends the same acreage which has been recommended this year, 62 million acres, it means that his bill which is pending before the Senate and the House will put a ceiling on wheat of 75 or 76 percent of parity. If the present wheat acreage is maintained, his provision would put that ceiling on wheat price supports.

Mr. AIKEN. Mr. President, will the Senator yield so that I may make one further statement?

Mr. MAYBANK. I yield.

Mr. AIKEN. People who expect high Government supports must expect to pay something for those high supports, and in this case it is reduced acreage which they will have to pay. We cannot have producers advocating unrestricted acreage and virtually unrestricted price supports at the same time. If such a condition were brought about, we would not know what to do with all the commodities produced.

Mr. YOUNG. Wheat farmers reduced their wheat acreage 21 percent last year. They had been urged by the Government all during World War II and also during the Korean war, and up until 2 years ago, to increase production.

Mr. AIKEN. If the Senator from South Carolina will yield to me further, I should like to make another statement in order to clarify the discussion.

The wheat producers would have had their acreage cut to 55 million acres this year if the Congress, with the approval of the Secretary of Agriculture, had not decided that was too much of a cut, and raised the minimum to 62 million acres instead of 55 million acres, which is the acreage they would have had under the law which so many people profess to think is an ideal law.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the distinguished Senator from Colorado.

Mr. JOHNSON of Colorado. Can the distinguished Senator from South Carolina inform me when the Senate will have an opportunity to vote on an agricultural bill which will provide rigid supports for basic crops, the kind of supports I favor?

Mr. MAYBANK. I am not able to give the distinguished Senator an answer to his question. I am not a member of the committee. I have been hopeful of having an opportunity to vote on some agricultural bill which would protect the basic crops. I have talked to members of the Subcommittee on Agriculture of the Appropriations Committee, of which I am a member, as is the Senator from North Dakota [Mr. Young]. So far as I am concerned, I have not been able to determine the answer to that question. I do not think the Senator from North Dakota has been able to determine it, either.

Mr. JOHNSON of Colorado. I am very anxious to have an opportunity, before the session ends, of indicating that I favor rigid price supports at 90 percent of parity. I am also anxious and hopeful that sometime during the session I shall have an opportunity to vote for some kind of an equitable program for dairy products. However, I wish to say to my good friend the Senator from South Carolina that, much as I dislike to oppose his ideas on the pending bill, I shall support the bill without any amendments.

Mr. MAYBANK. I can understand that. I also had hoped to support the bill. I cannot speak for the Senator from Louisiana or the Senator from Georgia or the other Senators, but I have come to the conclusion in my own mind that the only way I shall have a chance to vote for 90 percent of parity is by voting for the amendment to the pending bill. I may be wrong, but I think the only opportunity the Senator from South Carolina will have to vote on such price supports is by voting for such an amendment. If I thought the Senate would have an opportunity to have a clear-cut vote on 90 percent of parity on basic commodities, I would never have supported the pending amendment. That is my honest belief.

Mr. JOHNSON of Colorado. I can understand the position of the Senator, because my position is somewhat similar, except that I shall vote, and gamble and hope that the Senate will have an opportunity to vote on an agricultural bill such as we favor.

Mr. MAYBANK. I hope the Senator is correct, because I cannot recall an instance wherein he and I voted differently on agricultural bills. The Senator from Colorado and I have always voted similarly on bills providing for 90 percent of parity on basic commodities.

Mr. JOHNSON of Colorado. The Senator is correct.

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

Mr. MAYBANK. I yield.

Mr. AIKEN. I think the Senator from Colorado was not on the floor of the Senate yesterday when I assured the

Senate that, so far as it lies within my power, there will be brought to the floor of the Senate, a general agricultural price support bill at the earliest possible moment. The committee will begin executive meetings next week.

Mr. MAYBANK. May I ask the Senator from Vermont how soon such a bill will be brought to the floor of the Senate?

Mr. AIKEN. I had hoped such a bill could be brought to the floor by the first week of May, but when one hopes that a bill may be considered by the first week of May, one is likely to have such a bill considered in the third week of May.

Mr. MAYBANK. I appreciate the sincerity of the Senator from Vermont, and I know what a good friend he has been to the farmer. However, unless such a bill is considered by the Senate in the early part of May, the bill will get jammed in with the housing bill and all the appropriation bills, and then it will have to go to the House, and a conference on the bill will have to be had, and if the Senate is to adjourn sometime in July, such a bill will not be acted on.

Mr. AIKEN. I should like to assure the Senators from South Carolina and Colorado there will be an agricultural price-support bill submitted to the Senate just as quickly as it can be unless a majority of the Committee on Agriculture and Forestry votes not to report any bill; and I do not regard that as being within the realm of possibility.

Mr. MAYBANK. Why cannot the wool bill be recommitted and have it acted upon at the time such a general agricultural price-support bill is considered on the floor of the Senate?

Mr. AIKEN. Because it is essential that action be taken on the wool bill. It is essential that the bill be considered now.

Mr. MAYBANK. It is far more essential that other agricultural commodities be given consideration at this time. The woolgrowers of the West are being given consideration by this bill. It has been stated by the Senator from North Dakota that wheat acreage has been cut 21 percent, and it is expected to cut it further by 11 percent, and that there is going to be a ceiling of 75 percent. That will result in terrible conditions.

Mr. AIKEN. Such conditions are not to prevail and should not.

Mr. MAYBANK. That is what the Senator from North Dakota has stated, and he comes from the big wheat-producing section of the country. I am merely quoting him.

Mr. AIKEN. Some persons believe that Secretary of Agriculture Benson intends to destroy all agriculture in the country and leave the countryside in ruins.

Mr. MAYBANK. I do not believe any such thing as that, nor did I mean to insinuate any such thing as that.

Mr. AIKEN. I was not intimating that the Senator from North Dakota is one of the persons who entertain that belief. I think he has a few neighbors who feel that way, but I do not think any Member of the Senate feels that Secretary Benson wants to ruin American agriculture.

However, I wish to assure Senators that there will be an agricultural bill considered soon, to which they may offer amendments to any extent they desire and the Senate may vote on the amendments in any way it desires when such a bill and amendments are submitted to the Senate. Unless a majority of the committee votes not to report any bill at all, and I cannot imagine that any Senator would want to go home after doing that, I think such a bill will be considered sometime next month.

Mr. MAYBANK. I only regret the bill is not before the Senate at this time, because, if it were, I would not be speaking on the floor of the Senate when a committee of which I am a member is sitting in session.

I yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. I appreciate the courtesy of the Senator from South Carolina in yielding to me, because I wish to say to the Senator from Vermont that I am glad to have the assurance he has given us that there will be a bill proposing an agricultural program on which Senators will be able to vote their sentiments one way or the other.

I therefore repeat to the Senator from South Carolina that I shall take a chance that such a bill will be considered on the floor, and that I shall have an opportunity to vote on it. I shall also take a chance that there will be a dairy bill on which I shall have an opportunity to vote, because I am very desirous to cast votes on both measures. So I shall vote for the wool bill, and vote against all amendments to it, even though I favor the substance which is contained in the amendments which have been offered to the bill. I know the need is very grave in the wool-producing areas, and I know the time is short, and that legislation must be enacted at as early a moment as possible so I am going to support the bill and oppose the amendments, because I do not want amendments to interfere with a vote on the wool bill.

Mr. MAYBANK. I am sorry my friend the Senator from Colorado proposes to take the course of action he has indicated. I assure the Senator that if in the future the agricultural bill comes to the floor of the Senate for consideration, I shall vote along with him in favor of 90 percent of parity price supports.

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

Mr. MAYBANK. I yield.

Mr. HOLLAND. I should like to ask the distinguished Senator if I am correct in my understanding that the present proposed amendment does not have any set-aside provision by which a large part of existing surpluses for each of the basic commodities would be set aside and taken out of competition with current production?

Mr. MAYBANK. It does not, and I have little confidence that the Secretary of Agriculture will make such set-asides unless the law so provides, and the Department of Agriculture is forced to make them.

We now have legislation which provides for stockpiling, which is the same as a set-aside. We got no cooperation from the Department of Agriculture, and we are not going to get any now, unless it is provided for in black and white, in terms that no one can fail to understand.

It is not the business of the Department of Agriculture to stockpile commodities. It is the business of the proper congressional committee to make provision for stockpiling. Set-aside is the same.

Mr. HOLLAND. Then am I correct in understanding that the pending amendment does not contain a set-aside provision?

Mr. MAYBANK. That is correct. In view of the laws already on the statute books, if the Department of Agriculture wishes to engage in set-asides, it can purchase cotton and wool now, for stockpiling; it does not need to have such a provision included in this bill, for that provision is already on the statute books.

