United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 83d CONGRESS, SECOND SESSION

SENATE

THURSDAY, APRIL 29, 1954

(Legislative day of Wednesday, April 14, 1954)

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

Dr. Fred M. Lange, L. H. D., vice president and executive director, Dallas County Community Chest, Texas, offered the following prayer:

O God, our Father, in these times of stress, when many minds are perplexed and many hearts are faint, we turn, in simple trust, to Thee, our strength and our Redeemer.

We ask Thee for wisdom, that we may seek Thy will; for courage, that we may do it; and for faith, that we may walk in calm assurance.

Guide the thoughts and purposes of these chosen leaders of our people, O Lord, that they may, above all else, say and do what is pleasing in Thy sight. And help us all to be true to our American heritage and faithful servants of the living God.

In the name of Christ, our Saviour. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., April 29, 1954.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. FRANK CARLSON, a Senator from the State of Kansas, to perform the duties of the Chair during my absence.

STYLES BRIDGES,
President pro tempore.

Mr. CARLSON thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, April 28, 1954, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 6896) to extend the period for the filing of certain claims under the War Claims Act of 1948 by World War II prisoners of war.

COMMITTEE MEETING DURING SENATE SESSION

Mr. THYE. Mr. President, I ask unanimous consent that the Committee on Banking and Currency may meet today. There are witnesses who must testify before the committee today, and for that reason the chairman of the committee requested that I make the unanimous-consent request.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

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

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

CONFIRMATION OF POSTMASTER NOMINATIONS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that, as in executive session, the Senate consider the nominations on the Executive Calendar.

The PRESIDING OFFICER (Mr. FLANDERS in the chair). Is there objection? The Chair hears none, and the clerk will proceed to state the nominations.

POSTMASTERS

The Chief Clerk proceeded to state sundry nominations of postmasters.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the postmaster nominations be confirmed en bloc.

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

Mr. KNOWLAND. I also ask unanimous consent that the President be notified forthwith of these confirmations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

EXECUTIVE REPORTS OF COMMITTEES

As in the executive session,

The following favorable reports of nominations were submitted:

By Mr. BUSH, from the Committee on Banking and Currency:

A. Jackson Goodwin, of Alabama, to be a member of the Securities and Exchange Commission.

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

Robert Bruce Bacon and sundry other cadets to be ensigns in the United States Coast Guard.

EXECUTIVE REPORT OF COMMITTEE ON ARMED SERVICES

Mr. SALTONSTALL. Mr. President, as in executive session, from the Committee on Armed Services, I report a number of routine military nominations in the Air Force, all in the lower commissioned grades.

In order to save the expense of printing on the Executive Calendar of these 626 names which have already appeared once in the RECORD, I ask unanimous consent that these nominations be ordered to lie on the Vice President's desk for the information of any Senator.

The PRESIDING OFFICER. The nominations will be received and will lie on the desk, as requested by the Senator from Massachusetts.

OUTLINE OF MAO TSE-TUNG'S MEMORANDUM ON NEW PROGRAM FOR WORLD REVOLUTION

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, some information which came to me, purporting to be an outline of Mao Tse-tung's memorandum on the new program for world revolution, carried to Moscow by Chou En-lai in March of 1953. I believe the information substantially states the Communist policy on world revolution. In any event, I think the Senate may find this matter of interest.

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

AN OUTLINE OF MAO TSE-TUNG'S MEMORANDUM ON NEW PROGRAM FOR WORLD REVOLUTION

(Carried to Moscow by Chou En-lai in March 1953)

1. ASIA TO BE THE IMMEDIATE GOAL

Due to the profound leadership of Comrade Stalin, amazing achievements have been made in the great task of world revolution. The success that has been attained both in Europe and in Asia after World War II is entirely attributable to Comrade Stalin's able and correct guidance and direction. May his wisdom still guide us.

It appears that time has come that we have to look upon Asia as our immediate goal. Under the present circumstances, any vigorous action in Europe such as internal revolution, effective infiltration, or intimidation into inaction or submission is now impossible (Communist terminology is different, this represents what it really means) more forcible measures may bring about a war. In Asia, on the contrary, such tactics will yield an abundant harvest.

2. WORLD WAR TO BE TEMPORARILY AVOIDED

There is no assurance of victory because of the higher rate of industrial production and larger stockpile of atomic weapons on the part of the capitalist countries, incompletion of antiatomic defenses of the industrial areas and oil installations in the Soviet Union, and immaturity of China's agricultural and industrial developments. Consequently, we have to, until we are certain of victory, take a course which will not lead to war.

3. DIPLOMATIC OFFENSIVE

The United States must be isolated by all possible means.

Britain must be placated by being convinced that there is possibility of settling the major issues between the East and the West and that the Communists and the capitalist countries can live in peace. Opportunities for trade will have a great influence on the British mind.

In the case of France, her warweariness and fear of Germany must be thoroughly exploited. She must be made to feel a sense of greater security in cooperating with us than with the western countries.

Japan must be convinced that rearmament endangers instead of guaranteeing her national security and that, in case of war, the American forces distributed all over the world cannot spare sufficient strength for the defense of Japan. Rearmament is, therefore, an expression of hostility toward her potential friends. Her desire to trade will offer great possibilities for steering Japan away from the United States.

4. MILITARY PREPAREDNESS

As a final goal, there should be in east and southeast Asia (after these areas are liberated) 25 million well trained men who can be immediately mobilized. These men are to be held in readiness for emergency. They will achieve two purposes. On the one hand they will force the capitalist countries to keep on increasing defense expenses until economic collapse overtakes them. On the other hand, a mere show of force, when time is ripe, will bring about the capitulation of the ruling cliques of the countries to be liberated.

5. THE KOREAN WAR

The important reason that we cannot win decisive victory in Korea is our lack of naval strength. Without naval support, we have to confine our operations to frontal attacks along a line limited by sea. Such actions always entail great losses and are seldom capable of destroying the enemy. In March 1951 I suggested to Comrade Stalin to make use of the Soviet submarines in Asia under some arrangement that the Soviet Union would not be apparently involved in the war. Comrade Stalin preferred to be cautious lest it might give the capitalist imperialism the pretext of expanding the war to the Continent. I agreed with his point of view.

Until we are better equipped for victory, it is to our advantage to accept agreeable terms for an armistice.

6. FORMOSA

Formosa must be incorporated into the People's Republic of China because of the Government's commitment to the people. If seizure by force is to be avoided for the time being, the entry of the Chinese People's Government into the United Nations may help solve this problem. If there should be serious obstacles to the immediate transfer of Formosa to the control of the People's Government, a United Nations trusteeship over Formosa as an intermediary step could be taken into consideration.

7. INDOCHINA

We shall give the maximum assistance to our comrades and friends in Indochina. The experiences we have had in Korea should enrich their knowledge in fighting for liberation. The case of Indochina cannot be compared with that of China. In Indochina, as in Korea, there is serious intervention of the capitalist bloc, while in China there was nothing so direct and vigorous. The experiences in Korea tell us that so long as there is foreign intervention and so long as we have no naval support, military operations alone cannot achieve the objective of liberation.

The military operations in Indochina should be carried out to such an extent as to make the war extremely unpopular among the French people and to make the French and Americans extremely hateful among the Indochinese people. The object is to force the French to back out of Indochina preferably through the face-saving means of an armistice. Once foreign intervention is out of the picture, vigorous propaganda, infiltration, forming united fronts with the progressive elements in and outside the reactionary regimes will accelerate the process of liberation. A final stroke of force will accomplish the task. Two years may be needed for this work.

8. BURMA, THAILAND, INDONESIA, AND MALAY PENINSULA

After the liberation of Indochina, Burma will fall in line as good foundation has already been laid there. The then reactionary ruling clique in Thailand will capitulate and the country will be in the hands of the people. The liberation of Indonesia, which will fall to Communist camp as a ripe fruit, will complete the circle around the Malay Peninsula.

The British will realize, under these circumstances, the hopelessness of putting up a fight and will withdraw as quickly as they can. We expect that the whole process will be competed in or before 1960.

9. JAPAN AND INDIA

By 1960 China's military, economic and industrial power will be so developed that with a mere show of force by the Soviet Union and China, the ruling clique of Japan will capitulate and a peaceful revolution will take place. We must be on guard against the possibility that the United States will choose to have war at this moment. She may even want the war earlier. The defensive and offensive preparations of the Soviet Union and China must, therefore, be completed before 1960. Whether we can prevent the United States from starting the war depends upon how much success we have in isolating her and how effective is our peace offensive. If the war can be averted, the success of our plan of peaceful penetration for the other parts of Asia is almost assured.

In the case of India, only peaceful means should be adopted. Any employment of force will alienate ourselves from the Arabic countries and Africa, because India is considered to be our friend.

10. ARABIC COUNTRIES AND AFRICA

After India has been won over, the problems of the Philippines and the Arabic countries can be easily solved by economic cooperation, alliances, united fronts, and coalitions. This task may be completed in 1965. Then a wave of revolution will sweep over the whole continent of Africa and the imperialists and the colonizationists will be quickly driven into the sea. In fact this powerful movement may have been under way much earlier.

With Asia and Africa disconnected with the capitalist countries in Europe, there will be a total economic collapse in Western Europe. There capitulation will be a matter of course.

11. THE UNITED STATES

Crushing economic collapse and industrial breakdown will follow the European crisis. Canada and South America will find themselves in the same hopeless and defenseless condition. Twenty years from now, world revolution will be an accomplished fact. If the United States should ever start a war, she would do so before the liberation of Japan, the Philippines, and India. The courses of action in that event are outlined in the memorandum on military aid.

ADDRESS BY THE PRESIDENT BEFORE THE DAUGHTERS OF THE AMERICAN REVOLUTION

Mr. CARLSON. Mr. President, the Daughters of the American Revolution have recently concluded their 63d Continental Congress, which was held in Washington, D. C.

This outstanding organization, organized to perpetuate the memory and spirit of those who achieved American independence, and to aid in securing for mankind the blessings of liberty, is rendering a great service to the Nation at the present time. This great, patriotic organization has never faltered in its stand for the continuance of the ideals based on the teachings of our Creator, and the furtherance of programs in the interest of our great Nation.

At the recent convention, the membership had an opportunity again to further affirm their faith in these principles and ideals; and they heard many prominent and interesting speakers on the importance of continuing their militant, patriotic program.

Among the outstanding speakers was the President of the United States. I ask unanimous consent that his remarks at the convention be made a part of the RECORD at this point.

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

Madam President, and members and friends of this great typically American society [applause], it is a tremendous honor that you accord me by inviting me to appear before you, even though very informally and briefly. My first message is from Mrs. Eisenhower [applause] who for once in a long lifetime bowed to my wishes and remained at her little place of rest down in Georgia while I came to bring you greetings from the family.

I want to talk to you for a few moments from the standpoint of the application of the great principles for which this society stands, which this society supports, the application of those principles to today's life.

I think we would not have to go to any great length to describe what we mean by those basic principles.

Our Founding Fathers, in writing the Declaration of Independence, put it in a nutshell when they said:

"We hold that all men are endowed by their Creator with certain inalienable rights."

In that one phrase was created a political system which demands and requires that all men have equality of right before the law, that they are not treated differently merely because of social distinction, of money, of economic standing, of intelligence or intellectual capacity or anything else.

It acknowledges that man has a soul, and for that reason is equal to every other man, and that is the system, that is the cornerstone, that is the principle, that is the cornerstone of what we call the American system.

There are, of course, dozens of auxiliary principles that go along with this, but rip out this one and you have destroyed America, while many others could be at least revised, studied and considered without necessarily damaging our whole governmental and political structure.

Now, how do we apply such a system in a world where there is present one great power complex that stands for the exact opposite? Remember, in the phrase I quoted to you, "Men are endowed by their Creator." Our system demands the Supreme Being. There is no question about the American system being the translation into the political world of a deeply felt religious faith.

The system that challenges us today is the atheistic. It is self-admitted as an atheistic document. They believe in a materialistic dialectic, in other words, there are no values except material values. It challenges us today in every corner of the globe.

Now, how do we approach Indochina or debt management or taxes or France or any other problem that looms up as important to us in a world where no nation may live alone? How do we approach the idea of the equality of men which means group action by cooperation among men as against dictatorial, atheistic policy that treats man merely as an agent, as a pawn, as an atom to be used according to the dictates of the ruler? That is the problem of today.

It would be interesting if we could have the counsel of Washington, of Madison or of Jefferson or of Franklin today after all this span of almost two centuries, if they could sit with us and counsel with us on these problems. They cannot do it.

We find, like all other generations, we have our problems. I hold they are not insoluble. America can do it. [Applause.]

But remember, among equals group action is done to the greatest extent possible by cooperation. You are a free individual. The general limits of your freedom are merely these: that you do not trespass upon equal rights of others.

In the same way, in a free society of nations, we don't dictate to one of our friends what they must do, and we certainly won't tolerate any attempt of theirs to dictate to us what to do. [Applause.]

We are a society of equals, both nationally and internationally, and that is the problem. How do we marshal the great intellectual, scientific, economic, financial, spiritual resources of such a great aggregation of equals against a single dictatorial, ruthless enemy that threatens, through every possible type of aggression, the peace of the world?

Now, those are the problems, and I want to say several things: First, and I think possibly I am talking about the reasons that I venerate and admire the Daughters of the American Revolution, because the very fact that you preserve this society means that you do venerate the system that was established by our forefathers. Your lives, or at least this part of your lives, your public service, is dedicated to the preservation of those principles. If we are then united in spirit, we develop a power that is unknown to regimentation.

Woodrow Wilson said, in far better words than could I, something of what I am trying to get at. He said:

"The highest form of efficiency is the spontaneous cooperation of a free people."

What I am trying to talk about is the great power, the great force, that is developed by people who believe in certain causes or a certain principle with their whole heart and soul.

You know, there was an old feeling among people that you could not have great elan, great esprit in a service and at the same time an iron discipline. People that believe that ought to read the story of Cromwell's Ironsides. They had not only stern discipline but a great elan because they believed in something. They went into battle singing hymns.

I sometimes wish that as we approach a concentration, a mobilization of ourselves, of the powers of which we are capable, that we would meet in the idea of singing, whether it is America the Beautiful or something else, but coming together in the idea that here is a spirit, a belief, a determination that can't be whipped by anything in the world, and that is all we need. [Applause.]

If any of you would allow your imagination to travel around the world, you would find that still in the control of that part of the world we call independent outside the Iron Curtain, there is a great preponderance of the world's material resources, a great preponderance of human beings, a great intellectual capacity, particularly in certain centers, a great culture, great scientific advancement in the aggregate resources so overwhelming as compared to the Iron Curtain countries, that you sometimes wonder why we grow tense, we grow fearful, and that brings me back again to my one single thought.

It is because we instinctively fear a power that is in the hands of a single dictatorial group or person. How do we combat that power? Again I say by a spiritual unity among ourselves that is indestructible, among ourselves as individuals, among the nations that we are proud to call friends.

Now, that is a rough start, as I see it, of the way we will win the cold war and prevent a hot war, because we will bring to bear in this search and quest for peace all the great spiritual, intellectual, and material values which the free world can concentrate to this one purpose.

Underneath it all must lie this common understanding, this common purpose: the love of liberty, the belief in the dignity of man, and in that to brush aside all minor problems as unimportant, the determination to press forward in that quest.

Now, the kind of unity of which I speak, my friends, is not regimentation. By no means do I believe that a democracy is to live if each person is compelled to think the same thought and agree on all the multitudinous details that go to make up the legislative history of a land, but I do say this.

We must be bound together in common devotion to great ideals, in common readiness to sacrifice for the attainment of those ideals, and in a common comprehension of our situation in the world where we are living, how we are living, and what in broad outline we must do to achieve that victory.

Then, if our spiritual dedication is up to the task, we cannot fail.

Now, that is something that I believe this society does for our people. It increases and keeps alive and nurtures that dedication to dignity of man, to the greatness of our country and the right of every man to walk upright, fearlessly among his own equals.

I do hope that during this week you have had a grand time in Washington. I hope that it will not be 7 years that shall pass before I see you again.