Mr. HOLLAND. Am I also correct in my understanding that the amendment does not contain provision for diversion or for handling the very great amounts of diverted acreage which are being taken out of the production of wheat and cotton and other basic commodities, under the necessary reductions in acreage under the present law?

Mr. MAYBANK. Yes. I wish to say to the distinguished Senator from Florida that matter has given me a great deal of concern. So far as I know—and I am a member of the agricultural appropriations subcommittee of the Appropriations Committee, and the Senator from North Dakota [Mr. Young], who is present at this time, is chairman of the agricultural appropriations subcommittee of the Appropriations Committee—sufficient funds have not been requested and will not be appropriated to take care of such diversions, no matter what bill we may write. I say that respectfully to the Senator from Florida, because I have asked that question on many occasions in the Appropriations Committee, and so has the Senator from North Dakota [Mr. Young].

Mr. HOLLAND. Next, Mr. President, I should like to ask my distinguished friend, the Senator from South Carolina, whether he himself believes that two of the necessary features of any program whereby we would go from wartime agricultural support program to an adequate peacetime agricultural support program would be set-aside provisions and provisions affecting the large amounts of diverted acreage?

Mr. MAYBANK. I thoroughly agree, and I appreciate very much the attitude of the Senator from Florida in regard to this matter; but I do not believe that situation can be cared for by means of a simple bill applying to a period of several years. I believe that problem should have been studied long ago, and sufficient appropriations for it should have been made.

As one who is a member of the agricultural appropriations subcommittee of the Appropriations Committee of the Senate, it will be my intent, when the bill

is written up—it has not yet been written up, but the hearings on it will close this week—to have that done. As the Senator from Florida knows, without the appropriation of sufficient funds, it is very difficult and impossible to do these things; it is just like measuring the acreage.

Mr. HOLLAND. Mr. President, I should like to ask the Senator from South Carolina another question: Am I correct in my understanding that the pending amendment would simply continue the wartime program for the years 1955 and 1956, as to the basic commodities, without—as he has said—any set-aside provision and without any provision affecting diverted acreage, and all in the face of our knowledge that that program has brought about the creation of tremendous surpluses which have become not only a national problem but almost a national scandal?

Mr. MAYBANK. The Senator from Florida is correct that the amendment will continue the present program for 2 years. It will not continue the wartime program, under which supports rose as high as 95 percent.

Large amounts of the stockpiles which were on hand were liquidated at great profit to the Government. In the past several years, as the result of negligence and inefficiency in the Government, the failure to export the surplus agricultural commodities of the United States is perhaps the great scandal mentioned by the Senator from Florida.

Let me say that I know little of that scandal, as it applies to milk; but I do know that the failure to export the other surplus agricultural commodities of the United States has resulted in the creation of tremendous stocks. Last February a year ago, we had a bill passed, but the Government did not take any interest in that matter; it waited until September and October, after the cotton crop had moved. For instance, I talked to one of the greatest cotton experts in the world, but could get no results; nothing was done to help.

Only last week the Export-Import Bank told me they were beginning to use the available provisions of the bill. Mr. President, why did they not use them 15 months ago? I ask that question of the Senator from Florida, who is a member of the Committee on Agriculture and Forestry. They did nothing to export our surplus agricultural commodities. Of course, it is a scandal.

As the Senate well knows, Mr. President, a great diversity of interests exists even among farmers themselves. These differences make it inevitable that compromises be made in the interest of farm unity. These interests are best served when the farmers compromise within their own ranks and reconcile the differences between the producers of various commodities and farm producers in the various areas of the country. In the interest of unifying these varied interests, I must pay tribute to the farm organizations of this country which have developed such splendid legislative recommendations through their State and county leaders.

A well-rounded farm program is a vital part of a productive and economically sound domestic economy. Whereas farm prices tend to fluctuate widely, farm production is not relatively stable year in and year out, but depends upon the weather and many other factors. As a result, farming is especially vulnerable to swings of the business cycle.

On the basis of its importance to the national welfare, Mr. President, it is necessary that our farm program be revised and modernized on a permanent, peacetime basis. We can make a step in the right direction by adopting this amendment and giving this small measure of assurance to the farmers of the Nation—our economic backbone. Then, Mr. President, we might go forward.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER], on behalf of himself and other Senators.

ORDER FOR RECESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate concludes its session today it stand in recess until tomorrow at 12 o'clock noon.

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

DEVELOPMENT OF THE DOMESTIC WOOL INDUSTRY

The Senate resumed the consideration of the bill (S. 2911) to provide for the development of a sound and profitable domestic wool industry under our national policy of expanding world trade, to encourage increased domestic production of wool for our national security, and for other purposes.

FARM COMMODITY PRICE SUPPORT

Mr. MURRAY. Mr. President, I am in favor of continuing at least 90 percent of parity price supports for farm commodities for the purpose of assuring farmers an equitable income. I would support them for that reason alone, even if there were no other argument in their behalf.

But in the present threatening economic situation there is another overwhelming consideration, namely, the economic stability of the Nation.

A majority of the Joint Committee on the Economic Report, Republicans as well as Democrats, warned us in their report of a few weeks ago that, regardless of the merits of flexible supports and the new formula for calculating parity, this is a poor time to tamper with farm-commodity price-support levels. If farmer purchasing power declines much more, we shall be headed into another serious depression.

Yet the Secretary of Agriculture and the administration are plunging ahead, insisting that we not only deliberately impose acreage restrictions on farmers so as to get surpluses under control, but also provide a sliding scale of price supports which will substantially reduce the farmers' income from major crops.

There was a time, Mr. President, when the country was told by Mr. Benson that lower prices would permit larger production of our farm commodities. The Secretary of Agriculture told audiences a dozen times that price alone does not determine farm income. It is production times price that makes up income, he said. The overriding implication was that if we let prices of some of the commodities slip we would not have to control acreage, and that consumers would buy more, thus eliminating the need for such controls.

Recently the Department of Agriculture filed a statistical estimate of how Senate bill 3052 and a similar House committee print of the administration farm-program bill would work in actual practice.

I desire to have printed at this point in the RECORD tables showing the Department's estimates of what S. 3052 would do in the case of wheat, of cotton, and of corn.

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

Wheat: Estimated normal supply, total supply, quota level, allotment objective, and price support levels,* assuming operation under provisions of the Agricultural Act of 1949, and set-aside of various sizes, S. 3052

[Quantities are in million bushels]

	Marketing years						
	1953-54	1954-55	Set-aside of 400 million bushels			Set-aside of 500 million bushels	
			1955-56	1956-57	1957-58	1955-56	1956-57
Normal supply:	Normal supply—Continued						
1. Domestic consumption and exports.....	925						
2. Carry-over allowance (15 percent of 1).....	139						
3. Normal supply (1+2).....	1,064						
4. Marketing quota point (120 percent of 3).....	1,277						
			5. Acreage allotment objective (130 percent of 1).....				1,203
			6. Supply for minimum support at—				
			90-percent parity (1.02x3).....				1,085
			75-percent parity (1.3x3).....				1,383
Total supply:							
7. Allotment (million acres).....		62.0	55.0	55.0	55.0	55.0	55.0
8. Total carryover July 1.....		837	890	818	746	890	818
9. Assumed set-aside.....		0	400	400	400	500	500
10. Carryover for price-support purposes.....		837	490	418	346	390	318
11. Production.....		975	850	850	850	850	850
12. Imports.....		3	3	3	3	3	3
13. Total supply for price-support purposes.....		1,815	1,343	1,271	1,199	1,243	1,171
14. Total supply for marketing quota and allotment purposes.....		1,815	1,743	1,671	1,599	1,743	1,671
Minimum support level:							
15. Supply percentage (13÷3).....		170.6	126.2	119.5	112.7	116.8	110.1
16. Minimum support level (percent of parity).....		90	77	81	84	82	85
17. Effective parity price, basis Feb. 15 (dollars per bushel).....		2.48	2.48	2.36	2.23	2.48	2.36
18. Minimum support price (dollars per bushel).....		2.23	1.91	1.91	1.87	2.03	2.01
19. Marketing quota following year?.....		Yes	Yes	Yes	Yes	Yes	Yes
(Compare items 4 and 14.)							
Total value of crop at loan level (production times support) in billions of dollars.....	2.58	2.17	1.62	1.62	1.59	1.73	1.70

* Assumes normal yields and compliance with quotas.
 † Should be equal to "a normal year's domestic consumption and exports plus 30 percent thereof," rather than 130 percent to item 1.

‡ 90 percent support required by legislat. on. If supply percent table were in effect (act of 1949) support would be 75 percent.
 § Transitional parity.