Thank you and good day. [Applause.]

OBSCENE LITERATURE—RESOLUTION OF WOMEN'S SOCIETY OF CHRISTIAN SERVICE, BLACK RIVER FALLS, WIS.

Mr. WILEY. Mr. President, I present a resolution which I have received from the Women's Society of Christian Service of the Methodist Church at Black River Falls, Wis. It concerns the vital matter of protecting our Nation, particularly its young people, from vile literature. I ask unanimous consent that the resolution be printed in the RECORD, and be thereafter appropriately referred to the Senate Post Office and Civil Service 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:

"It appears that obscene comic books and other literature are being offered for sale to juvenile persons in this area; and

"It appears that such literature is being transported from State to State and through the public-mail service, all to the detriment of the parents, schools, and religious societies: Now, therefore, be it

"*Resolved by the Women's Society of Christian Service, and upon the recommendation of Judge Lambert Hansen, of Sparta, Wis.*, That this organization go on record as favoring action to oppose this traffic; and be it further

"*Resolved*, That certified copies of this resolution be forwarded to our United States Senators and Representatives in Congress for proper remedial action.

"Mabel E. Moore, Arline Zeman, Hazel Boehlke, Agnes Manthe, Ruby Pearce, Cleo Galston, Diana Lovell, Wilma Dimmick, Pearl Hayes, Thelma M. Klick, Edel Fromm, Marie Fristed, Gladys Lund, Marie Strasburg, Marie Nash, Dorothy Upton, Amby Widmar, Phyllis Harden, Mavis Dugan, Jeanne Klein, Alice Welda, Janette E. Kotman, Lela Westerfield, Beulah Small, Aldena Meyer, Doris Morris, Olive Bean, Arline Grover."

I hereby certify that the above resolution is a true and correct copy of the resolution passed by the Women's Society of Christian Service of the Methodist Church at Black River Falls, Wis., on April 26, 1954.

MABEL E. MOORE,
President.

INCREASED COMPENSATION OF MEMBERS OF CONGRESS AND THE JUDICIARY—RESOLUTION OF ARIZONA STATE BAR ASSOCIATION

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted by the State Bar of Arizona, relating to increased compensation of Members of Congress and the judiciary.

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

"Be it resolved by the State Bar of Arizona in convention assembled, That it is the sense of this organization that the McCarran bill, presently before the Congress of the United States, providing for increase in compensation for Members of the Congress and members of the Federal judiciary, be adopted; be it further

"Resolved, That the secretary of this organization be instructed to transmit copies of this resolution to the Arizona congressional delegation and to the chairman of the respective Judiciary Committees of the House and Senate of the Congress of the United States."

The above resolution was adopted by the State Bar of Arizona at the regular meeting on April 24, 1954.

JOSEPH A. CROWE,
Secretary.

HEALTH SERVICE PREPAYMENT PLAN REINSURANCE ACT—LETTER

Mr. McCARRAN. Mr. President, I ask unanimous consent that a letter addressed to me by the insurance commissioners of the State of Nevada, relative to the bill (S. 3114) to improve the public health by encouraging more extensive use of the voluntary prepayment method in the provision of personal health services, and characterizing that administration-sponsored measure as "very bad socialistic legislation," may be printed in the RECORD at this point as a part of my remarks.

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

STATE OF NEVADA,
INSURANCE DEPARTMENT,
Carson City, April 20, 1954.

Hon. PATRICK MCCARRAN,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I am writing to state a few personal views relative to S. 3114 as commented about in my telegram of last week.

1. There is no need for a program of Federal reinsurance on accident and health plans. The amount at risk under most all of such plans can be assumed readily by the original insurer without danger to its financial structure. In those few instances where reinsurance might be deemed desirable or necessary it is presently available from private sources.

2. The cost of operation of the so-called Federal Reinsurance Corporation would come, for at least the first 5 years, from tax moneys.

3. Voluntary accident and health insurance is available now to all but the indigent, those who will not provide the coverage for themselves, and the uninsurable. This act will not provide coverage for those people. Further, it is not the responsibility of the Federal Government but of local government to care for the indigent and the uninsurable. It should be done directly and not as a camouflaged insurance program.

4. This bill would nullify all State insurance laws relative to accident and health insurance as the Secretary of Health, Education, and Welfare could determine the content of the policy form, the premium, the justness of claims, etc.

5. This bill would authorize the Secretary of Health, Education, and Welfare to use as she deems advisable the insurance departments of the several States.

6. This bill would definitely place the Federal Government into another phase of the insurance business.

I am enclosing a copy of the analysis of the bill prepared by the subcommittee of the National Association of Insurance Commissioners and a copy of the resolution passed by the executive committee of the National Association of Insurance Commissioners, of which I am a member, at its special meeting in Chicago April 5 and 6.

I realize, as you say in your letter of April 15, that it will be a difficult task to stop the legislation, but regardless of who is sponsoring it, I feel that it is very bad socialistic legislation.

Your consideration to opposing this bill and its authority for further encroachment of the Federal Government on State rights is requested.

Respectfully yours,

PAUL A. HAMMEL,
Insurance Commissioner.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

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

S. 2818. A bill to amend sections 4417 and 4418 of the Revised Statutes, to authorize biennial inspection of the hulls and boilers of cargo vessels, and for other purposes; with amendments (Rept. No. 1272).

REVISION OF ORGANIC ACT OF VIRGIN ISLANDS—REPORT OF A COMMITTEE

Mr. BUTLER of Nebraska. Mr. President, from the Committee on Interior and Insular Affairs, I report an original bill to revise the Organic Act of the Virgin Islands of the United States, and I submit a report (No. 1271) thereon.

This is a committee bill, worked out by the committee after hearings in the Virgin Islands and executive sessions here in Washington.

The Members of the Senate will recall that last July I introduced three measures, by request, to revise the Organic Act of the Virgin Islands. These measures are: S. 2321, introduced at the request of the Department of the Interior; S. 2322, introduced at the request of the Chamber of Commerce of St. Thomas, the most populous island of the Virgin Islands; and S. 2323, introduced at the request of the popularly elected Legislative Assembly of the Virgin Islands. I stated at the time that I did not, myself, necessarily endorse any of the three, but that I thought that they should be before the Senate so that the views of the people of the Virgin Islands might be had on all of them.

In accordance with my commitment, I went to the Virgin Islands last autumn and held quite extensive hearings and executive conferences with the people and officials there. I think I can state that no one in the islands who wished to be heard was denied the opportunity. In addition, a large number of written statements were submitted to me. I have made my report to the committee and submitted the views of the people of the islands to the Members.

The present bill which I am reporting on behalf of the committee combines many of the features of each of the previous bills with such other provisions and changes as the committee saw fit to make upon the basis of my report and the views of the people of the Virgin Islands.

Mr. President, we have a new administration in the Virgin Islands, the first really new administration in 20 years. President Eisenhower appointed the Honorable Archie A. Alexander, of Des Moines, Iowa, a Negro and a highly successful businessman and builder, as Governor of the Islands, and he already has initiated some changes that are long overdue there.

However, Governor Alexander cannot do the job the people of the Virgin Islands and the people of the mainland need to have done unless we give him the proper legislative machinery. The present Organic Act dates from 1936 and combines many of the worst features of the old Dutch colonial system, on which it was based, and many of the worst features of the stultifying paternalism that characterized some of the legislative innovations of the mid-1930's.

Revision of the 1936 Organic Act is long overdue, and I earnestly urge that the Senate consider the committee's bill and act upon it at an early date.

The PRESIDING OFFICER. The report will be received and the bill will be placed on the calendar.

The bill (S. 3378) to revise the Organic Act of the Virgin Islands of the United States, reported by Mr. BUTLER of Nebraska, from the Committee on Interior and Insular Affairs, was read twice by its title and placed on the calendar.

BILLS INTRODUCED

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

By Mr. THYE:

S. 3376. A bill for the relief of Neil C. Hemmer and Mildred Hemmer; to the Committee on the Judiciary.

S. 3377. A bill to provide for the effective distribution through voluntary agencies of surplus agricultural commodities abroad to needy persons, to improve the foreign relations of the United States, and for other purposes; to the Committee on Agriculture and Forestry.

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

By Mr. BUTLER of Nebraska:

S. 3378. A bill to revise the Organic Act of the Virgin Islands of the United States; placed on the calendar.

(See the remarks of Mr. BUTLER of Nebraska when he reported the above bill from the Committee on Interior and Insular Affairs, which appear under a separate heading.)

By Mr. PURTELL:

S. 3379. A bill to amend the Flammable Fabrics Act, so as to exempt from its application fabrics and wearing apparel which are not highly flammable; to the Committee on Interstate and Foreign Commerce.

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

By Mr. SALTONSTALL:

S. 3380. A bill for the relief of the Massachusetts College of Pharmacy; to the Committee on the Judiciary.

By Mr. CASE:

S. 3381. A bill to authorize the President to provide assistance to an expedition to the Antarctic in furtherance of the interests of

the United States; to the Committee on Armed Services.

EFFECTIVE DISTRIBUTION ABROAD OF SURPLUS AGRICULTURAL COMMODITIES

Mr. THYE. Mr. President, I introduce for appropriate reference a bill to provide an additional means for the effective distribution of surplus agricultural commodities.

The bill is entitled "A bill to provide for the effective distribution through voluntary agencies of surplus agricultural commodities abroad to needy persons, to improve the foreign relations of the United States, and for other purposes."

Sections 1 and 2 lay the basis for distributing surplus foods through nonprofit voluntary agencies acceptable to, and registered by, the Department of State.

Sections 3 and 4 authorize the President, when he finds it to be in the public interest, to transfer such surpluses free of costs at domestic storage points, to voluntary agencies for distribution in friendly countries.

Section 5 provides that the voluntary agency may enter into agreements with receiving countries for bearing the cost of packaging, ocean freight and all other distribution costs, where it is possible to negotiate such agreements.

Where such cost cannot be borne by the receiving country the President, if he deems it in the Nation's interest, may pay these costs or may require the distributing agency to pay for them.

Section 6 provides that distributing agencies will insure delivery of surpluses only to needy persons without political, racial, or religious discrimination; that all surpluses shall enter the country duty free; and that either agreements between the agency and the receiving country, or between the United States and the receiving country, shall provide for the kind and conditions of distribution listed above.

It also provides that where the receiving country can be induced to do so, that the country will set up development funds to at least the extent of one-fourth of the market value of the food and fiber distributed, these funds to be set up to the credit of the nonprofit voluntary agency.

Section 7 provides for use of these funds in self-help programs in the receiving country, with the mutual consent of the agency, the receiving country, and under general policies laid down by the President.

Sections 8 to 10 inclusive provide for mutually agreed use of the funds in a third country, for annual reports by the agency to the United States on distribution of surpluses and use of development funds, and finally for cancellation of notes of the Commodity Credit Corporation to the Treasury for the value of surpluses released by the corporation to the distribution agency.

There are three foreign channels for use of surpluses in farm production in this country, namely: one, normal commercial export markets; two, sale of surpluses outside of these channels with acceptance of local currency for reinvestment in the purchasing countries; and, three, distribution of surpluses largely through church relief organizations, refugee organizations, CARE, CROP, and other similar organizations.

My bill is intended to supply this third channel of distribution of surpluses.

I ask unanimous consent that the bill, together with a statement prepared by me, be printed in the RECORD.

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

The bill (S. 3377) to provide for the effective distribution through voluntary agencies of surplus agricultural commodities abroad to needy persons, to improve the foreign relations of the United States, and for other purposes, introduced by Mr. THYE, 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.—

DECLARATION OF POLICY

SECTION 1. It is declared to be the policy of the United States of America to encourage the full utilization of its surplus agricultural commodities, to promote international friendship by the most effective distribution of its surplus agricultural commodities abroad to needy persons, and to improve the productive economy of cooperating countries.

DEFINITIONS

SEC. 2. As used in this act—

(a) The term "surplus agricultural commodities" shall mean any agricultural commodities acquired by the Department of Agriculture or the Commodity Credit Corporation in the operation of the price-support program, and any other agricultural commodities as determined by or purchased by the President to carry out the purposes of this act.

(b) The term "distribution agencies" shall mean nonprofit voluntary agencies now registered with the Advisory Committee on Voluntary Foreign Aid of the Foreign Operations Administration or which may become registered with such committee or with any department or agency of the Government which may hereafter succeed to the powers and duties thereof.

AUTHORITY OF THE PRESIDENT TO TRANSFER AND PURCHASE SURPLUS AGRICULTURAL COMMODITIES

SEC. 3. (a) Subject to the terms and conditions hereinafter set forth, but without regard to the provisions of section 416 of the Agricultural Act of 1949, the President is authorized to transfer surplus agricultural commodities to distribution agencies for distribution in any country designated by the President as a cooperating country pursuant to this act: *Provided*, That prior to each such transfer the President shall have satisfied himself that the proposed distribution by the distributing agency will not substitute for, and that it will displace to a minimum practical extent, usual marketings of the United States or friendly countries.

(b) The President is authorized to purchase in the United States for such transfer any agricultural commodity when, in his determination, to do so will serve the public interest.

POINT OF TRANSFER

SEC. 4. Transfer of title to surplus agricultural commodities to distribution agencies shall be made at no cost to such agencies at points of storage in the United States.

BURDEN OF COSTS

SEC. 5. The costs, after transfer to any distribution agency, of processing or repackaging of surplus agricultural commodities, of freight within the United States, of ocean freight, of overseas transportation and distribution, and of storage and administration in the United States or overseas connected therewith, shall be borne by the distribution agency: *Provided, however*, That—

(a) such agency is authorized to negotiate and conclude an agreement with the government of each cooperating country in which it proposes to distribute such commodities, under which the government of such country shall assume so much of the costs referred to above as is economically feasible, through the contribution of dollars, local currency, transportation services, or otherwise;

(b) the costs referred to above, to the extent that they are not assumed by the government of such country, may be reimbursed by the President to such distribution agency, if and to the extent that he determines such reimbursement to be in the public interest;

(c) upon the determination of the President that such retransfer is in the public interest, such distribution agency may be authorized to cover its processing or repackaging costs through the retransfer, to the processor or repackager, of a portion of the products received hereunder, but the quantity to be so retransferred shall in each instance be subject to approval of the President; and

(d) nothing herein shall prevent the reimbursement of ocean freight costs to such an agency to the extent that shipments are eligible for reimbursement under the provisions of section 117 (c) of the Economic Cooperation Act of 1948, as amended (62 Stat. 153; 22 U. S. C. 1515 (c)).

CONDITIONS OF TRANSFER AND REIMBURSEMENT

SEC. 6. (a) No surplus agricultural commodities shall be transferred to any such agency for distribution in any cooperating country, nor reimbursement commitments in connection therewith be made to any such agency, until and unless the operation of the agency within the country and importation of the commodities into the country free of duty are authorized by a written operating agreement concluded between the agency and the government of such country or an agreement between the Government of the United States and the government of such country.

(b) The agreement, whether between the distribution agency and the government of such country or between the Government of the United States and the government of such country, shall also provide that distribution of said surplus agricultural commodities shall be made to needy persons or groups without cost to them, and without discrimination based on race, religion, creed, or political affiliation; that such distribution shall be made in accordance with programs to be agreed upon from time to time between the distribution agency involved and the cooperating country; and that distribution shall be subject to supervision by representatives of United States nationality appointed by such distribution agency.

(c) The agreement shall also provide, unless the President specifically determines otherwise, that the government of the cooperating country shall establish a fund in favor of the distribution agency in local currency to an amount equal to not less than one-quarter of the world market value of the surplus agricultural commodities distributed by the agency in the country under the authority of this act, and that the government of the country authorizes the agency to make use of such fund in accordance with the provisions of section 7 of this act.

USE OF LOCAL CURRENCIES

SEC. 7. (a) The fund established in favor of the distribution agency pursuant to section 6 (c) of this act and the proceeds from the interest therefrom shall be available for use by the agency for development of self-help and relief programs through loans or grants-in-aid in the country where established. Self-help programs shall be in the field of sanitation, education, public health, medicine, industry, and agriculture. All programs using funds pursuant to section 6 (c) shall be planned and agreed upon jointly by the distribution agency and the cooperating country.