Cotton, upland: Estimated normal supply, total supply, quota level, and price support level, assuming operation under provisions of the Agricultural Act of 1949, and set-aside of various sizes, S. 3052*

[Quantities are in million bales]

Normal supply:		Normal supply—Continued	
1. Domestic consumption and exports.....	12.0	5. Supply for minimum support at—	
2. Carryover allowance (30 percent of item 1).....	3.6	90 percent parity (1.08 × 3).....	16.8
3. Normal supply (1+2).....	15.6	75 percent parity (1.3 × 3).....	20.3
4. Marketing quota point.....	15.6		

	Marketing year						
	1953-54	1954-55	Set-aside of 3 million bales			Set-aside of 4 million bales	
			1955-56	1956-57	1957-58	1955-56	1956-57
Total supply:							
6. Allotment (million acres).....		21.4					
7. Total carryover on Aug. 1.....		9.6	9.2	7.3	5.4	9.2	7.3
8. Assumed set-aside.....		0	3.0	3.0	3.0	4.0	4.0
9. Carryover for price-support purposes.....		9.6	6.2	4.3	2.4	5.2	3.3
10. Production.....		11.5	10.0	10.0	10.1	10.0	10.1
11. Imports.....		.1	.1	.1	.1	.1	.1
12. Total supply for price support purposes.....		21.2	16.3	14.4	12.6	15.3	13.4
13. Total supply for marketing quota and allotment purposes.....		21.2	19.3	17.4	15.6	19.3	17.4
Minimum support level:							
14. Supply percentage (12+3).....		135.9	104.5	92.3	80.8	98.1	85.9
15. Minimum support level (percent of parity).....		90	90	90	90	90	90
16. Effective parity price, bases Feb. 15 (cents per pound).....		34.72	34.72	33.53	33.53	34.72	33.53
17. Minimum support price (15×16) (cents per pound).....		31.25	31.25	30.18	30.18	31.25	30.18
18. Marketing quota following year.....		Yes	Yes	Yes	No	Yes	Yes
(Compare items 3 and 13.)							
Total value of crop at loan level (production times support) in billions of dollars.....	2.53	1.80	1.56	1.50	1.52	1.56	1.52

* Assumes normal yields and compliance with quotas.
 † 90 percent support required by legislation. If supply percent table were in effect (Agricultural Act of 1949) support would be 75 percent.
 ‡ Allotment reflects acreage slightly higher than that for minimum quota of 10 million bales.
 § Modernized parity.

Corn: Estimated normal supply, total supply, quota level, allotment objective, and price support level, assuming legislative revisions proposed in S. 3052¹

[Quantities are in million bushels]

Normal supply:		Normal supply—Continued	
1. Domestic consumption and exports.....	3,200	4. Acreage allotment objective.....	3,520
2. Carryover allowance (10 percent of 1).....	320	5. Supply for minimum support at—	
3. Normal supply (1+2).....	3,520	90% parity (1.01×3).....	3,555
		75% parity (1.15×3).....	4,048

	Marketing year			
	1953-54	1954-55	1955-56	1956-57
Total supply:				
6. Allotment in commercial area (million acres) ²		47.0	50.3	54.8
7. Assumed acreage in commercial area (million acres).....		52.0	53.0	55.0
8. Assumed acreage in noncommercial area (million acres).....		25.6	25.6	25.6
9. Assumed normal yield, commercial area (bushels per acre).....		44.3	44.3	44.3
10. Assumed yield, noncommercial area (bushels per acre).....		25.4	25.4	25.4
11. Carryover Oct. 1.....		890	641	442
12. Production commercial area.....		2,300	2,350	2,440
13. Production noncommercial area ⁴		650	650	650
14. Imports.....		1	1	1
15. Total supply (11+12+13+14).....		3,841	3,642	3,533
Minimum support level:				
16. Supply percentage (15+3).....		109.1	103.5	100.4
17. Minimum support level.....		90	87	90
18. Effective parity price basis Feb. 15 (dollars per bushel).....		1.80	1.80	1.71
19. Minimum support price (17×18) (dollars per bushel).....		1.62	1.57	1.54
Total value of crop at loan level (production time support) in billions of dollars.....	5.10	4.78	4.71	4.75

¹ Revisions assumed in S. 3052: No authority for marketing quotas; support price to vary 1 percentage point for each 1 percentage point variation in supply.
² Based upon acreage required, at normal yield per planted acre (1948-52 adjusted), which would result in a normal supply, considering carryover, imports, and production in noncommercial area.
³ Assumes overplanting in commercial area of about 3 million acres, or 1 million acres larger than assumed for 1954. Production is at normal yield.
⁴ United States 5-year average, 1948-52 adjusted, per planted acre.
⁵ Assumes very slight overplanting because of relatively large allotment. Production is at normal yield.
⁶ Transitional parity.
⁷ Not applicable since 90-percent support required by law.

Mr. MURRAY. I have inserted in these tables a single line of figures indicating the total loan value of the various crops in dollars—the production times the support price. In other words, I have simply taken the total number of bushels of wheat to be produced in a year, for example, and multiplied it by the price per bushel at which it will be supported. It is plainly indicated so it will not be misinterpreted as a Department figure.

In the case of wheat, these estimates reveal that it is the intention of the

Department of Agriculture to reduce acreage from 62 million acres allotted this year down to 55 million acres in 1955 and continue such reduced acreage for at least 2 years thereafter, thus holding the crop to 850 million bushels. This would reduce our carryover at the rate of 75 million bushels a year, according to the Department estimates.

At the same time, the Department wants to go on flexible supports and new parity. Even if 500 million bushels of wheat were set aside, as the President proposed in his agricultural message, the

national average support level for wheat would drop from about \$2.20 this year to \$2.03 for next year's crop, \$2.01 for the 1956 crop, and \$1.98 for the 1957 crop.

I have had an estimate made of the loan value of prospective wheat crops in those years, compared to the loan value of the 1953 crop, and it shows that between acreage reductions and lowering of supports we will cut the value of our wheat crop in the neighborhood of \$750 million annually. This is a very

serious reduction of income to be imposed on our wheat farmers.

Our 1953 wheat production of 1,168,536,000 bushels, figured at the price-support value, was worth \$2,582,500,000. With acreage controls, flexible supports and new parity, the administration would cut the price-support value of our 1955 wheat crop to \$1,725,000,000. Then it would drop to \$1,708,000,000 in 1956 and to \$1,683,000,000 in 1957, assuming that 500 million bushels is set aside.

The Department's table reflects an even larger overall reduction in the value of the cotton crop. The 1953 crop, at price-support level, was worth \$2.5 billion. The statistical tables show that the administration proposes to cut back production to 10 million bales and cut supports a little over 1 cent per pound through the new parity formula. The 1955, 1956, and 1957 crops, due to quotas and lower parity, would consequently have price-support value under \$1.6 billion each.

The proposed reduction in price-support value of the corn crop would be between \$225 million and \$300 million in the years just ahead.

Totally, the price-support value of these three basic crops would be down nearly \$2 billion annually.

Offsetting this \$2 billion loss, there will, of course, be some gain in income from alternate crops on the diverted acres. Suppose it is 50 percent of the loss from the basic crops—and that is extremely high. There would still be a \$1 billion net loss in the income of farmers who are already hard pressed economically.

The net income of farmers has dropped from \$16.8 billion in 1947 to \$12.8 billion in 1953, according to Department of Agriculture statistics. It is still declining. Within the month, dairy and corn price levels have broken as the result of Department of Agriculture policies, namely, the reduction of dairy price supports from 90 to 75 percent of parity and announcement of sales of considerable quantities of Commodity Credit Corporation corn.

It is abundantly clear that the administration thinks there ought to be a further "rolling readjustment" of farmers, regardless of its effect on farmers or on the national economy, which is already reeling under the effects of the hard-money crusade.

If farm surpluses are to be controlled by stringent acreage reductions—as the Department of Agriculture projection of plans reveals—then there is no logical reason whatever to depress price-support levels, too, with a flexible scale. On the contrary, there are abundant reasons for us to seek ways and means to increase total farm income.

Mr. President, the importance of agriculture in the national economy is indicated by a study of basic industrial products used by farmers, supplied me recently by the Public Affairs Institute. It comes originally from the Office of Materials and Facilities of the old Production and Marketing Administration, and shows how much of some of our basic industrial products are used on farms.

Agriculture uses 16.6 percent of all petroleum production; it uses 9 percent

of all steel, 10 percent of all chemicals, and 12.7 percent of all rubber, according to these figures, which are based on 1952 consumption.

This study shows clearly that we cannot depress agriculture without seriously affecting the whole fabric of our economy and our national life.

I ask unanimous consent to have the Public Affairs Institute memorandum printed in the RECORD at this point.

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

AGRICULTURAL USE OF INDUSTRIAL MATERIALS

Agriculture consumes 16.6 percent of petroleum products, 9 percent of steel, 10 percent of all chemicals, and 12.7 percent of all rubber. These figures, indicating how a farm depression can affect industrial activity, were compiled by the Office of Materials and Facilities of the old Production and Marketing Administration, now Commodity Stabilization Administration. All figures are for 1952. Details of the calculations follow:

I. PETROLEUM PRODUCTS

No single segment of American industry uses as great a proportion of the Nation's petroleum production as does our domestic agriculture. Table I indicates the significant quantities of gasoline, kerosene, distillate fuels, motor oils, and LP gas used by farmers to power and lubricate machinery and equipment, to spray crops, and to heat the farmstead, and to cook food.

TABLE I.—Total United States production and estimated agricultural use of key petroleum products, 1952

Product	[Millions of gallons]		Percent agricultural use of total United States production
	Estimated United States production	Estimated agricultural use	
Gasoline.....	49,593	7,026	14
Kerosene.....	5,783	614	11
Distillate fuel.....	21,784	1,191	5
Motor fuel.....	2,616	209	8
Liquid petroleum gas.....	5,284	355	7

All told, an estimated 16,493,000,000 gallons of crude oil would be required to supply all of the petroleum products used by farmers in 1952. This is about 16.6 percent of the estimated 99,553,000,000 gallons of crude oil charged to refineries during the entire calendar year 1952.

II. STEEL

Farmers currently use an estimated 7 million tons of finished steel annually in the form of farm machinery; passenger cars, trucks and trailers; engines and motors; construction materials; irrigation wells, pipe and tubing; fencing, nails and staples, baling wire and ties; tobacco flues, and countless other steel items that are an integral part of the modern farm plant. Some of the key uses of finished steel on a modern farm are detailed in table II below.

TABLE II.—Breakdown of estimated direct agricultural use of carbon steel, 1952

[Short tons]	
Farm machinery (including crawler tractors).....	3,300,000
Engines and motors.....	59,621
Total trucks, autos, trailers, and bodies.....	1,940,920
Trucks (total).....	584,506
Light trucks.....	280,333
Medium trucks.....	255,538
Heavy trucks.....	48,035
Autos.....	1,071,840
Trailers.....	97,430
Truck and trailer bodies.....	187,144
Farm construction and MRO supplies (total).....	1,655,000
Sheet and strip.....	325,000
Structural.....	23,000
Reinforcing mesh.....	5,000
Woven wire fencing.....	385,000
Barbed wire.....	250,000
Drawn wire.....	15,000
Bale ties.....	60,000
Coiled wire for balers.....	120,000
Nails and staples.....	173,000
Pipe and tubing.....	145,000
Fabricated well casing.....	30,000
Flues (tobacco).....	4,000
Other miscellaneous supplies.....	120,000
Total.....	6,955,541

This estimated figure of 7 million tons of finished steel used directly on farms represents about 9 percent (8.8 percent) of the 1952 total estimated United States supply of 79,800,000 tons.

Farmers are bigger takers of steel than even our mammoth passenger-car industry, as shown in table III below.

TABLE III.—Use of steel in manufacture of passenger cars, 1951

Net weight of carbon steel in average passenger car (pounds).....	2,512
Times passenger-car units produced in 1951.....	5,090,000
Total (pounds).....	12,786,080,000

¹ Or 6,399,040 short tons.

III. CHEMICALS

During the past generation the widespread use of chemical materials on the Nation's farms has become an increasingly important factor in achieving the tremendous crop- and livestock-production levels which are so basic to the American standard of living. In 1935 American farmers used less than one-fifth the quantity of chemical materials that they now use to get more and better production from every acre of ground, to combat crop and livestock pests and diseases, and to grow bigger and healthier meat animals and poultry products. Since 1940 the use of such chemicals has more than doubled and the rate of use is still climbing. Table IV details the way the use of key chemical materials has grown since 1935.

TABLE IV.—1950 consumption of agricultural chemical materials compared to 1935 and 1940

Material	Total consumption (thousands of tons)			Percent increase, 1950	
	1935	1940	1950	Over 1935	Over 1940
Pesticides.....	125	1,250	750	600	1,300
Fertilizers.....	6,534	8,650	20,990	321	243
Liming materials.....	3,292	13,434	29,099	884	217
Mineral feed supplements.....	(?)	1,150	1,480	(?)	1,320
Total.....	9,951	22,484	51,319	516	228

¹ Estimated.

² Not available.

The importance of the farmer as a customer for chemical materials is demonstrated by the fact that the estimated farm value of chemical materials (about \$1,628,000,000) represents more than 10 percent of the estimated \$15,600,000,000 total net sales of the entire chemical industry in 1950. Table V shows the value breakdown by end use of agricultural chemicals.

TABLE V.—Farm value of chemical materials used in agriculture, 1951-52

Item	Quantity (short tons)	Value per ton	Farm value
Nitrogen fertilizer (N content).....	1,425,000	\$280	\$399,000,000
Phosphate fertilizer (P ₂ O ₅).....	2,235,000	180	402,300,000
Potash fertilizer (K ₂ O).....	1,585,000	100	158,500,000
Pesticides.....			625,000,000
Mineral feed supplements.....	480,000	90	43,200,000
Total.....			1,628,000,000

TABLE VI.—Comparison of estimated agricultural use of rubber with estimated total United States rubber consumption, 1952

	(Pounds)			Primary end, agricultural uses
	Estimated United States consumption	Estimated agricultural uses	Percent agricultural use is of total	
Natural rubber.....	1,023,000,000	71,566,000	7	Truck and passenger-car tires, milking inflations, belts.
Synthetic rubber.....	1,738,000,000	278,080,000	16	Inner tubes (butyl); tractor, implement, truck and passenger-car tires (GR-S and S type); oil and sunlight resistant items (neoprene).
Total.....	2,761,000,000	349,646,000	12.7	

Mr. MURRAY. Mr. President, I want very much to see this wool plan enacted. I strongly favor the use of production payments proposed in the bill. The use of such production payments seems to me much wiser than a protective tariff which would increase all wool prices to consumers and tend to limit consumption of the commodity.

The addition of other imperative agricultural provisions to this bill will not, in my judgment, jeopardize the final enactment of the wool plan.

This is April. With expeditious action on this bill, there will be plenty of time before August 1 to deal with whatever legislative situation that may arise.

It is inconceivable to me that the President will veto an extension of 90-percent price supports, although that is repeatedly held out as a threat by the Secretary of Agriculture and others.

But if the President is going to veto such an extension, or any relief for dairy farmers, then the sooner this Congress knows it the better. Let the veto come in May instead of late July. Then there will be time to deal with it before adjournment.

Mr. President, I hope that the amendments offered by the Senator from Louisiana [Mr. ELLENDER] and other Senators, and the Senators from Minnesota [Mr. THYE and Mr. HUMPHREY], will be adopted.

INTERNAL REVENUE CODE OF 1954

Mr. WILLIAMS. Mr. President, a few weeks ago the Senator from Vermont

IV. RUBBER

Modern farming operations, like the rest of the United States economy, has been put on wheels. To provide a year's supply of tires for all the tractors, implements, trucks, and passenger cars on American farms and to manufacture milking equipment, conveyor belts, and other essential farm supply items requires some 350 million pounds of rubber. This would be 12.7 percent of the expected total United States consumption of rubber in 1952. Converted into the current average 6.70 by 15 size automobile tire, using about 11.5 pounds of rubber, this quantity of rubber would produce 30,434,283 passenger-car tires. Using the 1951 auto production figure of 5.1 million passenger cars produced and calculating on the basis of 5 tires per car, the rubber used by farmers would give us 20 percent more tires or 6.1 million cars than are needed to equip a year's output of automobiles. If we figure at the rate of only 4 tires per car, the 30,434,283 tires would equip half again as many cars (7.6 million) as were produced in 1951.

Table VI below shows a breakdown of on-farm use of rubber.

the oil and mining industry were 1 of 4 subjects on which the analysis in the Treasury had not progressed to the point where definite recommendations could be made. We are still not in a position to make recommendations in this area.

Past estimates of the direct revenue effects of reduction in the depletion allowance have, I understand, been of the order of \$200 million. These estimates made no allowance for the indirect adverse effects which might arise from reduced activity or for other reasons. An appraisal of these indirect effects is part of our present investigation. Pending the completion of this analysis, I have no estimate of the net revenue effects of the proposed change.