(b) The distribution agency shall receive no profit from the self-help or relief programs referred to previously but may charge to such programs the normal administrative and operating costs properly attributable thereto.

(c) On the termination of operation by the agency in any cooperating country, and in any event not later than 20 years after the first establishment of any fund in favor of the agency in any such country, any unobligated portion of the agency's fund therein or of the proceeds held therein from interest on or the repayment of loans made out of any such fund, shall be remitted to the government of such country.

USE OF FUNDS IN OTHER COUNTRIES

SEC. 8. With the approval of the President and of the government establishing the fund under section 6 (c) of this act, the agency may use an agreed portion of the fund for self-help programs in another country, or for the purchase of equipment or supplies in another country to be used in self-help or relief programs in the country where such fund is established.

REPORTS

SEC. 9. Each distribution agency operating under this act shall file with the Advisory Committee on Voluntary Foreign Aid of the Foreign Operations Administration, or its legal successor, not later than September 30 in each year a report on its operations under this act for the year ending June 30 preceding, in such form and detail as said committee shall prescribe. On January 1, 1956, and each year for 2 years thereafter, the President shall transmit a report to the Congress on the operations under this act conducted in the previous fiscal year.

REIMBURSEMENT OF DEPARTMENT OF AGRICULTURE OR THE COMMODITY CREDIT CORPORATION

SEC. 10. In order to make payment to the Commodity Credit Corporation for any commodities transferred pursuant to section 3 of this act, the Secretary of the Treasury is authorized and directed to cancel notes issued by the Commodity Credit Corporation to the Secretary of the Treasury in amounts equal to the value of any commodities so transferred. The value of any commodity so transferred, for the purpose of this section, shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of transfer, as determined by the Secretary of Agriculture.

The statement presented by Mr. THYE is as follows:

STATEMENT BY SENATOR THYE ON USE OF PART OF FARM SURPLUSES BY VOLUNTARY AGENCIES IN FOREIGN COUNTRIES

Our agricultural surplus problem is probably our most important domestic problem.

Its solution involves not only the prosperity of our farmers, but sooner or later the continued prosperity of the city laborer and industry.

And it affects to a profound extent our foreign relations and whether or not we have real friends among the free nations of the world.

These surpluses need not be regarded as a curse, as some seem to think; they could well be one of our greatest blessings if only we have the good sense to use them as a blessing.

We must always have sufficient plantings of food and fiber to meet our needs.

It is inevitable that in some years, when all factors are favorable including such an uncertain one as the weather, there will be surpluses.

We must not allow the proportionately small surpluses of our Nation's farm economy to bring poverty to our farmers.

That is the reason why I am introducing a bill which provides a long-time practical plan for moving our surplus food and fiber into uses by our allies and friendly nations where these foods and fibers are greatly needed; where they will serve as a most powerful means of creating new profitable future markets for these surpluses, and at the same time serve as powerful forces creating good will.

There are three distinct foreign channels for use of these surpluses, and under present circumstances it will require fullest use of all three means of disposal to put these surpluses where they can be used as a blessing and as a means of avoiding spoilage and waste.

The most important of these three foreign channels is sales in normal commercial markets which as an aftermath of war in general have shrunken by as much as 30 to 40 percent.

A second channel is that of selling surpluses outside of regular commercial channels, but accepting in payment local currencies of the purchasing country and reinvesting these currencies largely in the purchasing countries. Sales of this type which do not interfere with normal commercial sales and usage cannot be adequate to absorb all our current and prospective surpluses.

This view is held by those in charge of these sales under section 550 of the Mutual Security Act of 1953.

In many years we will have unused surpluses on our hands after we have exhausted all disposals under the above-mentioned two means, and will need to use our remaining surpluses to distribute to the needy people of our allies and friends.

By this means wastage of these surpluses can be avoided, good will can be created, and profitable new markets for the future can be opened up.

My bill is intended to supply this third channel of distribution of surpluses, largely through nonprofit voluntary agencies such as the church relief organizations, the refugee organizations, CARE, CROP, and other similar organizations.

SERIOUS SURPLUS PROBLEM

Let us examine the seriousness of our mounting surpluses and the likelihood of additional surpluses continuing in the future.

In a statement April 19 before the Grocery Representatives, Inc., Under Secretary of Agriculture True D. Morse summarized the mounting seriousness of these surpluses in the following words :

"Wheat carryover July will equal the domestic needs for a full year.

"Cotton carryover doubled last year and at the end of this crop year will be enough to care for the Nation's needs for a full year.

"Corn carryover will reach a record high if a normal corn crop is produced.

"The Government owns over 1.3 billion pounds of butter, cheese, and dried milk, and is having to take more.

"The Government owns enough vegetable oils to make more than a billion pounds of margarine.

"It costs a half-million dollars per day just to pay storage on Government-owned stocks.

"The Government has about $6¾ billion in purchases, and loans, and other commitments covering farm products—and Congress has increased the limit of supports up to $8½ billion."

Even a cursory examination into the nature of farming in our Nation will reveal the inevitability of surpluses in some years regardless of the kind of price support or farm program we may have.

The nature of the farm business makes a continued full output from our farmers essential. Also, the rapid improvement of our knowledge, methods, and machinery insures a continued rapid increase in our productivity per man, per acre, and per head of livestock.

FULL PRODUCTION FACTORS

These conclusions are drawn from the following facts:

Regardless of price, control of acreages, of war, of peace, prosperity or depression, American farmers for the past 20 years have not varied their total crop acreage by any appreciable amount.

They have planted around 350 million to 360 million acres, year in and year out.

During this same period, as we have shifted rapidly from animal to tractor power, we have greatly expanded our total available units of fieldwork horsepower.

In 1935 we had 25 million units of power to prepare, plant, till, and harvest our 360 million acres of cropland, or 1 unit of horsepower for each 14 acres of cropland.

We now have over 40 million units, counting each tractor as 8 units of horsepower, or 1 unit for each 9 acres of cropland.

On the labor side during these two decades the farmer and his family labor supply have gradually supplied a larger and larger proportion of all labor needed to operate the farm.

Machinery and mechanical power has made the farm gradually more self-sufficient of its necessary farm labor.

Cropland, therefore, for our farms, is remarkably stable.

Field power from crop work is abundant and for any year is largely a fixed factor. In addition, the average farm supplies around 80 percent or more of all labor needed to operate the farm.

It must clearly be kept in mind that this fixed nature does not hold only for farmers as a whole, but for groups of farmers, and for each farmer. It thus is a powerful force for continued full output throughout all agriculture, since we are still a family-farm Nation and since mechanization has tended to reinforce the family farm rather than weaken it.

YOUNG FARMERS SURPLUS

Here we have an unbeatable and inevitable full output combination. One may ask what are the chances that low prices and high costs will drive the farmers away from the farm and into industry, and in that way stop our surplus farm production machine.

There is, in my opinion, not a chance in the world, for by far the biggest and most persistent surplus our farms produce is their surplus of prospective farmers, in the form of farm-reared boys who would like to farm as a lifework but who cannot find an available farm.

It probably takes about 150,000 to 200,000 new farmers each year for replacement of those who die or retire.

We have supplied this replacement, and an average surplus of 250,000 additional farm boys that had to go to the city each year, for the past 3 decades.

There seems to be no slackening or end to this surplus of boys coming from our farms, so there is no chance whatever that our farms will be unmanned in future years due to too few boys who know farming and who want to farm.

This unchanging amount of land used, this fixed amount of power and labor, this never-ending supply of new farmers, is still not the

end of the story of the inevitability of our surplus farm output.

The Department of Agriculture made an elaborate and careful study in 1952 of our agriculture's capacity to produce.

They came up with the astounding conclusion that if farmers applied all the known and readily available "know-how" the output of the four feed crops (corn, barley, oats and sorghums) could be increased 57 percent more than the 1950 production on the same amount of land; that cotton output could be upped 76 percent; peanuts by 83 percent; wheat 40 percent; tame hay 56 percent; soy beans 41 percent; and, remarkable though it may seem, pastures by 97 percent.

Food livestock production per unit of livestock has possible increases fully commensurate with those of crops, the report concludes.

PRODUCTIVITY TO REMAIN HIGH

From these facts on the nature of the farm business, it is clear that, other than setbacks from drought years, it is more difficult if not impossible to reverse the upward movement of increased productivity of American farms at the present state of our development.

Acreage controls, diversion of land to planting of legumes for soil building, and other means will help maintain a balance, but basically we must anticipate that surpluses will occur.

Because of our own and world needs, our agricultural machine has been geared to a high level of productivity.

Obviously this acceleration cannot continue forever, but rash, indeed, would be the farm economist who would predict where the increased productivity of our American farms will level off, especially with research paying such good returns and with expanded research and extension being heartily endorsed and vigorously advocated by nearly everyone.

In our acreage control efforts during the last 2 decades we have never reduced our total crop acreage any—but merely shifted it from one surplus producing crop to others.

We are trying to avoid that by encouraging shifts to soil-building rather than marketable crops.

The high fixed cost nature of the farm business and the uncertainties and hazards of farming make the effort for full production not only logical but necessary.

Hence we must realize that this great continued abundance of our food and fiber—this even, full flow from our farms of the means of high standards of living—is one of the greatest factors of our Nation's greatness and of its leadership in the world.

We must look upon it as one of God's richest endowments to our Nation.

Let us not for once look upon it as a curse, but as one of the greatest blessings sent to a troubled, hungry world.

It is one of the most powerful weapons of peace ever given to a nation.

Let us use it as such to help feed hungry people, to help them gain strength so they can themselves become more productive; and finally let us use it as a far more potent destroyer of communism than is the hydrogen bomb.

Communism has no greater ally than hunger; democracy and freedom no greater ally than a well-nourished people.

The bill which I have introduced is aimed solely at using part of our farm surplus to help us as a nation attain these ends.

It, as stated previously, provides for distribution through nonprofit voluntary agencies.

WOULD BUILD GOODWILL

One of the most important results of distributing our unmarketable surpluses through nonprofit voluntary agencies is the goodwill that results in aid distributed under the name of the United States but by private agencies to needy persons in a country.

Person to person help, always marked as coming as assistance from the United States, rather than the over-all nation to nation assistance, avoids the natural skepticism that one nation has for another when such mutual aid efforts are undertaken through national channels.

Dollar for dollar such aid can without doubt be extended at far less cost to the United States through voluntary nonprofit agencies, as is provided in the bill I have introduced, than through direct governmental distribution.

This type of aid also assures that the aid is given solely to the needy and does not get into speculative channels as is often the case in government to government distribution.

OPEN NEW FIELDS

The provisions of this bill, I am certain, will open up a vast new field of use and distribution of our surpluses that cannot otherwise be disposed of.

It will yield great future rewards in goodwill, and rewards for our country in expanded markets.

It will result in increased productivity of friendly countries and consequent increased future profitable commercial intercourse between them and us.

To summarize, I believe that a servicable use of some of our current and future unmarketable surpluses is highly important as a means of avoiding the spread of an aggressive communism.

If these surpluses are allowed to waste, or are dumped onto the world markets to break normal markets, great discredit and ill will to us will be the result.

On the other hand, if these surpluses are used to relieve hunger, to increase productivity and trade, and to establish new future demands without interfering with normal private trade, we can reap rich harvests of good will, of reduced costs of checking aggression, and of increased profitable future trade with friendly nations.

AMENDMENT OF FLAMMABLE FABRICS ACT, RELATING TO EXEMPTION OF CERTAIN FABRICS AND WEARING APPAREL

Mr. PURTELL. Mr. President, I introduce for appropriate reference a bill to amend the Flammable Fabrics Act, which I have prepared.

The bill would add scarfs made of plain surface fabrics to the other articles which are already exempted by present law, namely hats, gloves and footwear.

The bill would also change the conditions under which the present flammability tests are conducted. At present, samples are made bone-dry before they are tested under commercial standard 191–53. This bill would require samples to be tested under the normal conditions under which articles of clothing are generally worn, namely in room temperature with average humidity.

The Senate and House committee reports indicate that the purpose of the Flammable Fabrics Act was to protect the public from the danger surrounding the use in wearing apparel of highly flammable textiles of the types which had caused either bodily injury or death to numerous individuals. The bill was aimed at dangerous articles of wearing apparel, such as highly flammable children's cowboy playsuits, torch sweaters or jackets, and the like. The major hazards arose from certain cotton or rayon fabrics having fuzzy or furlike surfaces which flash and burn with exceeding rapidity.

The Senate and House committees were faced with the major problem of discriminating between the conventional fabrics that present moderate and generally recognized hazards and the special types of fabrics which present unusual hazards and are highly dangerous. The committees followed the advice of industry spokesmen and experts and incorporated into the law commercial standard 191–53. Now, less than 10 months after the law is passed, the industry calls to our attention the fact that a large percentage of silk, organdie, batiste, veils, nettings, and so forth, have been unexpectedly banned by that commercial standard, notwithstanding the fact that they are made of conventional fabrics with a good record for safety down through the years. The possibility that these conventional fabrics might be banned under the standards of the law was never even broached in the hearings and it is quite likely that closer scrutiny would have been given to commercial standard 191–53, if this had been called to the attention of the committees. That is the reason why it is necessary to consider amending the law within 1 year after it has passed and about 2 months before it goes into effect.

Although the legislative history makes clear that scarfs of some kinds at least were included within the terms of the act, industry experts point out that the only ones which present unusual hazards and are highly dangerous are the ones which are not made of plain surface fabrics. Furthermore, there is no indication that scarfs have been made of cotton or rayon fabrics having fuzzy or furlike surfaces which flash and burn with exceeding rapidity, but if they were, they would still come under the testing procedures of the act under my bill. Handkerchiefs and scarfs are used primarily as accessories and not as regular clothing. A handkerchief can easily and quickly be discarded or dropped if it burns rapidly. The same observation applies to scarfs, except that they may take a little more time to remove. However, if scarfs are made of plain surface fabrics, according to industry experts, the burning time is slow enough to allow the person to discard them.

The other amendment added by my bill is a change in the conditions under which the present flammability tests are conducted. I have already pointed out that we are surprised that certain conventional fabrics, such as organdie, batiste, veils, nettings, and so forth, with a long record of safety performance are now banned by the present tests. Industry representatives and experts point out that the reason is that sample are not tested under the conditions existing where those materials are generally worn. At present, samples are tested bone dry. My bill would require samples to be tested under the normal conditions under which articles of clothing are generally worn, namely, in room temperature with average humidity. Experts have advised me that when so

tested, conventional fabrics such as organdies, batistes, veils, nettings, and so forth, will pass the test although silk would not be materially helped by this change. I believe this result will be more in keeping with the professed purposes of the Flammable Fabrics Act.

I intend to send this bill to the Federal Trade Commission and to the Department of Commerce by special messenger for a quick appraisal of its merits and I will welcome any recommendation on their part for improvement of the bill. As soon as I obtain their views, I intend to call a meeting of the subcommittee to consider this urgent problem. This may take place early next week.

I ask unanimous consent to have two statements prepared by me and two letters relating to the bill printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statements and letters will be printed in the RECORD.

The bill (S. 3379) to amend the Flammable Fabrics Act, so as to exempt from its application fabrics and wearing apparel which are not highly flammable, introduced by Mr. PURTELL, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The statements and letters presented by Mr. PURTELL are as follows:

EXEMPTION FROM FLAMMABLE FABRICS ACT OF FABRICS AND WEARING APPAREL NOT HIGHLY FLAMMABLE

Senator WILLIAM A. PURTELL, Republican, of Connecticut, chairman of the Subcommittee on Business and Consumer Interests, introduced in the Senate today a bill which would amend the Flammable Fabrics Act (Public Law 88, 83d Cong.), so as to exempt from its application fabrics and articles of wearing apparel which are not highly flammable. The Flammable Fabrics Act was approved in the 1st session of the present Congress, on June 30, 1953. By its terms, the act becomes effective on June 30, 1954.

Senator PURTELL's bill would add scarfs made of plain-surface fabrics to the other articles which are already exempted by present law, namely hats, gloves, and footwear.

The bill would also change the conditions under which the present flammability tests are conducted. At present, samples are made bone-dry before they are tested under commercial standard 191–53. Senator PURTELL's bill would require samples to be tested under the normal conditions under which articles of clothing are generally worn, namely in room temperature with average humidity.

NEED FOR LEGISLATION

Senator PURTELL explained the need for the legislation, as follows:

"The Senate and House committee reports indicate that the purpose of the Flammable Fabrics Act was 'to protect the public from the danger surrounding the use in wearing apparel of highly flammable textiles of the types which had caused either bodily injury or death to numerous individuals.' The bill was aimed at dangerous articles of wearing apparel, such as highly flammable children's cowboy playsuits, torch sweaters or jackets, and the like. The major hazards arose from certain cotton or rayon fabrics having fuzzy or furlike surfaces which flash and burn with exceeding rapidity.

"The Senate and House committees were faced with the major problem of discriminating between the conventional fabrics that present moderate and generally recognized hazards and the special types of fabrics which present unusual hazards and are highly dangerous. The committees followed the advice of industry spokesmen and experts and incorporated into the law commercial standard 191–53. Now, less than 10 months after the law is passed, the industry calls to our attention the fact that a large percenage of silk, organdie, batiste, veils, nettings, etc., have been unexpectedly banned by that commercial standard, notwithstanding the fact that they are made of conventional fabrics with a good record for safety down through the years. The possibility that these conventional fabrics might be banned under the standards of the law was never even broached in the hearings and it is quite likely that closer scrutiny would have been given to commercial standard 191–53, if this had been called to the attention of the committees. That is the reason why it is necessary to consider amending the law within 1 year after it was passed and about 2 months before it goes into effect."

REASON FOR PARTICULAR LEGISLATIVE APPROACH

"At the request of the subcommittee, counsel was asked to explore the possibility of an administrative solution to the problem. Counsel has advised me that the standards laid down in the act are so clear and stringent that possible administrative relief is inadequate. For instance, the Federal Trade Commission has been asked by members of the industry to rule that scarfs and handkerchiefs are not articles of wearing apparel under the terms of the act but merely accessories. According to committee counsel, while handkerchiefs should not be regarded as within the terms of the Flammable Fabrics Act, it is quite likely that scarfs are included, because express mention was made by Federal agency witnesses at the hearings that scarfs that covered part of the neck and shoulders should be regarded as wearing apparel within the meaning of the terms. This legislative history is difficult to overcome. If handkerchiefs are excluded from the coverage of the present law, as we are advised by committee counsel, this alone will in part take care of the silk problem, because a large portion of sheer silks are used in the manufacture of handkerchiefs. If we report out amendments to the act, I shall advise the committee to cover the matter of handkerchiefs, at least in the report, to make clear that a handkerchief is not an article of wearing apparel in the sense of the act.

"Although the legislative history makes clear that scarfs of some kinds at least were included within the terms of the act, industry experts point out that the only ones which present unusual hazards and are highly dangerous are the ones which are not made of plain-surface fabrics. Furthermore, there is no indication that scarfs have been made of cotton or rayon fabrics having fuzzy or furlike surfaces which flash and burn with exceeding rapidity, but if they were, they would still come under the testing procedures of the act under my bill. Handkerchiefs and scarfs are used primarily as accessories and not as regular clothing. A handkerchief can easily and quickly be discarded or dropped if it burns rapidly. The same observation applies to scarfs, except that they may take a little more time to remove. However, if scarfs are made of plain-surface fabrics, according to industry experts, the burning time is slow enough to allow the person to discard them.

"With the exemption of handkerchiefs and scarfs from the act, the problem of silk is largely solved. Sample flammability tests on silks were recently conducted with the following results:

Weight of silk:	*Flame spread (seconds)*
3 momme	3.0
4 momme	3.3
5 momme	4.1
8 momme	5.0

"As only those fabrics which burn in less than 4 seconds are banned by the act, 5-momme silk would generally pass the present tests. Four momme and three momme silk (sheer silk) is imported in large quantities into this country primarily for handkerchiefs and scarfs. Experts point out that while 3 momme and 4 momme silk under present tests burns in less than 4 seconds, silk has the characteristics of ceasing to burn when the flame is removed from the material. Therefore, it presents much less of a hazard than pile synthetic materials or brushed rayon. The fact is that silk for handkerchiefs and scarfs was used down through the years without its ever being considered hazardous. The same is true of the use of other plain-surface fabrics when used for handkerchiefs and scarfs.

"On the other hand, except for handkerchiefs and scarfs, it is my belief that silk and other plain-surface fabrics, like any other fabric which burns in less than 4 seconds under the test conditions outlined in my bill, should not be used in the manufacture of articles of wearing apparel. To the extent that 3 momme or 4 momme silk or other plain-surface fabrics may be banned from use in shirts, nightgowns, and other wearing apparel, that is the price of safety which we must exact from the producers of these materials as we do from the producers of other materials banned by the act. We will not compromise with public safety.

"The only other amendment added by my bill is a change in the conditions under which the present flammability tests are conducted. I have already pointed out that we are surprised that certain conventional fabrics, such as organdie, batiste, veils, nettings, etc., with a long record of safety performance are now banned by the present tests. Industry representatives and experts point out that the reason is that samples are not tested under the conditions existing where those materials are generally worn. At present, samples are tested bone dry. My bill would require samples to be tested under the normal conditions under which articles of clothing are generally worn, namely, in room temperature with average humidity. Experts have advised me that, when so tested, conventional fabrics such as organdies, batistes, veils, nettings, etc., will pass the test, although silk would not be materially helped by this change. I believe this result will be more in keeping with the professed purposes of the Flammable Fabrics Act.

"I intend to send this bill to the Federal Trade Commission and to the Department of Commerce by special messenger for a quick appraisal of its merits and I will welcome any recommendation on their part for improvement of the bill. As soon as I obtain their views I intend to call a meeting of the subcommittee to consider this urgent problem. This may take place early next week."

INQUIRY INTO COMPLAINTS AGAINST THE FLAMMABLE FABRICS ACT

Senator WILLIAM A. PURTELL, Republican, of Connecticut, chairman of the Subcommittee on Business and Consumer Interests of the Senate Interstate and Foreign Commerce Committee, announced today that his group is looking into numerous complaints that the Flammable Fabrics Act (Public Law 88, 83d Cong., approved June 30, 1953, effective June 30, 1954) will unduly cripple certain segments of the textile industry.

Senator PURTELL said: "This month, the full committee and our subcommittee have received numerous letters to the effect that this act, if it is allowed to become effective on schedule, on June 30 of this year, will cause severe hardship to many business firms engaged in the importation and distribution of lightweight cotton, rayon, and silk textile fabrics, as well as to domestic manufacturers and distributors of some sheer fabrics which have long been used with safety by the Amer-

ican consumer. We are looking into these complaints and, if we find that they are justified, we will find a solution and recommend whatever action is necessary to the full committee." The Senator explained that the matter was considered in a subcommittee meeting on April 14. As a result, discussions are going on between the staffs of the subcommittee, the Federal Trade Commission, and the Department of Commerce to determine whether an administrative solution to the problem is feasible and in the public interest. "The results of initial exploration into the feasibility of an administrative remedy are not too encouraging," Senator PURTELL said. "The act is quite specific upon the standard of flammability, and if we find that it is unduly restrictive, we may have to amend it," he added.

In closing, Senator PURTELL stated: "It may well be that section 4 of the act, in incorporating Commercial Standards 191–53 and 192–53 by reference, went further than the professed purposes of the act, and that the present testing procedures are in need of some revision because they do not distinguish properly between the flash-burning type of fabrics and those that have been safely worn for generations. If the subcommittee finds this to be the case it will call upon the Bureau of Standards and the industry to recommend or develop more suitable testing procedures to prevent the banning of conventional fabrics that present no unusual hazards and which have been worn safely down through the years. However, I wish to serve notice that our subcommittee will not compromise with the public safety and that no postponement of the effective date of the act or weakening of the act will be recommended at the risk of allowing those special types of fabrics to be sold which present unusual hazards and are highly dangerous. Industry itself, generally, would object to our inviting this risk."

The complete text of the Senator's statement is as follows:

"For several years past there have been shocking instances of deaths and serious bodily harm caused by wearing apparel of highly flammable textiles. Until last year, it was not too unusual to pick up a newspaper and read of burnings and even deaths suffered by children when wearing highly flammable cowboy or Halloween suits or by adults wearing so-called explosive sweaters. One would read of a man driving his automobile and lighting a cigarette, with the result that the sweater burst into flames and seriously injured him; or of high school girls at a prom suffering similar harm while wearing a tulle dress, or at home when clad with a cotton chenille dressing gown; or of a woman wearing nitrocellulose buttons on her dress while sitting in front of a chafing dish, with the result that the buttons practically exploded in her face and set her afire. I could give instances ad nauseam. Some of these incidents happened in waves. Accordingly, an outraged public demanded that something be done to put a stop to this menace. Bills were introduced in several State legislatures to protect the public from this danger, but they were opposed by the wearing-apparel industry who joined in the chorus for Federal legislation in order to protect the industry from the requirements of possibly conflicting and diverse regulations by the various State and communities.

"Bills to prohibit the transportation in interstate commerce of highly flammable fabrics and wearing apparel were introduced in the House of Representatives of the United States beginning with the 79th Congress, 1st session (1945). In the 80th Congress (1947–48), the House Committee on Interstate and Foreign Commerce held extensive hearings on three flammable fabrics bills. Similar bills were introduced during the 81st and 82d Congresses. In the 82d Congress, the Senate passed unanimously on July 3, 1952, S. 2918, a bill which had many of the features of the present law. The House committee also reported the bill, but the House took no action upon it prior to the adjournment of the Congress.

"On April 16, 28, and 29, 1953, the House Committee on Interstate and Foreign Commerce held public hearings on 5 similar bills. The principal objective of all these bills was to prohibit the introduction or movement in interstate commerce of articles of wearing apparel and fabrics which are so highly flammable as to be dangerous when worn by individuals.

"The present law originated from H. R. 5069, which was introduced by Congressman WOLVERTON, chairman of the House committee, at the direction of the committee, as a 'clean' bill as a result of the committee hearings and after executive consideration of all the bills pending before the committee.

"Every witness who testified before the committee, without exception, representing virtually all segments of the textile industries and trades, urged prompt and effective Federal legislation to protect the public from the dangers of highly flammable wearing apparel and fabrics used in wearing apparel, and supported these bills in principle. Moreover, the committee was urgently requested to take prompt action on this legislation. It was pointed out that if this legislation was not enacted, a variety of State and local regulations lacking in uniformity might well ensue.

"Testimony in support of legislation on this subject was received from the Federal Trade Commission, the National Cotton Council of America, the National Retail Dry Goods Association, the Tufted Textile Manufacturers Association, the Society of the Plastics Industry, the Rayon and Acetate Fiber Producers, and others. These expert witnesses were helpful in suggesting accurate language for the legislation. H. R. 5069, while substantially similar to the bill that this committee had reported favorably the preceding year, represented a distinct improvement over that measure, especially in section 4, concerning the standard of flammability. Our committee reported favorably this improved version and it became the present law on June 30, 1953.

"Section 4 of the Flammable Fabrics Act prescribes the standards of flammability. Commercial standard 191–53, promulgated by the Secretary of Commerce effective January 30, 1953, prescribed the standard for flammability of clothing textiles and commercial standard 192–53, promulgated by the Secretary of Commerce effective May 22, 1953, prescribed the standard of flammability for vinyl plastic film.

"Commercial standard 191–53 was developed as a voluntary standard through the combined effort of a number of scientific and technical groups and represents the combined opinion of an industry committee speaking for the cotton and rayon producers, and fabric manufacturers, finishers, converters, wholesalers, retailers, and consumers coordinated by the American Association of Textile Chemists & Colorists and the National Retail Dry Goods Association. The National Bureau of Standards participated in this work by active service on technical committees, by the conduct of a wide variety of investigational and testing work, and by aiding in the reconciliation of different points of view.

"The flammability test provided in the commercial standard 191–53 makes use of strips of fabric 2 by 6 inches in dimensions. The test consists of measuring the burning time in seconds when the test piece is mounted in a specially designed apparatus and a flame is applied in a prescribed manner. Fabrics with a flame spread of more than 7 seconds are classed as having normal flammability. Those with a flame spread of less than 4 seconds are classed as rapid and intense burning, while those burning in 4 to 7 seconds are rated as having intermediate flammability. The law is directed to those fabrics which are classed as rapid and intense burning fabrics.

"Commercial standard 192–53 is the industry-approved standard with respect to vinyl plastic film. Such film is used in the manufacture of various articles of wearing apparel such as raincoats, capes, hoods, pants, and aprons. The flammability test is prescribed in paragraph 3.11 of this standard.

"Section 4 of the act provides for reports by the Secretary of Commerce if he at any time finds that the commercial standard referred to becomes inadequate. The Senate report on this bill made clear our intent that the 'Secretary of Commerce shall make continuous studies of the suitability and effectiveness of these and related test methods.'

"I have outlined the history, scope, and standards of this law at some length in order to show that the provisions of the law were not adopted arbitrarily or without serious reflection.

"This month the full committee and our subcommittee have received numerous letters to the effect that this act, if it is allowed to become effective on schedule, on June 30 of this year, will cause severe hardship to many business firms engaged in the importation and distribution of lightweight cotton, rayon, and silk textile fabrics, as well as to domestic manufacturers and distributors of some sheer fabrics which have long been used with safety by the American consumer.

"The question suggests itself at this point, why did not the affected industry call these alleged defects in the law to the attention of the Senate and House committees? One correspondent answers this question as follows:

" 'Businessmen engaged in the distribution of established types of textiles knew vaguely that Federal legislation had been under consideration for several years to prohibit the sale of fabrics and wearing apparel which, in the language of the act, are so highly flammable as to be dangerous when worn by individuals. It may be safely said that the business community is strongly in favor of such legislation. The general understanding, however, was that the act merely applied to fabrics and articles of wearing apparel which will ignite and burn in a flash when they come in contact with a flame or a cigarette. It is only in recent months that businessmen have come to realize, as a result of laboratory tests conducted pursuant to the method prescribed in commercial standard 191–53, that many textile fabrics which have never been involved in a flash burning episode will be classed as dangerously flammable under the Flammable Fabrics Act, and thus not legally salable after June 29, 1954.'

"Our subcommittee has heard mostly from businessmen in the silk trade who say that they were convinced that the act was passed to protect the public from fabrics which burn intensely and in a flash, such as brushed rayon and other synthetic pile fabrics, and that they never believed that the act would be applicable to silk, because it is a historical fact that silk has been imported into the United States for over 100 years, and to their knowledge the fabric made from it has never endangered a person.

"It was not until silk was tested under the standards set forth by Commercial Standard 191–53, which were incorporated specifically in the act, that it was discovered that the provisions of the act would be applicable to silk. As far as is known, there is no practicable method to render silk fireproof which will not make it lose its appealing softness and luster. Intensive tests are presently being conducted by competent chemical firms in an attempt to solve this problem, but they will need time to conduct their tests and research. Because silk is frequently made into thin fabrics, such as

fine sheers, chiffons, silk stockings, etc., it will be affected by the strict standards of flammability contained in the act. Some businessmen estimate that the law as it is now written will cause the banishment of 75 percent of the silk scarves and silk fabrics which until the present have been imported from Japan. One New York company alone estimates that enforcement of the act will amount to virtual confiscation of large quantities of merchandise which it has had on hand, some for as long as 3 years or more, the total of which will amount to hundreds of thousands of dollars.