Sincerely yours,

G. M. HUMPHREY,
Secretary of the Treasury.

Mr. WILLIAMS. I find it hard to reconcile the statement of the Secretary of the Treasury with the fact that in the bill, H. R. 8300, which is endorsed by the Treasury Department, the subject is dealt with under section 613 (b), by providing many increases for various minerals, but no reductions.

I ask unanimous consent to have printed in the RECORD at this point an excerpt from the report of the Committee on Ways and Means of the House of Representatives on H. R. 8300, beginning at page 57 with chapter XIX, down to and including paragraph "B," on page 58. The excerpt lists the various minerals on which the depletion allowance is changed.

Notwithstanding the adverse report, the amendment will be offered.

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

XIX. NATURAL RESOURCES A. RATES OF PERCENTAGE DEPLETION (SEC. 613 (B))

Under present law taxpayers owning economic interests in specified types of mineral deposits are allowed percentage depletion deductions whenever these exceed depletion based on capital costs. Such depletion is computed as the lesser of (1) a statutory percentage of gross income from mineral property or (2) 50 percent of the net income from the property before depletion. On mines of minerals not accorded percentage depletion, discovery depletion may be deducted as an alternative to cost depletion if discovery value materially exceeds investment costs.

In recent years percentage depletion has been granted to 56 classes of nonmetallic minerals: 16 at 5 percent, 8 at 10 percent, and the others at 15 percent of gross income. Many of the classifications have been inexact and there has been uncertainty and controversy as to which gross income rate applies. It is also not clear whether some of the broad classes include nonmetallics not specifically named. A few commercially important nonmetallics are clearly not included in the present classification.

Your committee has continued the present rates of percentage depletion of 27½ percent for oil and gas, 23 percent for sulfur, and 15 percent for metals. The classes of nonmetallics in the present 15-, 10-, and 5-percent gross income categories were modified somewhat to clarify present law and to provide a grouping that is administratively more feasible and competitively more equitable. Under this revision there are a few increases, but no reductions, in the rates of percentage depletion allowed by present law and regulations.

[Mr. AIKEN] joined me in submitting an amendment, the purpose of which is to reduce the depletion allowance on oil from the present rate of 27½ percent to 15 percent.

We asked the Treasury Department for its recommendations. Today I have received a reply from the Treasury Department, from which I should like to read a paragraph:

In the budget message of January 21, 1954, it was stated that the special problems of the oil and mining industry were 1 of 4 subjects on which the analysis in the Treasury had not progressed to the point where definite recommendations could be made. We are still not in a position to make recommendations in this area.

Mr. President, I ask unanimous consent that the letter, signed by the Secretary of the Treasury, be printed in the RECORD at this point in my remarks.

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

THE SECRETARY OF THE TREASURY,
Washington, D. C., April 22, 1954.

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

DEAR SENATOR WILLIAMS: In your letter of April 1, you inquired as to whether the Treasury Department would support your proposed amendment to H. R. 8300 to reduce the depletion allowance for oil and gas wells from 27½ to 15 percent, and also requested an estimate of the amount of additional revenue which would be involved in such a change.

In the budget message of January 21, 1954, it was stated that the special problems of

Under the new provision depletion allowances, other than those for oil, gas, and sulfur are divided into two groups: Specific items depletable at 15, 10, and 5 percent and another general class for all other minerals.

The specific 15-percent group contains: Metal mines, rock asphalt, vermiculite, slate, chemical and metallurgical limestone, and ball, china, and sagger clay. All of these items under present law are entitled to the 15-percent rate except slate which has been in the 5-percent category.

The specific 10-percent group contains: Asbestos, brucite, coal, lignite, perlite, and wollastonite. Under present law all of these items receive the 10-percent rate although lignite has been covered only by an interpretation that it is a grade of coal.

The specific 5-percent category includes all the items presently listed at 5 percent except slate which has been raised to the 15-percent class, and in addition the 5-percent class is to include peat and mollusk shells.

All other minerals not specifically listed are placed in a general class to receive percentage depletion at the rate of 15 percent, subject to the limitation that if they are used for the same purposes for which stone is commonly used, they are to be regarded as stone and entitled to a percentage depletion rate of 5 percent. This end use test is imposed to prevent discrimination in percentage depletion rates between materials which are used competitively for the same purposes. The general 15-percent category is intended to include, for example, quartz sands or pebbles when sold for their silica content and novaculite. This group also covers minerals for which percentage depletion is not presently available such as gypsum, natural mineral pigments, and kyanite, but it does not include dirt, sod, or mosses, or minerals taken from the sea or air or from sources generally considered inexhaustible.

The classification of nonmetallic minerals into these broad groups reduces by 50 percent the number of items which are enumerated in the law. The fact that this classification is all-inclusive makes it possible to eliminate the discovery value depletion provisions of present law.

B. DEFINITION OF INCOME FROM PROPERTY (SEC. 613 (C))

Under present law and the bill, the gross income rates referred to above are applied to "gross income from the property." This is defined as gross income from mining, and "mining" in turn is defined as the extraction of the minerals, the "ordinary treatment processes" normally applied to obtain commercially marketable mineral products and certain transportation. Present law also lists a number of specific processes that are considered to be ordinary treatment processes.

The bill continues these definitions except in three respects. In the case of magnesite, burning is to be regarded as an ordinary "treatment process" and in the case of talc, fine pulverizing is to be regarded as such a process. The present definition of "sulfur processing" is specifically related to the Frasch process, so that the general rule for ordinary treatment processes is to be available for sulfur produced in other ways.

DEVELOPMENT OF THE DOMESTIC WOOL INDUSTRY

The Senate resumed the consideration of the bill (S. 2911) to provide for the development of a sound and profitable domestic-wool industry under our national policy of expanding world trade, to encourage increased domestic production of wool for our national security, and for other purposes.

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

The PRESIDING OFFICER (Mr. BEALL in the chair). The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

Mr. KNOWLAND. Mr. President, I send to the desk a proposed unanimous-consent agreement and ask that it be read for the information of the Senate.

The PRESIDING OFFICER. The clerk will read the proposed unanimous-consent agreement.

The legislative clerk read as follows:

Ordered. That following the morning business on Tuesday, April 27, during the further consideration of S. 2911, to provide for the development of a sound and profitable domestic-wool industry under our national policy of expanding world trade, to encourage increased domestic production of wool for our national security, and for other purposes, debate on any amendment or motion (including appeals) shall be limited to not exceeding 60 minutes, to be equally divided and controlled, respectively, by the mover of any such amendment or motion and the Senator from Vermont [Mr. AIKEN] in the event he is opposed to such an amendment or motion; otherwise, by the mover and the majority leader or some Senator designated by him: *Provided*, That no amendment that is not germane to the subject matter of the said bill shall be received: *And provided further*, That debate upon the bill itself shall be limited to not exceeding 2 hours, to be equally divided and controlled, respectively, by the Senator from Vermont [Mr. AIKEN] and the Senator from Texas [Mr. JOHNSON].

Mr. KNOWLAND. Mr. President, I have discussed the proposed agreement with the minority leader, who has had some consultation on the other side of the aisle, and I have had considerable consultation on this side of the aisle. It seems that next Tuesday will best meet the convenience of the Senators with whom we have discussed the question.

Mr. THYE. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. THYE. Mr. President, the question I have in mind is what kind of amendment might be considered as germane.

Mr. KNOWLAND. I would say that, so far as I am concerned, anything which deals with agriculture would be germane. It is not my intention in offering this proposed agreement at this time to foreclose any 90 percent support amendment or any amendment relating to the field of agriculture. I would say that the reason for the provision as to germaneness is that there might possibly be some amendment which, if adopted, would change the Senate rules. That is what I had in mind.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. LONG obtained the floor.

Mr. FERGUSON. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. May I ask the Senator how long he expects to speak?

Mr. FERGUSON. Not more than 5 minutes.

Mr. LONG. Mr. President, I ask unanimous consent that I may yield 5 minutes to the Senator from Michigan.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Michigan is recognized.

PROPOSED UNITED NATIONS COMMISSION TO INVESTIGATE SOVIET KIDNAPINGS

Mr. FERGUSON. Mr. President, on April 13, 1954, Dr. Alexander Trushnowich, head of the Russian Rescue Committee in West Berlin, was kidnaped by hired Soviet agents. The Coordinating Center for the Anti-Bolshevik Struggle, North American Branch, has sent to the State Department a letter dated April 22, 1954. I ask unanimous consent to have a copy of that letter printed in the RECORD at the close of my remarks.

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

(See exhibit 1.)