"It is easy to understand that the act has an effect now, even before its effective date, as prospective customers are unwilling to buy certain materials from wholesalers, and even retail outlets are left holding on to large stocks which they carried over from previous seasons. Furthermore, many companies, in order to prepare for the fall season this year, made extensive purchases of affected materials—for instance, in Japan—and have established irrevocable letters of credit for payment. It goes without saying that the economy of Japan is directly affected, as it is the largest producer of sheer fabrics made of silk. Light-weight silk materials constitute over 50 percent of Japan's export of silk to the United States. The main end use of these materials is silk scarves and veiling which American women use as accessories to their usual articles of clothing.

"To a lesser extent, the subcommittee has heard from domestic manufacturers and distributors of sheer fabrics, such as organdie fabrics and netting for evening dresses, which, it is claimed, have had a good record for 50 years. Laboratories are experimenting with tests to determine the flammability of fabrics. The subcommittee has been informed by the industry that there are now available only about 125 testing machines to make the required tests, and the laboratories report a heavy backlog of a great variety of fabrics still to be tested. It is doubtful that tests can be completed on a great many types of fabrics prior to the present effective date of the act.

"Furthermore, the industry advises us that most of the light-weight fabrics which do not meet the present tests can be treated with flame-retarding finishes, but such finishes will cause a deterioration of the fabric in a relatively short time, and will also cause the color of the fabric to become yellowish or gray in a few months. The chemists in the finishing industry are trying to develop a more satisfactory flame-retarding finish, but it will take quite some time to accomplish this. In most cases it is not possible to refinish goods now in inventory, and certainly nothing can be done about fabrics already made up into wearing apparel.

"The matter was considered in a subcommittee meeting on April 14, 1954. As a result, discussions are going on between the staffs of the subcommittee, the Federal Trade Commission, and the Department of Commerce to determine whether an administrative solution to the problem is feasible and in the public interest. The results of initial exploration into the feasibility of an administrative remedy are not too encouraging. The act is quite specific upon the standard of flammability, as I have already shown. Commercial Standard 191–53 was rigidly incorporated into the act, with the express additional inclusion of hats, gloves, and footwear.

"From the start, the industry objected to complete discretion being lodged in a Federal official or agency, such as in the Secretary of Commerce or in the Federal Trade Commission.

"When a forerunner of the act was first introduced (H. R. 3851, 83d Cong.), it contained a provision to the effect that when in his opinion the protection of the public interest so required, the Secretary of Commerce was authorized to modify or supplement the test standard of flammability provided he followed the procedure used in setting up commercial standard 191–53. Many people in industry and in the Government felt that the Secretary of Commerce should not have that authority. The Federal Trade Commission sounded the death-knell of this provision when it wrote on April 9, 1953, to the chairman of the House committee upon this point, as follows:

" 'This requirement would prohibit the Secretary of Commerce from modifying or supplementing the test unless he obtained the consent of 65 percent of the industry or at least of a majority, which is a requirement of the commercial standard procedure. Such presents an unprecedented situation of having the standard of legality or illegality under a penal and civil statute turn upon the consent of the industry to which the legislation applies.'

"That flexible approach raised serious constitutional doubts of the constitutionality of the legislation. Accordingly, the House and Senate committees wrote the existing standards developed by industry specifically into the act, as I have explained above.

"Our subcommittee has been informed that on some types of conventional fabrics that have already been tested, the burning rate is between 3.2 seconds and 3.9 seconds, although these fabrics have never been known to catch fire when worn by individuals. I have already pointed out that, under commercial standard 191–53, which is incorporated by reference into the act, fabrics with a flame spread of less than 4 seconds are classed as rapid and intense burning and banned from importation, transportation, or sale in interstate or foreign commerce.

"There is no doubt that the act was aimed primarily at the banning of fabrics which burn intensely and in a flash. H. R. 5069, which became the present law (Public Law 88, 83d Cong.), was entitled 'To prohibit the introduction or movement in interstate commerce of articles of wearing apparel and fabrics which are so highly flammable as to be dangerous when worn by individuals, and for other purposes.'

"The Senate and House reports, in discussing the purpose of the legislation, state:

" 'The purpose of the bill * * * is to protect the public from the danger surrounding the use in wearing apparel of highly flammable textiles of the types which have caused either bodily injury or death to numerous individuals. The bill is limited in scope to wearing apparel and fabrics which are intended or sold for use in wearing apparel. It will outlaw, for example, the introduction, movement, or sale in interstate commerce of highly flammable children's cowboy playsuits, and the so-called torch sweaters or jackets which have caused serious injuries and death to a number of innocent and unsuspecting individuals in recent years.' (See H. Rept. No. 425, and S. Rept. No. 400, 83d Cong., 1st sess.)

"In discussing the standards of flammability, those reports state:

" 'The major problem in formulating legislation to control the use of dangerously flammable textiles is to discriminate between the conventional fabrics that present moderate and generally recognized hazards and the special types of fabrics which present unusual hazards and are highly dangerous.'

"It may well be that section 4 of the act, in incorporating commercial standards 191–53 and 192–53 by reference, went further than the professed purposes of the act, and that the present testing procedures are in need of some revision because they do not distinguish properly between the flash-burning type of fabrics and those that have been safely worn for generations. If the subcommittee finds this to be the case, it will call upon the Bureau of Standards and the industry to recommend or develop more suitable testing procedures to prevent the banning of conventional fabrics that present no unusual hazards and which have been worn safely down through the years. However, I wish to serve notice that our subcommittee will not compromise with the public safety and that no postponement of the effective date of the act or weakening of the act will be recommended at the risk of allowing those special types of fabrics to be sold which present unusual hazards and are highly dangerous. Industry itself, generally, would object to our inviting this risk."

DEPARTMENT OF STATE,
Washington, April 27, 1954.

The Honorable WILLIAM A. PURTELL,
Chairman, Subcommittee on Business and Consumer Interests, Interstate and Foreign Commerce Committee, United States Senate.

DEAR SENATOR PURTELL: The Department is gratified to learn of your announcement on April 20 that the Subcommittee on Business and Consumer Interests of the Senate Interstate and Foreign Commerce Committee is looking into numerous complaints that the Flammable Fabrics Act (Public Law 88, 83d Cong., approved June 30, 1953, effective June 30, 1954) will unduly cripple certain segments of the textile industry. Similar complaints have been made to the Department in recent months, particularly by representatives of the Japanese Embassy and by importers of Japanese silk fabrics and silk articles such as handkerchiefs and scarfs. As your press release points out, the economy of Japan would be directly and substantially affected by the banishment of perhaps 75 percent of the silk scarfs and silk fabrics which until the present have been imported from Japan. The Department is also aware that the Flammable Fabrics Act is a matter of concern to French, Swiss, and Italian exporters of sheer fabrics and to the domestic importers and distributors of these materials.

The Department endorses your view that there should be no compromise with the public safety and that no postponement of the effective date of the act or weakening of the act should be recommended at the risk of allowing those special types of fabrics to be sold which present unusual hazards and are highly dangerous. The press release issued by your subcommittee contains a clear statement of the problems involved in preventing loss of life or serious injury from wearing apparel made of highly flammable textiles without creating severe hardship to domestic and foreign trade in materials which have long been used with safety by the American consumer. The program being undertaken by the subcommittee and your statement concerning the possible need for amendment of the act, if it is found to be unduly restrictive and if no administrative remedy is available, should help to allay the concern of both foreign and domestic interests concerning the effect of the act.

Sincerely yours,

THRUSTON B. MORTON,
Assistant Secretary.

EMBASSY OF JAPAN,
Washington, D. C., April 23, 1954.

The Honorable WILLIAM A. PURTELL,
United States Senate.

DEAR SENATOR PURTELL: I am writing you to express my appreciation of your recent statement concerning the Flammable Fabrics Act and the severe hardship it will cause to certain segments of the textile business, especially the silk trade. Your recognition that the congressional intent in passing the act was not to prohibit the sale of traditional fabrics which have been used safely for years, but was rather to prevent the use of dangerously flammable textiles with a flash-burning rate, has been most encouraging to the Japanese people.

The people of Japan view with complete and sympathetic understanding the efforts of

the Congress of the United States to protect the American public from the recurrence of the recently publicized and most unfortunate accidents. They recognize the need for a protective law but are hopeful that the legislation may be so drafted or interpreted as to permit the import of sheer silk manufactures, which have a long history of safe use.

As you know, silk fabrics and manufactures are among the most important exports from Japan to the United States. Any substantial reduction in this trade, even though unintentional, would be a serious blow to my country's attempt to attain economic stability.

I wish to you and your subcommittee success in your endeavor to limit the effects of the act to textiles which are truly dangerous. Again may I state the thanks of the Japanese people for your understanding approach to their problem.

Sincerely yours,

SADAO IGUCHI,
Ambassador.

AMENDMENT OF LABOR MANAGEMENT RELATIONS ACT, 1947—AMENDMENT

Mr. GOLDWATER submitted an amendment intended to be proposed by him to the bill (S. 2650) to amend the Labor Management Relations Act, 1947, and for other purposes, which was ordered to lie on the table and to be printed.

PROPOSED CAPITAL GAINS TAX ON FOREIGN TRADERS

Mr. GILLETTE. Mr. President, in the report submitted by the Senate Committee on Agriculture and Forestry on August 23, 1950, covering the investigations of coffee prices which the Subcommittee on Utilization of Farm Crops conducted during 1949–50, appeared this sentence:

> About 50 percent of the long position in coffee on the New York Coffee and Sugar Exchange, Inc., as of March 31, 1950, was owned by foreign interests, and fully 30 percent controlled through one broker in Brazil."

Among the several recommendations which the committee made in its report was this one:

> No. 6: That in order to curb the undesirable speculation now existing in dealing in coffee futures the revenue laws of the United States be amended so as to tax profits of foreign interests made on the commodity exchanges of the United States.

In the appendix of the report appeared a draft of an amendment to the Internal Revenue Code which the committee recommended be adopted by the Congress. As no Member of the House of Representatives has yet offered this type of an amendment, and in view of the fact that the tax revision bill is now pending before the Senate Finance Committee, I am today submitting this proposal in the form of an amendment to H. R. 8300 for the consideration of the Finance Committee and of the Senate.

The amendment would impose on the capital gains of nonresident foreign individuals, partnerships or corporations, not engaged in trade or business in the United States, a tax of 30 percent of the amount by which such gains, derived from sources within the United States, from sales or exchanges, exceed losses, allocable to sources within the United States, from such sales or exchanges.

Because of the unfortunate fact that neither the Senate Banking and Currency Committee investigation of the recent price rise in coffee nor the Federal Trade Commission investigation of the same subject has been completed, it is impossible to know to what extent the situation that existed in 1950 still holds at the present time. But it is incontrovertible, I believe, that during the price rise of this past December and January foreign speculators were extremely active on the coffee exchange. They have unquestionably earned tremendous profits from their operations and the least the American people can expect, if they cannot be protected from such raids on their pocketbooks, is that those who earn these fortunes from speculating on our commodity exchanges should have to pay a fair tax to our Federal Treasury.

I now submit amendments intended to be proposed by me to the bill (H. R. 8300) to revise the internal revenue laws of the United States, and ask that they be referred to the Committee on Finance.

The PRESIDING OFFICER. The amendments will be received and printed, and will be referred to the Committee on Finance.

AMENDMENT OF LABOR MANAGEMENT RELATIONS ACT, 1947—MINORITY VIEWS

Mr. MURRAY. Mr. President, I ask unanimous consent that the views of the minority on Senate bill 2650, to amend the Labor Management Relations Act, 1947, and for other purposes, may be submitted and printed during the recess.

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

REVIEW OF DECISIONS OF GOVERNMENT CONTRACTING OFFICERS IN CERTAIN CASES

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 24) to permit review of decisions of Government contracting officers involving questions of fact arising under Government contracts in cases other than those in which fraud is alleged, and for other purposes, which were to strike out all after the enacting clause and insert:

> That no provision of any contract entered into by the United States, relating to the finality or conclusiveness of any decision of the head of any department or agency or his duly authorized representative or board in a dispute involving a question arising under such contract, shall be pleaded in any suit now filed or to be filed as limiting judicial review of any such decision to cases where fraud by such official or his said representatives or board is alleged: *Provided, however,* That any such decision shall be final and conclusive unless the same is fraudulent or capricious or arbitrary or so grossly erroneous as necessarily to imply bad faith, or is not supported by substantial evidence.
>
> SEC. 2. No Government contract shall contain a provision making final on a question of law the decision of any administrative official, representative, or board.

And to amend the title so as to read: "An act to permit review of decisions of the heads of departments, or their representatives or boards, involving questions arising under Government contracts."

Mr. McCARRAN. Mr. President, this is a bill which passed the Senate on June 8, 1953, and which has now been passed by the House, in amended form.

The purpose of the proposed legislation is to overcome the inequitable effect, under the decision of the Supreme Court in the Wunderlich case, of language in Government contracts which makes the decision of the contracting officer or the head of the agency final, with respect to questions of fact. To put it another way, the objective of this bill is to preserve the right of review by the courts in cases involving action by a contracting officer which is arbitrary, capricious, fraudulent, or so grossly erroneous as necessarily to imply bad faith.

The language of the House bill, while quite different from the langauge approved in the Senate, is designed to accomplish the same purpose. It is my understanding the Department of Justice takes the view that the House language will accomplish the same purpose as the Senate language. It is my further understanding that the Comptroller General of the United States has expressed complete satisfaction with the House language, and has declared that in his opinion it will accomplish the purposes sought to be served by the Senate language.

As author of the Senate bill, I want to say that I am not sure that the House language gives protection as complete as that which would have been given under the language approved by the Senate. However, I am willing to go along with the House language, in view of the assurances which I have mentioned, and the further fact that so far as I know all others interested in this legislation are satisfied with the language approved by the House.

Accordingly, Mr. President, I now move that the Senate concur in the House amendments to the bill S. 24.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada [Mr. McCARRAN].

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

Mr. McCARRAN. I yield.

Mr. CASE. Can the Senator from Nevada tell us how the assurance was given that the bill was satisfactory to the General Accounting Office? Would the Senator kindly restate the assurance which he voiced with reference to the opinion of the General Accounting Office?

Mr. McCARRAN. The General Accounting Office is satisfied with the language in the House bill. It has assured me of that.

Mr. CASE. The Comptroller General has assured the Senator from Nevada on that point?

Mr. McCARRAN. That is correct; otherwise I would not care to go along.

Mr. CASE. Mr. President, I have no objection.

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

Mr. McCARRAN. I yield.

Mr. THYE. As I understand, the bill was passed by the Senate, and a similar bill was passed by the House. The only question involved is a modification of the language in the Senate bill, and the two bills agree in their effect, so to speak?

Mr. McCARRAN. That is correct.

Mr. THYE. There is nothing else of a legislative nature involved. Is that correct?

Mr. McCARRAN. That is correct.

Mr. THYE. I cannot see any objection to the enactment of the legislation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada [Mr. McCARRAN].

The motion was agreed to.

ARMORING THE SUPREME COURT—EDITORIAL FROM THE WASHINGTON POST AND TIMES-HERALD

Mr. BUTLER of Maryland. Mr. President, on Saturday April 17, 1954, there appeared in the Washington Post and Times-Herald an editorial entitled "Armoring the Supreme Court." Within the next 2 weeks, Mr. President, debate will open on the floor of the Senate on Senate Joint Resolution 44, which I introduced in February 1953. The joint resolution has for its purpose the strengthening of the Supreme Court, both as to its composition and as to its jurisdiction. Accordingly, I ask unanimous consent that the editorial be printed at this point in the body of the RECORD, as a part of my remarks, for the information of the Senate.

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

ARMORING THE SUPREME COURT

Too little attention has been given to the proposed constitutional amendment reported out by the Senate Judiciary Committee recently to buttress the independence of the Supreme Court. As the Court is now functioning smoothly, there is a strong disposition to let well enough alone. Some critics of the proposal also fear that it might cast the Court into too rigid a mold. In our opinion, however, a strong case can be made for fortifying the independence of the Court in those spots where it has been attacked in the past.

History has amply demonstrated that the Founding Fathers, while creating an independent Supreme Court left some gaping holes in its armor. The most notorious of these is the power of Congress to change the number of Justices and thus enable the President and Senate indirectly to influence the opinions of the Court. The second grave defect is the constitutional phrase which enables Congress to take away the Court's appellate jurisdiction. On one regrettable occasion in 1868 Congress exercised this power to prevent the Court from hearing an appeal involving a writ of habeas corpus. In effect, then, enforcement of the Bill of Rights is left to the discretion of Congress.

This bit of history should be well remembered when the proposed amendment comes up for debate. An editor named McCardle sought a writ of habeas corpus after being arrested by the military in the post-Civil-War period and held for trial before a military commission on charges that he had published libelous and incendiary articles. When his petition was denied by the lower courts, he appealed to the Supreme Court. But before his case could be decided by that tribunal, Congress passed a law denying it the right to hear appeals in habeas corpus cases. The Court then acknowledged the right of Congress to determine the extent of its appellate jurisdiction and refused to decide the case.

The proposed amendment would prevent such legislative invasions of the judicial sphere by specifically giving the Court appellate jurisdiction, both as to law and fact, "in all cases arising under this Constitution." Congress might then limit appeals to the Supreme Court in cases involving Federal statutes, but it could not undermine the Constitution by preventing enforcement of its guaranties in the highest Court in the land.

No less important is the section permanently fixing the membership of the Supreme Court at nine. This will be generally interpreted as a Republican effort to prevent any repetition of President Roosevelt's efforts to pack the Court in 1937. It is probably more significant, however, as a means of preventing the kind of congressional interference with the Court that occurred in the Andrew Johnson administration. Congress reduced the number of Justices from 9 to 7 to prevent the President from having any opportunity to appoint Justices who might favor his policies. This was court-packing in reverse.

Two other provisions have been included in the proposed amendment. It would force the retirement of all Supreme Court Justices at the age of 75 and make any Justice ineligible to serve as President unless he had been off the bench at least 5 years. The 75-year cutoff might occasionally deprive the Court of an Oliver Wendell Holmes, but it would more frequently force out men no longer capable of carrying the arduous burden of a Supreme Court Justice. Five years probably is too long a period to make a Justice wait if he wishes to resign and try for the Presidency, but the idea of discouraging political ambitions on the Bench is sound. Not only that Justices sometimes need protection from politicians who are inclined to "raid" the Supreme Court. To our way of thinking the advantages that would flow from the amendment outweigh the argument against cluttering the Constitution with details.

COMMERCE DEPARTMENT REPORT ON MARITIME SUBSIDY POLICY

Mr. BUTLER of Maryland. Mr. President, the Commerce Department's report on Maritime Subsidy Policy, based upon its extensive study in the light of present national requirements for a merchant marine and a shipbuilding industry, will be presented to the Senate Water Transportation Subcommittee on Monday next, at 2:30 p. m., in room G–16 of the Capitol.

In view of the long-range significance of the report, its importance to American shipping, and the assistance it undoubtedly will afford to Members of Congress of both Houses in connection with future legislative proposals regarding the maritime industry, our subcommittee has invited the members of the House Merchant Marine and Fisheries Committee to join with us in receipt of the report.

At the meeting, the Under Secretary of Commerce for Transportation, the Honorable Robert B. Murray, Jr., will formally transmit the report to the Congress. It was at his direction and under his supervision that the study was made and the report prepared, and he and his very competent staff have done a most excellent job in this respect.

One of the major deterrents to positive action on behalf of this vital segment of the Nation's economy has been the misunderstanding and lack of factual information about it and the national policies involved. Certainly the report is coming to us at an opportune time, for both the American merchant marine and the vast shipbuilding industry, so mutually interdependent, one upon the other, are in dire straits, and are in need of immediate, as well as long-range, consideration. This is necessary, not alone for their future welfare, but more particularly because it is urgent in the public interest. Frankly, Mr. President, we need the merchant marine. We cannot do without a strong shipping and shipbuilding industry, either in war or in peace.

The forthcoming Department of Commerce report, I can give assurance, will present an overall picture of the policies laid down in the various acts of Congress with respect to establishment and maintenance of an adequate merchant marine. It will show how these policies have been carried out, their cost, and their net results.

Most importantly, the report will present certain definite recommendations for action by the Congress and the administration toward a sound annual ship-construction program consistent with and adequate to the requirement of a future mobilization day, as established by the responsible defense authorities.

Such a ship-construction program is basic to any program in this field. It is our sincere hope that this and other recommendations of the report will be received with due recognition of their importance to the national security, as well as to the Nation's economic progress.

REHABILITATION AND EMPLOYMENT OF PHYSICALLY HANDICAPPED—TRIBUTE TO GEN. MELVIN J. MAAS

Mr. SMATHERS. Mr. President, it was my privilege this morning to attend the Exposition and Parade of Progress for the Rehabilitation and Employment of the Physically Handicapped, here in Washington, D. C. It was quite inspiring to me to visit that vast hall and view the exhibits from all over the United States showing what the physically handicapped had been able to accomplish.

More important, I think, it was inspiring because it showed what employers can do in order to help war veterans and other citizens who have suffered some physical disability, and how such handicapped persons can continue to make a contribution to the productivity of our Nation. Even more important, it showed how they can gain a feeling of being useful to themselves and of contributing to the general good of society.

I hope other Members of Congress will avail themselves of this privilege and visit the exposition. I hope it will add emphasis to the bill which has been introduced by the able Senator from Montana and of which I am a cosponsor call-

ing for the establishment of a Federal department to aid the physically handicapped. I hope it will enable employers all over the United States to see what the physically handicapped can do, and how useful they can be, even though they are disabled. I believe this exposition will afford great impetus to the entire program of aiding the physically handicapped to aid themselves and in turn their Nation.

Mr. President, one last word, this morning the first person I met was our former colleague in the House of Representatives, Mel Maas. This courageous man has now lost his sight. However, true to his great background and tradition, General Maas does not despair. He is active in this program of aiding the physically handicapped. He, by example, is showing others what can be done. He is indeed a man of whom this Nation can be proud.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Handicap Tips From Miami," which I think is appropriate to the remarks I have made.

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

HANDICAP TIPS FROM MIAMI

Thousands of physically handicapped people are working today and living normal lives because a boy suffered heart trouble.

When Edward was 12 years old a hastily called physician stood by his bedside. "You have only a few months to live," the doctor told the boy. "You must resign yourself."

Hurriedly the father pushed the doctor out of the room.

"Don't frighten my boy," the father said. "Just tell me."

After the physician had gone, the father returned to Edward. The bed was empty. The house was searched in vain. He couldn't be found.

His father looked in the garden and found Edward sobbing behind the rose bushes.

"I'm going to live," he told his father. "I don't care what that doctor said, I'm going to live. And if God lets me live I'm going to dedicate my life to helping others."

When he was 16, Edward started a small upholstering business employing only physically handicapped workers. Two years later his business had expanded and the number of employees increased and all were physically handicapped in some fashion.

Edward only lived to be 24, but today the business he founded is still growing and there's not a physically sound man employed there.

His father, partly in memory of Edward has spearheaded every drive for the employment of the physically handicapped. The first one in Miami was initiated in 1939 by Edward, himself, in the form of an organization he named Independence, Inc.

According to population, Miami now leads the Nation in physically handicapped placements and has for several years, although it is not primarily an industrial community.

Now practical businessmen have taken over the machinery from professional and governmental employees to make the placement of the physically handicapped one of the best publicized year-around drives in the city.

National Employ the Physically Handicapped Week came to Miami in 1946 through several governmental agencies. Much of the advertising material was sent to the Florida State Employment Service and men from interested agencies gathered there to form the first local NEPH committee.

For the most part these men represented governmental agencies working with the rehabilitation and placement of the handicapped. The Florida State Employment Service, Veterans' Administration, the VA hospital, the Vocational Rehabilitation Service, and the Disabled American Veterans organization.

In the first years businessmen were not present, with 1 or 2 notable exceptions, and businessmen were the very ones who must do the hiring if the movement was to be a success.

A chairman was elected, placards were placed in store windows of willing proprietors, radio talks were arranged for, press releases were mailed, and 5-minute speakers talked at luncheon clubs.

At the end of the week, the Employment Service counted the number of placements made of the handicapped workers during that time and everyone felt the affair had been an immense success.

Then the whole thing was forgotten—as far as publicity was concerned—until next year. This was the usual story in most communities.

The Miami story might have been similar to that of other cities except for two things. A local radio station, WKAT, offered time to the Employment Service for a weekly program devoted to the placement of the handicapped and * * *.

The organization Edward founded, Independence, Inc., joined with the local NEPH committee and then later with the Miami Chamber of Commerce committee on placement of the physically handicapped, to bring new and sustaining life to the movement.

Edward's father now carried on the business his son began and with other individuals used Independence, Inc., as a stalking horse for handicap placements.

It was only natural for him to be selected as chairman of the chamber's committee and this close association with businessmen gave handicap placements a new impetus.

He found the NEPH committee with a daytime radio program and obtained a night spot for it on Station WQAM. For 3 years now, under the title of "Hope Unlimited" it has promoted handicap placements each week at a time when it may catch the ear of an employer.

This program is widely credited with being a major factor in increasing handicap placements.

The members of each committee, NEPH, Miami Chamber of Commerce, and Independence, Inc., were interlocking by becoming automatically members of the other committees. At no time was there any sense of rivalry.

Edward's father continued to work toward interesting other organizations in doing placement work. The Polio Foundation made placements of polios through the director. The Miami Hearing Society cooperated closely with the Exployment Service and the Vocational Rehabilitation Service to the same end.

The Mental Health Society offered its services in discovering understanding employers who were willing to work with the emotionally unstable.

The Tuberculosis Association employed arrested cases in its own organization when it had work for them and tried to find jobs for those who could work only part of a day.

The Cancer Society found employer resistance to the employment of these victims of cancer who had been disfigured by facial operations and worked to get jobs for these people.

The Jewish Vocational Service which was established to aid new American to find jobs, discovered many of them were physically handicapped and was drawn into the movement.

The Dade County Medical Association deserves a great deal of credit not only for the part its members have played in the rehabilitation of the disabled, but for appearing publically on radio stations and in print to show that the physically handicapped could be employed.

A new committee of the chamber of commerce was formed, this time by the women's division, to push the employment of those over 45 years of age who were having trouble finding work because of age.

A new channel of public information to the public was found at Radio Station WIOD for the placement of these applicants. Now in its second year, it has aided greatly in the acceptance of the senior citizen as a valued employee.

Finding that many employers were prejudiced against hiring a man with a damaged heart, the Heart Association employed a part-time placement officer. Many placements have been made although initially this department was believed mainly educational. Probably Miami is unique in having a Heart Association doing placement work.

Most of the credit for handicap placements go to the businessmen of Miami who were willing to use selective placement in hiring those who had been partially disabled.

They found that it was indeed "good business to hire the handicapped." Placed on the right jobs they outproduced the average employee, had less absenteeism, no greater accident record, and changed jobs far less often.

One of the first was, of course, the company Edward founded, the Empire Furniture Co. Another was Eastern Air Lines, which not only worked handicaps successfully, but persuaded other airlines to try them out.

Some of them were a little squeamish at first, fearing an unfavorable public reaction if it were known physical handicaps were employed by them. Of course, no such reaction occurred.

Employer after employer was interested until in 1 month 500 known placements were made.

What has happened in Miami can happen in any city if interested agencies work together and businessmen can be induced to hire the handicapped for an initial trial. Thereafter they will be boosters for the movement.

Initially, citations were given by the Miami Chamber of Commerce to firms who had hired handicaps and this encouraged others to experiment. Now chambers in other cities are working along these lines.

While it is good business to hire the physically handicapped, it does take a little more thinking and planning on the part of the employer and he deserves credit for this. It is only fair to recognize and honor him.

All this adds up to the fact that men who might otherwise have been selling shoe laces, pencils, and apples on the streets are now employed and live normal lives to the great benefit of their families, themselves, the community and society.

The credit for the success of handicap placements in Miami may be divided among hundreds—or it may be given to a small boy crying under a rose bush and pledging himself to help his fellow man.

Mr. BARRETT. Mr. President, this morning I attended the first Exposition and Parade of Progress for the Rehabilitation and Employment of the Physically Handicapped. It is being held at the Departmental Auditorium on Constitution Avenue, between 12th and 14th Streets.

Mr. President, I was amazed at the work that is being done among the handicapped. I would say to all of my colleagues that it would be well worth their time if they were to view the exhibits. I was particularly interested because the

vice chairman of the President's Committee on the Employment of the Physically Handicapped is a former House colleague of mine, Maj. Gen. Melvin J. Maas, United States Marine Corps Reserve (Retired). He is giving all of his time to that activity, and he is doing a wonderful job.

We are all proud of General Maas. As most of my colleagues know, he completely lost his eyesight a few years ago. He has courageously carried on, and he is now doing unselfishly a great job for the handicapped of the country.

Mr. THYE. Mr. President, I wish to concur in the remarks not only of the Senator from Wyoming [Mr. BARRETT], but also of the Senator from Florida [Mr. SMATHERS] in speaking about the exhibits of the handicapped and rehabilitated.

I wish to comment specifically because General Maas, a former Representative, is a Minnesota citizen. Although General Maas lost his eyesight, he has rehabilitated himself. It is an inspiration to see General Maas aiding others to rehabilitate themselves.

General Maas was in my office only a few weeks ago. If I had not known that he had lost his eyesight I would not have been aware of it, because of the manner in which he carries himself and the manner in which he actually turns his face toward one when he speaks.

I particularly desired to refer to this subject because only this morning the Subcommittee on Appropriations for the Department of Health, Education, and Welfare, of the Committee on Appropriations, considered rehabilitation funds and vocational education funds. In my opinion, no subject is more worthy of consideration by Congress than that of appropriating for the rehabilitation of the physically handicapped and for the granting of assistance in that field of activity.

Mr. JOHNSON of Texas. Mr. President, apropos of the comment made by the distinguished acting majority leader, the Senator from Minnesota [Mr. THYE], I wish to observe that I spent many pleasant years in association with the distinguished General Maas. He is one of the great Americans I have known. He is courageous, he is patriotic, and he has contributed as much to the building of a sound national defense of our country as any man that I have ever served with on the defense committees of Congress.

I wish to associate myself with the fine tribute the distinguished acting majority leader has paid this great man.

Mr. CASE. Mr. President, I appreciate the fact that other Members of the Senate have spoken in appreciation of the services of Gen. Melvin J. Maas.

I have a special pleasure in hearing what they have said, because it was also my privilege to serve with Mel Maas in the House of Representatives. However, I first met him, I may say to the distinguished Senator from Minnesota, not as a Member of Congress, but as a member of the United States Marine Corps.

Mel Maas was a very loyal member of the Marine Corps. He comes to the Capitol frequently to join with other former members of the Marine Corps in breakfasts. The most recent one of those breakfasts held by Members of the House and of the Senate who are former members of the Marine Corps was one at which I was the host. Mel Maas sat to my left, and I can say as a matter of personal testimony that I was tremendously thrilled to see the manner in which Mel has adapted himself to his new situation in life. Mr. President, he eats right along with you, and he talks right along with you. If anyone draws attention to his handicap, it is not Mel Maas. He has the courage that characterized his service during World War I and World War II. It will be remembered that he took a leave of absence from the House and went into active service in both conflicts.

Mel Maas is an inspiration to all Americans. It is a matter of pride, as a friend and as a former colleague in the House of Representatives and as a former active member on duty with the United States Marine Corps, that I salute Mel Maas today for the great service he continues to render in his capacity as the President's special appointee on the program which is being conducted in the Nation's Capital today.

PUBLIC WORKS CONSTRUCTION FOR THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of the bill (H. R. 8097) to authorize the financing of a program of public works construction for the District of Columbia, and for other purposes.

Mr. CASE. Mr. President, I desire to address myself to the bill which is under consideration, House bill 8097, to authorize the financing of a program of public works construction for the District of Columbia, and for other purposes.

The bill, by title and also by popular reference, has been called a public works bill. In a certain sense, that is true. It is a revenue measure. It originated in the House of Representatives, which passed it on March 22, 1954. The bill was the product, however, of extensive joint hearings and informal joint meetings of the fiscal subcommittees of the District Committees of the other body and of the Senate.