Mr. FERGUSON. Mr. President, as indicated in the letter, and from the facts which I have read in the press, it is apparent that the Communist government of Russia is determined that those who are refugees from Russia and are opposing communism shall be destroyed. I think it is appropriate that the State Department take every step it can, directly and through the United Nations, to see that such kidnaping is prohibited and stopped. We must always keep in mind that there is a difference between the Communists in Russia and the Russian people. There are those who have fled Russia and who are anti-Communists. They believe in freedom, as we in America believe in it. To compare anti-Communist Russians with the Communists of Russia is like comparing Americans who are loyal with those who have joined the Communist ranks in America.

Mr. President, I recently introduced a bill asking Congress to take away the citizenship of those persons who have joined the Communist Party, because they are no longer loyal to American institutions.

But, keeping that in mind, I think we also must bear in mind that there are those who have left Russia because they are anti-Communists. There are others who leave Russia not because they are anti-Communists; they are Communists, but they have fallen out with the present Communist leaders.

As we look back over history we find many instances in Russia of persons who are in control for only a short time, and are then destroyed.

I hope the Secretary of State will use every available facility in the United States to see that these kidnapings are prohibited. We have a certain responsibility in West Berlin, and, therefore, we are vitally interested with our allies in the question. I hope that those who have authority to keep order in West Berlin will take action and attempt to bring back Dr. Alexander Trushnowich, who was the head of the Russian Rescue Committee in West Berlin.

EXHIBIT 1
COORDINATING CENTER
FOR THE ANTI-BOLSHEVIK STRUGGLE,
NORTH AMERICAN BRANCH,
April 22, 1954.

HON. JOHN FOSTER DULLES,
Secretary of State,
Washington, D. C.

DEAR SIR: Dr. Alexander Trushnowich, head of the Russian Rescue Committee in West Berlin, was kidnaped by hired Soviet agents on April 13, 1954. A terrible crime has thus been committed in the free world. Nevertheless there is a reason to hope that the timely intervention of the civilized world will save Dr. Trushnowich even now.

Therefore we petition the Department of State to have the United States delegation at the United Nations propose the establishment of a special United Nations Commission to investigate all the brutal kidnappings perpetrated by Soviet agents outside the Soviet Union, and moreover, that the United Nations demand the immediate release of Dr. Trushnowich in conformity with the charter of the United Nations Commission on Human Rights.

As the head of a humanitarian welfare committee, Dr. Trushnowich violated no laws. The reasons for his kidnaping are obvious. He was the leader of a Russian refugee group devoted to assisting victims of Communist tyranny, especially members of the Soviet armed forces, who had escaped to the free world. As such, he was known and respected by freedom seekers behind the Iron Curtain. This was the sole reason behind several attempts that had been made to abduct or assassinate him in the past. This was why he was savagely beaten and kidnaped on April 13.

We know that we speak in the name of all the above anti-Communist Russian and national organizations, when we address this appeal through you, Mr. Secretary, to the conscience of the world.

Very truly yours,

DJAB N. NAMINOW.

Prof. BORIS A. KONSTANTINOVSKY.

R. V. DUDIN.

VLADIMIR SAMARIN.

FEDERAL ASSISTANCE IN THE FINANCING OF MUNICIPAL IMPROVEMENTS

Mr. LONG. Mr. President, last Thursday, for myself and on behalf of the senior Senator from Louisiana [Mr. ELLENDER], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Alabama [Mr. HILL], the Senator from Mississippi [Mr. EASTLAND], the senior Senator from Kentucky [Mr. CLEMENTS], the junior Senator from Kentucky [Mr. COOPER], the Senator from Montana [Mr. MANSFIELD], the Senator from Illinois [Mr. DOUGLAS], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Florida [Mr. SMATHERS], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], and the Senator from North Dakota [Mr. LANGER], I introduced a bill which is entitled "The Municipal Improvements Bill of 1954." At that time there was no opportunity to explain the purpose and the provisions of this bill and I should like to ask your indulgence to do so today.

If enacted, this bill would provide the means whereby the Federal Government would guarantee the principal and interest of bonds issued by municipalities having a population of less than 10,000 inhabitants at the time of the last Fed-

eral census. Guaranties of such bonds would apply only to those public works as defined under the proposed legislation. These public works would be limited to: First, the storage, treatment, purification, and distribution of water; second, sewerage and sewerage facilities, including sewage-treatment works; and, third, gas-distribution system. All three of these types of public works are vitally connected with the standard of health and sanitation of our population.

The act would be administered by a Commissioner, who would most appropriately be the Federal Housing Commissioner, because of this official's experience with the administration of certain other legislation of a related character. It is provided, however, that the President could designate another agency to administer the program, if it should be desirable to do so.

The procedure which would apply under this act is as follows: A municipality, having less than 10,000 inhabitants, would go through all of the usual procedure under the applicable State legislation for drafting the plans, and for taking the decision to issue the bonds for the purpose of constructing the public works in question. We have specifically in mind that the legislation should not permit the Commissioner to interfere unduly in the decisions which are presently and should continue to be the province of the local citizenry and their duly elected officials.

After the municipality had taken the necessary steps to issue bonds for purposes which fall under this act, the officials thereof would obtain a certificate from the Attorney General, or other chief legal officer of the State in question, as to the legal validity of the proposed bond issue and the authority of the municipality to issue same.

This certificate and other information, which it is appropriate for the Commissioner to require in order to determine that the bond issue is a valid one and that the project which it is proposed to finance is a sound one, would be submitted by the municipality to the Commissioner.

The Commissioner would be required to act promptly on all applications. In the event that he finds that an application is deficient and cannot be approved, he is required to report in writing to the municipality specifically pointing out the deficiencies which he alleges. It is provided that the municipality can, at any time thereafter, when it considers that these deficiencies have been remedied, resubmit an application.

In the event the Commissioner approved the application, the municipality would be granted a term of 1 year during which it could submit for endorsement the bonds which were to be sold to finance the proposed public work. Unless the Commissioner found that the certificates were irregular in some respect, and therefore could not be approved under the terms of his earlier approval of the project as a whole, he would forward them to the Treasurer, who would be required to endorse them to show that they were fully guaranteed, both as to principal and interest, by the United States Government. The bonds would

then be returned to the municipality for sale.

There are two types of charges which would be authorized by this proposed legislation. The first pertains to the administrative costs incurred by the Commissioner. He would be authorized to establish an initial scale of charges which he estimates would be required to cover anticipated administrative costs. The Commissioner would also be required to review these charges annually, and to make such adjustments in them as experience warranted. The administrative charges must be paid before the bonds are transmitted by the Commissioner to the Treasurer for final endorsement.

The proposed legislation also provides that a fee of 1 percent of the face value of the bonds shall be charged as a premium designed to provide a pool from which losses due to default will be paid. This premium could be paid after the sale of the bonds and out of the proceeds thereof.

Mr. President, it is my hope, and that of the other Senators who joined with me in introducing this bill, that it will prove very beneficial in assisting small communities to build and to improve their essential public works. In particular, there are serious deficiencies throughout the entire country in facilities for the disposition and treatment of sewage which should be remedied.

In regard to my own State of Louisiana alone, it has been ascertained recently that only 6 percent of communities with population below 5,000 have public sewerage systems.

In addition to the improvement of facilities for better health and sanitation, much useful employment will be generated by the provisions of this bill, and I need not speak of the extreme importance of this aspect, in view of the very widespread unemployment and partial employment which exists in the country today.

It should also be mentioned that, in addition to the importance of the measure from the standpoint of the improvement of human health and sanitation conditions, it would be of importance to the preservation of fish and wildlife. There are many areas where the present inadequate arrangements for the disposal of sewage, and particularly the lack of sewage-treatment systems, constitute a serious problem of stream pollution.

I have been advised by both municipal authorities and bond experts that under the present circumstances it is virtually impossible for small communities to market their bonds for the purpose of providing facilities for better health and sanitation. The interest rates are sky high at the present time, and only something in the character of a Federal guaranty will make them more marketable.

I wish to emphasize the fact that the bill, if enacted, will not result in any cost to the Federal Government. Provision is made for the payment of administrative costs and for the payment of losses which may be the result of default of bonds guaranteed by the Federal Government. If experience should prove that the loss premium of 1 percent of the face value of the bonds is not suf-

ficient, Congress could increase the charge, or reduce it if an undue surplus should be accumulated.

The bill, as presently drafted, applies only to municipalities, but I recognize that it will be desirable to make provision for its application to areas which lie outside municipal boundaries, and I intend to request that the staff of the Committee on Public Works study the problem to determine the best means of providing the additional coverage. It would be helpful to the committee and its staff if Members of the Senate could indicate particular problems with regard to their own States. There are many special types of local governmental organizations in the several States, and language should be found to include those which are appropriate.

Despite its many advantages, I should not want to oversell the benefits which will result from the proposed legislation. Local initiative in instituting worthwhile projects in the fields covered by the bill will still determine the extent of the improvements to be undertaken, and this is as it should be, unless Federal funds are to be provided directly to finance these projects. I do not believe that the deficit budget which the Government already faces should be made worse by the very large expenditures which would be necessary.

Also, the bill does not remove or attempt to alter in any way the limitations presently placed on municipalities by their State legislatures with regard to the limits on debts which they may incur or the procedures under which they are authorized to issue bonds. It may be necessary that State legislatures give consideration to changes in State laws which would make it easier for local government agencies to undertake essential public works improvements. I believe they would be encouraged to do so by the Federal guaranties which this bill would provide.

Very special credit is due, in my opinion, to the energetic work which has been done by the Southwest and Central Municipal Improvement Association of Louisiana, and I desire to record my appreciation for their assistance in framing the proposed legislation. Their work, and that of numerous other similar organizations throughout the country, will be greatly assisted if Congress passes the bill.

I believe it is highly desirable to pass the proposed legislation during the present session, and I very much hope that the committee will be able to give careful consideration to it without delay. I also hope that Members of the Senate will find the time in their already overcrowded schedules to study its provisions and to give support to it, both in the committee and when it reaches the Senate floor, as I hope it will.

Mr. President, in support of the bill, I ask unanimous consent to have printed at this point in the RECORD the text of two letters I have received, urging the passage of the proposed legislation.

The PRESIDING OFFICER (Mr. FERGUSON in the chair). Is there objection?

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

NEW ORLEANS.

HON. RUSSELL LONG,
United States Senator,
Washington, D. C.

MY DEAR SENATOR LONG: It is my understanding that you are in the process of preparing a bill which will make Federal aid available to municipalities to assist them in financing the construction of sanitary sewerage systems. We believe that this is an extremely worthwhile and valuable project. As municipal bond attorneys, we have realized that it is virtually impossible for communities of less than 5,000 population in Louisiana to finance the construction of essential sewerage facilities. Property assessments are generally too slow to enable them to finance the improvements by the issuance of ad valorem tax bonds and the number of potential customers is too small and construction costs too high to permit them to issue and market sewerage revenue bonds payable solely from the revenues derived from the operation of the systems. It is our feeling that if the Government would guarantee the payment of revenue bonds issued by the municipalities in principal and interest, the bonds could be marketed in regular investment banking channels at competitive interest rates.

We believe that the Government could work out a system of insurance and charge the municipalities a fee based upon the principal amount of the bond issue to cover the cost of operating the program. Naturally, we feel that municipalities should market securities on the open market at public sale in order to secure the lowest interest cost. For that reason we think that Government participation in financing such a program should be limited to that of an insurer. This would eliminate overburdensome and cumbersome procedures which have characterized some Government-aid programs in the past.

We realize that there are a number of problems which would have to be solved in setting up a program of this type, but we are confident that with leadership such as yours any obstacles can be overcome. We would be pleased to assist you in any way which you may deem advisable in the preparation of the proposed legislation and would be pleased to hear from you about the progress of the legislation. I would also like to say that in my capacity as general counsel of the Republican Party in Louisiana, I will exert every effort possible to assure the passage of any bill you are successful in introducing.

With best wishes and kind personal regards, I am,

Yours very truly,

FOLEY, COX & JUDELL,
HAROLD B. JUDELL.

GUARANTY BANK & TRUST Co.,
Lafayette, La., March 25, 1954.

HON. RUSSELL B. LONG,
United States Senator,
Washington, D. C.

DEAR SENATOR LONG: Last night the writer attended a very enthusiastic meeting in Youngsville at which the subject of sewers became the main topic of the evening. I brought out to this group about the meeting that you attended last year in Lafayette, and someone in this group stated that you were drafting a bill and would present it in this session of Congress.

It is of no use for me to tell you that if a bill of this kind is presented to Congress, that you will get the wholehearted support, naturally, of all small, growing communities throughout our growing State, and I feel sure that this statement will meet with the

approval of all other communities throughout this great country of ours.

As president of the Lafayette Chamber of Commerce and chairman of the Lafayette Parish Planning and Development Commission, you can count on me 100 percent to assist in whatever way possible in making this project a reality.

Awaiting your reply and with kind personal regards, I am,

Sincerely yours,

R. J. CASTLE,
President.

Mr. LONG. Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the text of the bill (S. 3315) was ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

SECTION 1. That this act may be cited as the "Municipal Improvements Act of 1954."

DECLARATION OF POLICY

SEC. 2. It has been the policy of the Congress to assist wherever possible the States and their political subdivisions to provide the services and facilities essential to the health and welfare of the people of the United States.

The Congress finds that in many instances smaller municipalities which seek to provide essential community facilities through the issuance of debt obligations are unable to raise the necessary funds at reasonable interest rates.

It is hereby declared to be the policy of the Congress to assist such communities to market at a reasonable interest rate their obligations, issued to finance such essential facilities as specified herein, by guaranteeing the payment of interest and principal thereon, subject to the conditions set forth below.

DEFINITIONS

SEC. 3. As used in this act—

(1) The term "Commissioner" means the Federal Housing Commission, or such other officer of the United States as may be designated by the President.

(2) The term "public works" means works for the storage, treatment, purification, or distribution of water; sewage and sewer facilities (including sewage treatment works); and gas distribution systems.

FEDERAL GUARANTY

SEC. 4. (a) Bonds hereafter issued by any municipality having a population of less than 10,000 inhabitants at the time of the last Federal census, for the purpose of financing a public work, when approved by the Commissioner and endorsed by the Secretary of the Treasury as hereinafter provided, shall be fully and unconditionally guaranteed as to interest and principal by the United States.

APPLICATION FOR FEDERAL GUARANTY

SEC. 5. (a) No proposed bond issue shall be approved by the Commissioner for a Federal guaranty under this act except upon written application made by the local governing body of a municipality. Such application shall set forth—

(1) the purpose for which such bonds are to be issued;

(2) the aggregate amount of the bonds proposed to be issued;

(3) an opinion by the chief legal officer of the State to the effect that the proposed bond issue is lawful under applicable State law;

(4) plans and specifications of the public work proposed to be financed by the bond issue;

(5) a statement of the need to be served by such public work;

- (6) the interest payable under the terms of the proposed bond issue;
- (7) dates bonds will be matured and payable;
- (8) the reasonable life expectancy of the proposed public work;
- (9) the source or sources of revenues from which the applicant proposes to meet the interest and principal charges on such bond issue; and
- (10) such other pertinent and necessary information as the Commissioner may by regulation require.

(b) Within 6 months after the receipt of any application for a Federal guaranty, which includes all pertinent and necessary information required by the act of regulations duly issued in pursuance thereof, the Commissioner shall notify the applicant whether such application has been approved or disapproved. In any case where such application is disapproved the Commissioner shall set forth in the notice of rejection the specific reasons for disapproval, and shall advise the applicant that an amended application may be filed whenever the applicant can overcome the specific defects of the earlier application.

APPROVAL OF APPLICATION

SEC. 6. (a) Any application filed pursuant to section 5 shall be approved by the Commissioner if he shall determine that—

- (1) the public work to be financed by the proposed bond issue is needed by the community to be served thereby;
- (2) the proposed public work is well designed to meet a specific community need;
- (3) the municipality has authority under applicable State and/or local law to issue the proposed bonds, and can reasonably anticipate revenues (through the usual tax sources, special assessments, or other fees and charges) to meet all interest and principal charges arising therefrom;
- (4) the bonds proposed to be issued will be so secured as to protect the interests of the United States;
- (5) the municipality issuing the proposed bonds will be legally obligated to apply the proceeds from the sale of such bonds for the construction of the proposed public work and necessary expenses incidental thereto, including the charges permitted under section 8, but for no other purpose;
- (6) the term of the proposed bonds will not exceed the reasonable useful life of the public work to be financed thereby; and
- (7) the terms of the proposed bond issue (including the aggregate amount of the bonds to be issued) are reasonably adapted to meet the specific needs for which such issue is authorized.

(b) Upon the approval of any application for Federal guaranty under this act, the Commissioner shall notify the applicant of such approval in writing and shall set forth in the notice of approval the specific terms and conditions applicable to the proposed bond issue upon which such approval is based. A copy of such notice shall be forwarded at the same time to the Secretary of the Treasury.

APPROVAL AND ENDORSEMENT OF BOND CERTIFICATES

SEC. 7. (a) Within 1 year after the receipt of a notice of approval as provided in the preceding section, the applicant may submit to the Commissioner the bond certificates proposed to be issued by it. Within 30 days after the receipt of such certificates the Commissioner shall (1) approve such certificates as being in conformity with such notice of approval, or (2) notify the applicant of the specific respects in which such certificates are deficient, and accord the applicant a reasonable time in which to submit new certificates. If the Commissioner shall approve such certificates, he shall forward them to the Secretary of the Treasury who shall cause to be endorsed on the face of such

certificates a statement declaring that the obligation represented by such certificates is fully and unconditionally guaranteed as to principal and interest by the United States. Any such certificates which are so endorsed shall be promptly returned to the applicant for issuance.