Copies of the hearings and of the committee report are on the desks of Senators.

The bill is intended to provide the District of Columbia government with added revenues of $24.4 million a year, of which $14.2 million is from local taxes and charges and $10.2 million from increased Federal payments. The bill also authorizes new Federal loans to the District of $67 million.

Present District revenues, from all sources, local and Federal, total $137.2 million a year. With the addition of the proposed new revenues of $24.4 million a year, it is expected that some $30.5 million a year, on the average, will be available for public works—capital outlay—over the next 10 years.

This arrangement will finance a 10-year construction program now estimated at $305.3 million. In the past 10 years, the District has spent $190 million for capital outlay. Thus, what is now proposed is a 50 percent increase in the rate of construction, dollarwise, for the next 10 years, over what has been done in the past 10 years.

At this point, Mr. President, I think it should be pointed out that the District of Columbia government is one government in America which by statute has to operate on a balanced budget. Under a law which Congress passed some years ago, the District of Columbia Commissioners may not present to the Congress a budget estimate or a request for funds for a new fiscal year out of balance with the prospective revenues. The situation as it now exists is that the normal continuation of the functions of government in the District of Columbia at their present level, with authorizations which exist for salaries to the various employees of the District of Columbia, such as teachers, firemen, and so forth, means that without some new revenue the District of Columbia government, through its Commissioners, would not be able to present to the Congress for next year any sizable construction program whatsoever. In fact, no construction program can be presented to the Congress unless there is some revenue in sight to finance it.

This bill may be regarded as an attempt to make it possible for the District of Columbia to provide necessary improvements in the sewer and water systems and the construction of public buildings of one sort or another. Without this bill the District of Columbia would be held to the present level of expenditures, which would be merely an operating level.

The provisions of the bill which accomplish this needed increase in revenue fall into four categories: local revenues, Federal payments, Federal loans, and miscellaneous provisions. I shall discuss them in that order.

LOCAL REVENUES

Local revenues provided by the bill include a new sewer-service charge, authority for water-rate increases, higher assessments for water mains and sewers, higher taxes on realty, alcoholic beverages, cigarettes, gasoline, hotel rooms, individual income, and bus companies. The personal-property tax on household goods is repealed. A flat fee system is substituted for registration fees and personal-property taxes on motor vehicles.

At this point, Mr. President, I should like to say that the House of Representatives a year ago passed a bill to repeal the personal-property tax in the District of Columbia. The Senate Committee on the District of Columbia has not acted on that bill directly. We felt that since the matter of construction revenue was in the offing, and since some additional revenues were needed, the entire problem of revenues should be considered at one time. Therefore, we did not take action upon the bill presented by the House, but held the bill in committee un-

til the total program could be brought before us. The bill which is now before the Senate proposes to incorporate the repeal of the personal-property-tax levy.

The sales tax is extended to cover groceries at one-half the regular rate, or 1 percent, and to cover meals over 50 cents and purchases by national banks and Federal savings and loan associations. A 2-percent tax is imposed on combined rail and bus operations of street-railroad companies in lieu of the mileage tax they now pay. Local taxes in the District now total $125 million a year. These changes would add $14.2 million, an increase of 11 percent.

It might be noted at this point, Mr. President, that this increase in local taxes means an increase of about $16 a year on a per capita basis for the Washington taxpayer.

How does this make Washington's local tax burden compare with other cities of comparable size? That is a question which is always raised when revenue questions come up in either body of the Congress.

In 1952, Mr. President, out of 13 cities of 500,000 to 1 million inhabitants, Washington ranked 11th in per capita local tax payments. It was third from the bottom.

The proposals in the bill before the Senate even with the increases suggested, would leave Washington in seventh place among those 13 cities. That would be one below the middle point of the 13 cities, and, in dollars, it would place the District of Columbia approximately $47 below the highest, and $40 above the lowest, on the basis of latest available figures.

I present that fact to the Senate as making clear that the tax increase here proposed would not put Washington out of line with other cities of comparable size. In fact, it leaves it below the center point.

Mr. BUSH. Mr. President, will the Senator from South Dakota yield?

The PRESIDING OFFICER (Mr. AIKEN in the chair). Does the Senator from South Dakota yield to the Senator from Connecticut?

Mr. CASE. I yield.

Mr. BUSH. How are the 13 cities chosen?

Mr. CASE. According to population.

Mr. BUSH. Are they the 13 largest cities?

Mr. CASE. They are cities of a size comparable to that of Washington.

I have here, Mr. President, a table which I should like to place in the RECORD, in view of the question which the distinguished Senator from Connecticut has asked. I think it is a very informative table. The population figures are taken from the 1950 census. The cities represented are San Francisco, Boston, Milwaukee, Minneapolis, Buffalo, New Orleans, Washington, Cincinnati, Pittsburgh, Cleveland, Baltimore, Houston, and St. Louis, in the order of position which they now occupy, on the basis of the total per capita tax.

Mr. President, I ask unanimous consent that the table be printed in the RECORD at this point in my remarks.

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

Comparison of tax burden and income in 13 city areas having 500,000 to 1,000,000 inhabitants in 1950, and in the Washington metropolitan area

	Population (1950)	Total per capita tax State-city area,[1] 1952	Median income [2] (families and unrelated individuals) 1949
San Francisco	775,357	$197.71	$3,009
Boston	801,444	195.52	2,643
Milwaukee	637,392	167.48	3,340
Minneapolis	521,718	166.87	3,078
Buffalo	580,132	164.40	3,079
New Orleans	570,445	161.34	2,267
Cincinnati	503,998	142.49	2,644
Pittsburgh	676,806	137.36	3,314
Cleveland	914,808	136.34	3,153
Baltimore	949,708	134.45	2,817
Washington	802,178	[3] 134.13	2,975
Houston	596,193	127.82	2,937
St. Louis	856,796	110.17	2,718
Maryland:			
Prince Georges County	194,182	(4)	3,634 / [5] 3,901
Montgomery County	164,401	124.46	4,532 / [5] 5,005
Virginia:			
Fairfax County	98,557	(4)	3,446 / [5] 5,045
Arlington County	135,449	102.38	4,580
Alexandria	61,787	(4)	3,903
Falls Church	7,535	(4)	5,098

[1] Includes payments to State, city and overlying taxing units.
[2] Denotes that income level which is higher than half of the unreported incomes and lower than the other half.
[3] H. R. 8097 as reported by Senate District Committee, $150.22.
[4] Not available.
[5] Urban portion of county only.

Source: U. S. Bureau of the Census. Prepared by Board of Commissioners, District of Columbia, Apr. 5, 1954.

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

Mr. CASE. I am glad to yield to the Senator from Connecticut.

Mr. BUSH. Are we to understand from the statement by the distinguished Senator from South Dakota that the increased appropriations are to be in addition to the normal annual appropriations which Congress makes for the operation of the District of Columbia?

Mr. CASE. What I have been talking about are the local revenues provided by the citizens of the District of Columbia.

Mr. BUSH. I understood that. I apologize for going back to an earlier part of the Senator's remarks, but are not the appropriations for the improvements to be in addition to the normal annual appropriations which the Federal Government makes for the operation of the District of Columbia?

Mr. CASE. I shall discuss that subject in a little more detail shortly. Let me say, in direct answer to the implication of the Senator's question, that at present there is an authorized contribution from the Federal Government to the District of Columbia of $11 million. The proposals of the bill would increase the Federal contribution to $20 million. That would be an increase of $9 million.

Another provision of the bill would change the water rate, and would make the water rate which the Federal Government pays to the District of Columbia comparable with that charged to Arlington County, Va., or to other users of city water. So the total possible increase in the payment by the Federal Government to the District of Columbia would be $10.2 million.

Mr. BUSH. Are the revenues to which the Senator has referred to be segregated purely for the purposes of the improvements of which the Senator has spoken?

Mr. CASE. I am very glad the Senator from Connecticut has asked that question, because it highlights the problem to which the committee have addressed themselves, and on which we arrived at a specific answer. It was decided to provide that the top $6,500,000 of the increased payment to the District of Columbia should be available or should be in order only if the local government produced revenues to match this amount. In other words, the top $6,500,000 would not be in order as an appropriation by Congress unless the revenues proposed to be raised by the District of Columbia were available to match it.

Mr. BUSH. Will the Senator from South Dakota kindly state what would happen to the money in case the District of Columbia Government did not match the amount made available by the Federal Government?

Mr. CASE. In the first place, the funds could not be included in an appropriation bill. Such a provision would be subject to a point of order as legislation unless the matching revenues were available. Specific language to cover that point has been included in the bill. A little later, perhaps, we can discuss the specific language, but I can assure the Senator from Connecticut that the additional Federal contribution for the public works features will be made available only if the corresponding revenue is provided by the local District of Columbia government.

I am reminded, in thinking about the question further, that not only must the revenue be available, but the revenue must be proposed for the specific and particular purpose of matching the Federal contribution. It is not merely that the District of Columbia may have that amount of money in the Treasury, but it must be offered, in effect, to show that the money is available for an expenditure for the specific purpose on a contingent basis.

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

Mr. CASE. I yield.

Mr. DWORSHAK. Can the distinguished chairman of the Committee on the District of Columbia advise the Senate whether the proposals in the bill are in any way related to any promises made during the 1952 campaign, first, either to increase the benefits for any State or the District of Columbia in any program such as the one proposed, or, on the other hand, is the bill related in any way to any pledges for economy or to seek a balanced budget, which were made by the Republican Party or its candidates during the campaign?

Mr. CASE. The only relationship to the campaign which I can see would be

with respect to a balanced budget, because the bill provides that there must be a balanced budget. The bill recognizes the statutory provision with respect to the District of Columbia to the effect that the Commissioners may not propose an unbalanced budget; consequently, they could not propose a construction program without having the revenue in sight with which to accomplish it.

Mr. DWORSHAK. My question related more directly to the balancing of the Federal budget, rather than to the balancing of the District of Columbia budget. Will there be any contribution, through the proposed legislation, toward attaining the goal of a balanced Federal budget?

Mr. CASE. Yes; I think I can say to the Senator from Idaho that there will be. When the so-called Addison report was made, and the suggestion was carried in the press and was proposed at public meetings throughout the District of Columbia for a $350 million public-works program, the junior Senator from South Dakota, as chairman of the Senate Committee on the District of Columbia, was invited to attend various group meetings and to hear the various proposals by the Commissioners and by the Citizens Advisory Committee on Public Works for the District of Columbia, who had prepared a report dated September 26, 1953, in which they proposed a program by which, over a period of 10 years, the District of Columbia would contribute $100 million and the Federal Government would contribute $100 million. Then the suggestion was made that the Federal Government should make a $100 million loan to the District of Columbia, interest free, I may say to the Senator from Idaho.

I could not conceive what an interest-free loan would be on the part of the Federal Government to the District of Columbia. The Federal Government has to sell bonds in order raise money, and it must pay interest on those bonds. So I simply could not understand how the Federal Government could make an interest-free loan to the District of Columbia.

As I recall the suggestion which came from the Citizens Advisory Committee of the District of Columbia, it was proposed that the District of Columbia should repay the loan over a 50-year period, at the rate of 2 percent interest a year. I took the position that that would not constitute a repayment of the loan because the average rate of interest which the Federal Government would be paying upon bonds which it sold in order to raise the cash to lend to the District of Columbia would itself exceed 2 percent a year. So any so-called amortization of the interest-free loan at the rate of 2 percent a year for 50 years would not have paid back to the Federal Government the interest which the Federal Government would have had to pay for the money which it borrowed, much less retire the principal.

I think I may say to the Senator from Idaho, without taking too much credit, that it was my position as chairman of the Senate Committee on the District of Columbia, in pointing that out in conferences with the representatives of the Addison committee and with the Commissioners of the District of Columbia, which led to a revision of the proposal.

I may say, further, that it led to a conference which I had at the White House with representatives from the Bureau of the Budget, in which they indicated they had been making a study of the situation, and desired to make a further study.

A conference was held, at which we went into other phases of the question, and the result was a complete revision of the program as it was submitted to Congress formally, finally, and with the approval of the Bureau of the Budget. That is the revised program which came before the House and is now before the Senate.

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

The PRESIDING OFFICER (Mr. MARTIN in the chair). Does the Senator from South Dakota yield further to the Senator from Idaho?

Mr. CASE. I yield.

Mr. DWORSHAK. The Senator from South Dakota always inspires confidence, because of the thoroughness with which he undertakes any mission. In this particular instance, after having his explanation, it is apparent that he has rendered outstanding service in exposing some of the fallacies included in the original report. So he is entitled to commendation once more in helping to focus the attention of Congress, through its proper committee, upon something which challenges Congress. I am hopeful that the Senator from South Dakota will continue to maintain an interest in this particular measure.

Mr. CASE. The Senator from Idaho is very generous in his remarks. I appreciate the point he raised, however, because it helps to make the point that we can present the bill to Congress with the assurance that it has undergone budget scrutiny, and is not the first proposal which was offered to us. It represents real study, and an attempt to present a bill which is sound. The bill can be presented to Congress with confidence that it has had the water squeezed out of it, so to speak, and is a sound bill.

The next category in the bill relates to Federal payments. The present Federal payment to the District of Columbia, as suggested in my colloquy with the distinguished Senator from Connecticut [Mr. BUSH], is authorized at $11 million a year for the general fund and $1 million a year for the water fund. In addition, of course, the District shares in the regular Federal aid programs of various types available to the States, and receives from such programs from $5 million to $7 million a year. They include the social-security program, the unemployment program, and activities of that type.

The bill before the Senate proposes to increase the authorized Federal payment to the general fund from $11 million to $20 million. That is an increase of $9 million, to which I alluded in my colloquy with the distinguished Senator from Connecticut [Mr. BUSH].

The bill provides that any payment to the general fund in excess of $13.5 million—in other words, the top $6.5 million, assuming the full amount is appropriated—shall be earmarked for public works, capital outlay. And it provides that this earmarked portion shall be available only to the extent that it is matched, dollar for dollar, by local revenues applied to capital outlay.

Mr. BUSH. Mr. President, will the Senator yield at that point?

Mr. CASE. I am glad to yield.

Mr. BUSH. What happens to the difference between the $6.5 million and the $9 million which is not earmarked?

Mr. CASE. It simply is not appropriated.

Mr. BUSH. Does that go into the general fund of the District of Columbia?

Mr. CASE. The part that is not earmarked for public works?

Mr. BUSH. Yes.

Mr. CASE. That goes into the general fund of the District of Columbia.

Mr. BUSH. Are we to understand that the annual contribution of $11 million would be increased by that $2.5 million?

Mr. CASE. The annual contribution would be increased by that $2.5 million, up to $13.5 million. Perhaps I was misleading when I said that that amount goes into the general fund. I should have completed my statement by saying it goes into the general fund for operating expenses. So that $2.5 million would be available for whatever demands for operating expenses there may be on the general fund. That amount could be used for construction, provided the budget otherwise permitted it; but the top $6.5 million can be appropriated only for the capital fund outlay, and is matched.

Mr. BUSH. And the other $2.5 million could also be used for capital expenditures?

Mr. CASE. If there were a desire to use it, yes.

The bill also provides that the United States Government will start paying for the water it receives from the District at regular rates, which would increase the payment to the water fund from the present $1 million to about $1.5 million. And the bill applies the proposed new sewer service charge against Federal establishments—as it does against private users—which will mean an additional payment, to the new sewer fund, of about $700,000 a year.

The total new authorized Federal payments in the bill come to about $10.2 million a year, which would be available in addition to the present payments of $12 million. In both cases I am using figures which include water payments.

FEDERAL LOANS

The third general category of provisions in the bill, Mr. President, is Federal loans to the District.

This is not a novel idea in the Federal-District relationship. Lacking any machinery here for public referendum on bond issues or any authority to issue bonds, as exists in most cities, the District does its banking business with the Federal Treasury.