(b) Any bonds approved and endorsed as herein provided shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer thereof.

CHARGES PAYABLE BY APPLICANT

SEC. 8. (a) Any applicant whose application for guaranty has been approved under this act shall pay a reasonable service charge to assist in defraying administrative expenses under this act. The rate at which any such charge shall be made shall be determined by the Commissioner as soon as possible after the date of enactment of this act, and shall be redetermined at the beginning of each fiscal year thereafter. Insofar as possible such rate shall be fixed with a view to obtaining revenue sufficient to cover all expenses incurred in the administration of this act. Any such service charge shall be payable in full to the Commissioner by the applicant before the Commissioner forwards the bond certificates of such applicant to the Secretary of the Treasury for endorsement.

(b) Any such applicant shall also pay a premium charge to cover anticipated losses under this act. Such charge shall be at the rate of 1 percent of the total face value of the bonds guaranteed pursuant to any approved application. Any such premium charge shall be payable in full by the applicant not later than 30 days after the date on which the applicant makes the first sale of any such guaranteed bond.

DEFAULT ON GUARANTEED BONDS

SEC. 9. In the event that any municipality, or other political subdivision, shall be unable to pay upon demand, when due the principal of, or interest on, any bonds guaranteed under this act, the Secretary of the Treasury shall pay to the holder the amount thereof, which is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holder of such bond.

TAX EXEMPTION

SEC. 10. Any bonds guaranteed under this act shall be exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States or any District, Territory, or possession thereof, or by any State, county, municipality, or other local taxing authority.

LIMIT ON AMOUNT OF OUTSTANDING BONDS

SEC. 11. The aggregate amount of bonds which are outstanding and guaranteed under this act shall not exceed \$200,000,000.

AUTHORITY TO ISSUE REGULATIONS

SEC. 12. The Commissioner may issue such regulations, consistent with the provisions of this act, as may be necessary to carry out the purposes of this act.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, I am about ready to move that the Senate recess, under the order previously entered, until 12 o'clock noon tomorrow. However, for the information of the Senate, I wish to point out that there are a number of bills to which the Senate may wish to give consideration, either Friday or Monday, in case debate on the

wool bill runs out. These bills were announced, as a matter of fact, last week, but, for the benefit of the Senate, I thought I would list them again:

Calendar No. 1195, Senate bill 2665, to amend the Classification Act of 1919, as amended, the Federal Employees Pay Act of 1945, as amended, and for other purposes, which the acting minority leader will recall was debated a few days ago. I think the Senator from Kansas [Mr. CARLSON] and the Senator from South Carolina [Mr. JOHNSTON] had an amendment prepared, but I understood the amendment would be accepted, or at least there was not great controversy over it. Then the distinguished Senator from Virginia [Mr. BYRD] asked to have the bill go over for a day or so, until he had an opportunity to study it further. The committee amendments were adopted, with the exception of the one to which the Senator from Virginia had made prior reference.

That is one bill the Senate might consider in the event no Senator was ready to debate the wool bill.

Three more bills which have been discussed heretofore might also be considered. One of them is Calendar No. 1137, H. R. 998, authorizing the Secretary of the Interior to issue a patent to the State of Idaho for certain land.

Another bill is Calendar No. 1144, H. R. 6251, to authorize the abolishment of the Shoshone Cavern National Monument and the transfer of the land therein to the city of Cody, Wyo., for public recreational use, and for other purposes.

The third is Calendar No. 1146, H. R. 1815, to amend the Recreation Act of June 14, 1926, to include other public purposes and to permit nonprofit organizations to lease public lands for certain purposes.

Then on Monday, if the legislative situation will permit, the Senate may consider the supplemental appropriation bill, which was reported from the Committee on Appropriations on April 20, and the bill and the committee report have been made available as of today, which conforms to the provision under which such bills must lie over for 3 days, so that Senators may have an opportunity to look into the bills and the reports.

So far as I know, there is no major controversy involved in the supplemental appropriation bill. I do not mean that amendments may not be offered which would raise or lower amounts, but I know of no major controversy over the bill.

The distinguished Senator from New Hampshire [Mr. BRIDGES] expressed to the majority leader his desire that the bill might be considered by the Senate on Monday. I consulted with the minority leader, and there is no objection to doing that.

If all or any of the bills I have mentioned, except the supplemental appropriation bill, which would not in any event be considered until Monday, should be taken up tomorrow, I would assume the Senate would have a relatively short session, although, of course, it will be kept in session if there is a desire, on the part of any Senator, to discuss the wool bill. I shall be prepared to have the Senate stay in session until 5 or 5:30

tomorrow evening if necessary. However, if debate shall be exhausted and no Senators desire to make statements, the bills I have mentioned can be disposed of, then I shall propose that the Senate recess by midafternoon, if the Senate can complete its business by that time.

I desired to make this statement so that the Senate might be advised as to the general program.

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

Mr. KNOWLAND. I yield.

Mr. STENNIS. Did I correctly understand the Senator from California to say that the supplemental appropriation bill would be brought up for consideration on Monday?

Mr. KNOWLAND. I said I thought there was no major controversy with regard to the bill, and that if debate was not proceeding on the wool bill on Monday, I should like to have the Senate occupy its time with the consideration of the supplemental appropriation bill. Otherwise, consideration of the bill will go over, because it is desired that the Senate continue with debate on the wool bill if Senators wish to speak on it. As the Senator from Mississippi knows, debate on the bill ran out at about 4:30 this afternoon. I did not want to keep the Senate in session without having bills which could be considered in the event debate on the wool bill ran out.

If there is no further material to be printed in the RECORD, or if there are no further statements to be made, I desire to move that the Senate stand in recess.

The PRESIDING OFFICER. The Senator from California has the floor.

RECESS

Mr. KNOWLAND. Mr. President, pursuant to the previous order, I move that the Senate stand in recess until 12 o'clock tomorrow.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Friday, April 23, 1954, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 22 (legislative day of April 14), 1954:

LIBRARY OF CONGRESS

Lawrence Quincy Mumford, of Ohio, to be Librarian of Congress.

SENATE

FRIDAY, APRIL 23, 1954

(Legislative day of Wednesday, April 14, 1954)

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

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

Eternal God, in whose peace our restless spirits are quieted, from the flick-

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ering torches of our own devices and understanding we would lift the difficult decisions of the public service into Thy holy light. In these tumultuous days when the destinies of nations hang in the balance, the tensions of human relations like waters tossed and troubled as the ship of state plows through mountainous seas, be Thou our chart and compass; while the tempest still is high, grant us, O Lord, as stewards of the world's future, a steadfast faith, a dauntless hope, a fervent charity, and a will to labor valiantly for the things for which we pray. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, April 22, 1954, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on April 22, 1954, the President had approved and signed the following joint resolutions:

S. J. Res. 63. Joint resolution authorizing the District of Columbia to enter into interstate civil-defense compacts; and

S. J. Res. 146. Joint resolution to authorize the designation of October 16, 1954, as National Olympic Day.

MESSAGE FROM THE HOUSE— ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Watson, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 8539) to extend the period of election under the Uniformed Services Contingency Option Act of 1953 for certain members of the uniformed services, and it was signed by the President pro tempore.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. AIKEN, and by unanimous consent, the Committee on Banking and Currency was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business for action on the new reports on the Executive Calendar.

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

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submit-

ting several nominations, which were referred to the appropriate committees.

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

The PRESIDENT pro tempore. If there be no reports of committees the clerk will state the nominations on the Executive Calendar.

UNITED STATES CIRCUIT JUDGES

The Chief Clerk read the nomination of Potter Stewart, of Ohio, to be United States circuit judge for the sixth circuit.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of James Alger Fee, of Oregon, to be United States circuit judge of the ninth circuit.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGES

The Chief Clerk read the nomination of Jean Sala Breitenstein, of Colorado, to be United States district judge for the district of Colorado.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Bailey Aldrich, of Massachusetts, to be United States district judge for the district of Massachusetts.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Archie Owen Dawson, of New York, to be United States district judge for the southern district of New York.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Robert Palmer Anderson, of Connecticut, to be United States district judge for the District of Connecticut.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. KNOWLAND. Mr. President, I ask that the President be immediately notified of all nominations confirmed this day.

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

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

The Senate resumed the consideration of legislative business.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

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

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

The PRESIDENT pro tempore. The Secretary will call the roll.