At the present time there is authorized about $50 million in Federal loans

to the District for various special purposes, most of which has not yet been appropriated and actually borrowed. The authorization includes $23 million in borrowing authority for the water fund, $4.5 million balance from the Capper-Cramton Act, $5 million for the District of Columbia share of the United States court building, and $17.5 million for the District of Columbia share of the hospital center.

New Federal loans authorized in this bill all are subject to actual later appropriation of the money. They are required to be repaid in 30 equal annual installments, at a rate of interest which will cover the cost of the money to the Treasury. Amortization must begin 1 year from the date of the loan. The amounts authorized are $12 million additional for the water fund, $5 million for the new sanitary sewer fund, and $50,254,000 for the highway fund.

When the bill originally was proposed by the Commissioners, it included provision for an additional loan of about $40 million for the general fund, but that proposal was eliminated in the committee of the other body, as recommended by the joint subcommittee of the two committees when the joint hearings were held. There was a feeling, I believe, that the total authorized debt of the city should not become unreasonably high. Added to the $50 million now authorized, the $67 million debt authority remaining in the bill will make a total debt authorization of $117 million, which is about the limit that a city of the assessed valuation of Washington should have.

It should be pointed out, however, that this bill provides for an authorization, and will not actually create a debt. If the authorization is made, the debt will not actually be created until the money is appropriated by the Congress and borrowed by the District of Columbia.

It is not accurate to say, however, as some critics of the committee's action have said, that we are trying to force the District to remain on an unworkable pay-as-you-go basis. Anyone with experience in local government knows that cities and States cannot always be run that way. That rule will continue to apply only to the general fund of the District; and because much of the revenue for that fund is from taxes whose yield is subject to the ups-and-downs of the general economy, I believe it may be wise to avoid debt that is a charge on this fund.

MISCELLANEOUS

Mr. President, there are some miscellaneous provisions of the bill which should be mentioned. The miscellaneous provisions include sections covering the billing, collection and allocation of revenues, the appropriation and expenditure of funds. A separate sanitary sewer fund is created, taking appropriate receipts and expenditures for this activity from the general fund. I believe the result will be better bookkeeping which will be of benefit to the District of Columbia finances as a whole. There are also the usual enabling and separability clauses.

NEED FOR REVENUES

In conclusion, Mr. President, let me say just a brief word on the rather critical need for the revenues proposed by this bill.

Present and planned needs of the District government exceed anticipated revenues from present authorized sources. The general fund situation is the most aggravated, as illustrated by the lack of any proposed construction funds in the 1955 budget. Normal construction needs met from that fund run about $10 million a year. Furthermore, present forecasts indicate that operating costs in the general fund will begin to exceed revenues in fiscal 1955; and that if no new legislation is enacted the deficit will total $92 million by 1964. If a normal capital outlay were made during this period, without any new sources of revenue, the deficit conceivably would be $253 million by 1964. I may say that the figures on this disturbing prospect were considered at some length by the joint subcommittees. I cannot say the figures were popular, insofar as the officials or citizens of the District of Columbia were concerned; but the figures were prepared by the fiscal section of the city government, on the basis of normal anticipations. The joint subcommittees were compelled to recognize the dire prospect as a real one, unless some new sources of revenue are found. Consequently, in the bill the committee sought to recognize that situation, and to do something about it. I cannot say the committee has met the problem 100 percent, but the committee has met it in what seems to me to be a constructive way, all things considered.

The situations in the case of the other funds, aside from the general fund, are also serious. Washington's water supply is not assured without extensive new works. Of course, that is a serious statement to make when we are speaking of the National Capital. In the case of many of the cities of the Nation, a situation endangering their water supply would immediately threaten the public health, public safety, and public security; and where there are defense installations of one sort or another, an adequate water supply is regarded as of the utmost national importance. The same should apply to the Nation's Capital. I say soberly and seriously that without extensive new works Washington's water supply is not assured. Its sewage system is tremendously overtaxed. Needs for new highway development and a new Potomac River bridge are dramatized daily in the growing congestion of the central city area.

Presently available revenues for the funds necessary to provide for these improvements fall far short of meeting the needs in the decade ahead. That situation is alarming today; but 10 years from now it will be even worse. It must be recognized that when a program for public works is authorized the public works are not made available immediately upon their authorization, or immediately upon the making of the appropriations for them. On the contrary, it takes time to plan and to build them. Consequently, no magic wand will be waved, even if the pending bill shall be passed, and even if the appropriations authorized by it shall be made. We must realize that we are trying to look ahead and not only meet the current need but also make provision so that the Nation's Capital will not be too far behind when the needs of future decades arise.

Nearly 2 years ago the Commissioners launched a study of overall long-range public-works needs of the city. In its present form, the plan they have developed calls for a capital outlay of $305 million in the next 10 years, divided as follows: Water, $35.8 million; sewer, $27.9 million; highway and bridge, $111.9 million; schools, hospital, and other buildings, $83.3 million; storm-water sewers, $46.4 million.

The present revenue bill often is confused with this public-works program. Technically, the bill does not authorize or spell out any specific program. The program of construction will be developed from year to year by the inclusion of specific projects in the annual appropriation bills.

H. R. 8097 provides revenues to meet the $305 million program the Commissioners now have in mind. It makes possible the prediction of balanced budgets for 10 years in the highway, water, and sanitary sewer funds, although I must say that House bill 8097 of itself does not provide sufficient revenues to meet both this program and the presently foreseen $92 million deficit in the general fund. However, in that connection it should be pointed out that the revenues of the city themselves can undergo fluctuations; and if we can judge by the past, the revenues probably will increase, considering the 10-year period as a whole.

If expenses do exceed revenues, as now anticipated—and such forecasts admittedly are subject to considerable error because of changing economic conditions—the District obviously will have to trim its planned capital outlay or seek new revenue sources, beyond those proposed in the present bill, within a period of 4 or 5 years, or possibly within a period of 2 or 3 years.

Thus, this is a minimum program, Mr. President. It is the least we can and should do to catch up on the city's public works needs.

Mr. President, I think I can say, as one who has now been in Washington for going on 17½ years, as a Member of either the House of Representatives or the Senate, that the program called for by this bill is a minimum one if we are to fulfill our obligations, as the legislative body for the District of Columbia, in providing the needed improvements to the city's public works, in order to make it possible for the city to meet its needs as the capital city for this great Nation.

COMMITTEE AMENDMENTS

Mr. President, at this time I should like to ask that the committee amendments be considered en bloc. In requesting that the amendments be considered en bloc, I wish it distinctly understood that if it is agreed that they be considered and agreed to en bloc, thereafter any member of the Senate, including the present speaker, will have the individual right of requesting the consideration of any of them, should he later desire to have any of them reconsidered, for the purpose of having them amended later on.

The PRESIDING OFFICER (Mr. MARTIN in the chair). Is there objection to the request of the Senator from South Dakota? The Chair hears none, and it is so ordered.

Mr. CASE. Mr. President, I submit the committee amendments en bloc as they appear in the printed bill, and ask for their adoption, with the understanding that I shall not object to a request for reconsideration of any individual amendment.

The PRESIDING OFFICER. Without objection, the committee amendments are agreed to en bloc.

The committee amendments agreed to en bloc are as follows:

On page 5, line 10, after the word "thereof", insert "situated in the District"; in line 15, after the word "District.", insert "All water and water services furnished from the District water supply system through any connection thereto for direct use by the Government of the United States or any department, independent establishment, or agency thereof, situated outside the District in the States of Maryland or Virginia, except water and water services furnished to the United States for the maintenance, operation, and extension of the water system, shall be paid for at rates comparable to those which may be in effect and charged to State, municipal, or county agencies or other political authorities or jurisdictions within the respective States wherein said Federal facilities may be situated for similar water service from the District water supply system: *Provided,* That conditions as to water pressure, quantity, rates of demand, and points of connection available or permissible at any time for service outside the District, if any, shall be fixed by the Commissioners so as to fully protect the prior interests of water consumers within the District: *Provided further,* That as a condition of service, at each point of Federal connection to the water system of the District for service outside the District there shall be installed and maintained at the expense of the department, independent establishment, or agency of the United States which is to use water therefrom a suitable meter or meters and incidental vaults, valves, piping and recording devices, and such other equipment as the Commissioners in their discretion deem necessary to control and record the use of water through each such connection."; on page 29, line 5, after the word "more", strike out "$202" and insert "$202: *Provided,* That in determining the total weight of a vehicle subject to the provisions of this clause, there shall be excluded, in computing such weight, the weight of any special equipment which is subject to taxation as tangible personal property under subsection (e) of this section"; on page 30, line 1, after the word "more", strike out "$182" and insert "$182: *Provided,* That in determining the total weight of a trailer subject to the provisions of this class C, there shall be excluded, in computing such weight, the weight of any special equipment which is subject to taxation as tangible personal property under subsection (e) of this section"; in line 8, after "(e)", strike out "class E is amended to read "class E. Motor vehicles not propelled by gasoline, double the fees for similar vehicles propelled by gasoline, other than motor vehicles used for the transportation of passengers" and insert "by striking therefrom "Class E. Motor vehicles not propelled by gasoline, double the fees for similar vehicles propelled by gasoline"; in line 23, after the word "Columbia", insert a colon and "*Provided,* That the percentage of proceeds deposited to the credit of the General Fund shall not be less than 64 percent or more than 74 percent of all proceeds from fees payable under this title"; on page 31, after line 6, strike out:

"(e) Notwithstanding the provisions of this act, special equipment mounted on a motor vehicle or trailer and not used primarily for the transportation of persons or property, including, but not limited to, such equipment as concrete mixers, air compressors, power shovels, draglines, clamshells, welding equipment, road construction or maintenance equipment or machinery, ditch digging equipment, winches, cranes, pile driving equipment, well boring equipment, liftgates, hydraulic hoists, load packers, conversion hoists, power end gates, and other equipment which may be added to a motor vehicle or trailer for the purpose of permitting such vehicle to be used for a special purpose, shall continue to be taxed as provided by law."

And in lieu thereof insert:

"(e) Notwithstanding the provisions of this act, special equipment mounted on a motor vehicle or trailer and not used primarily for the transportation of persons or property shall be taxed as tangible personal property as provided by law. For the purpose of determining the fees authorized by clause 1 of class B and class C of subsection (b) of this section, the weight of special equipment taxed in accordance with the provisions of this subsection (e) shall be excluded in computing the weight of the vehicle or trailer on which it is mounted."

On page 32, line 20, after the word "special", strike out "equipment," and insert "equipment"; in line 22, after the word "property", strike out "including, but not limited to, such equipment as concrete mixers, air compressors, power shovels, draglines, clamshells, welding equipment, road construction or maintenance equipment or machinery, ditch digging equipment, winches, cranes, pile driving equipment, well boring equipment, liftgates, hydraulic hoists, load packers, conversion hoists, power end gates, and other equipment which may be added to a motor vehicle or trailer for the purpose of permitting such vehicle or trailer to be used for a special purpose, shall continue to be taxed as provided by law" and insert "shall be taxed as tangible personal property as provided by law."; on page 34, after line 8, strike out:

"SEC. 2. (a) For the fiscal year ending June 30, 1955, and for each fiscal year thereafter there is hereby authorized to be appropriated, in addition to the sums appropriated under section 1 of this article, an annual payment by the United States toward defraying the expenses of the government of the District of Columbia in the sum of $9 million: *Provided,* That so much of the aggregate annual payments by the United States appropriated under this article to the credit of the general fund as is in excess of $12,500,000 shall be available for expenditure only for capital outlay, and then only to the extent of not more than 50 percent of the capital outlay payable from such general fund. Any portion of such excess not available for expenditure hereunder in any fiscal year shall be available for expenditure in any subsequent fiscal year upon the terms and conditions set forth in the preceding proviso."

And insert:

"SEC. 2. (a) For the fiscal year ending June 30, 1955, and for each fiscal year thereafter there is hereby authorized to be appropriated, in addition to the sums appropriated under section 1 of this article, an annual payment by the United States toward defraying the expenses of the government of the District of Columbia in the sum of $9 million: *Provided,* That so much of the aggregate annual payments by the United States appropriated under this article to the credit of the general fund as is in excess of $13,500,000 shall be available for capital outlay only, and then on a cumulative total basis only to the extent of not more than 50 percent of the cumulative total of capital outlay appropriations payable from such general fund which becomes available for expenditure on or after July 1, 1954."

On page 39, after line 24, strike out:

"SEC. 804. Subsection (a) of section 40 of said act, as amended (sec. 25, 138, D. C. Code 1951), is hereby further amended by striking out "$1" and inserting in lieu thereof "$1.50"."

On page 40, line 4, to change the section number from "805" to "804"; in line 8, to change the section number from "806" to "805"; on page 42, line 22, after the word "storage", insert "and boats (excluding boats used as places of abode)"; in line 25, after the word "words", strike out "'house" and insert "'household", and on page 51, line 18, after the word "thereof", strike out "1 cent" and insert "2 cents."

The PRESIDING OFFICER. The bill is open to further amendment.

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

THE NEED FOR THE ST. LAWRENCE SEAWAY

Mr. WILEY. Mr. President, yesterday's and today's Washington newspapers contained a full-page advertisement inserted by an organization which has called itself the National St. Lawrence Project Conference.

The advertisement is entitled "The St. Lawrence Seaway—A Way to Waste." It must have been composed by a master of deception and self-deception—yes, by a master of unconscious humor.

In one page of solid type, the advertisement manages to crowd more nonsense, more motheaten, hobgobblin arguments and self-contradictory assertions than I have seen in almost any similar effort in the past decade.

The advertisement boomerangs. It is so extreme, so transparently false that it proves the best possible argument for completion of action by the House of Representatives on the Wiley bill, S. 2150, and defeat of the so-called Brownson amendment.

Final indication of the Wiley bill's victory has already been given by Representative LEO ALLEN, Chairman of the Rules Committee and by Representative CHARLES HALLECK, House majority leader.

Meanwhile, however, the advertisement is a sign of the utter desperation on the antiseaway lobby. It reminds me of the moaning that took place in bygone years by the enemies of progress whenever they saw that all of their sabotage was going to prove unavailing against progress.

It is akin to the efforts of those who might in years past have inserted an advertisement entitled "The Panama Canal—A Way to Waste," or, "The Airplane Industry—A Way to Waste," or, "The Horseless Carriage—A Way to Waste."

The National St. Lawrence Project Conference is weeping crocodile tears over the project because the Conference knows that it will soon be out of business. History will have passed it by.

The United States Congress will at long last have crushed the blind, provincial opposition to the seaway.

The President of the United States, Dwight D. Eisenhower, will have

achieved what no President in three decades could achieve, namely, a victory over the forces of reaction, the forces which want to hold up transportation progress, the forces which do not visualize an expanded America.

To those 19th century minds who believe that the steamboat "will not run," that "the airplane cannot fly," that the automobile "cannot transport," I commend this advertisement and urge them to frame it on the wall.

But I urge those who believe in progress and who want progress, and those who want a strong America to read the advertisement and have a good laugh.

I send to the desk the text of a most interesting article published in the April 20 issue of the Philadelphia Evening Bulletin. The port city of Philadelphia has long tended to be a center in which antiseaway lobbyists have won some victories. I believe, however, that this article will open many eyes. I send it to the desk and ask unanimous consent that it be printed at this point in the body of the RECORD.

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

FACING SEAWAY FACTS

(By Ralph W. Page)

The 30 years' debate about the advisability of building the St. Lawrence Seaway from the Atlantic to the Great Lakes has now reached the climax.

As the matter stands, Canada has definitely decided to construct the channel on its side of the river if the United States fails to cooperate. On our side the Senate has voted to participate by a vote of 51 to 33.

Now the question is before the House of Representatives. The Public Works Committee has approved forming a St. Lawrence Seaway Development Corporation with a Treasury credit of $105 million.

The only practical matter left for citizens of Pennsylvania to discuss is whether to support this House bill or to defeat it and so let Canada do the whole job on its side of the river.

For years the railroads and the port authorities have been bitterly opposed to any seaway at all. They fear that it will divert a substantial amount of western freight from the roads and our shipping. Although it is now entirely academic, this opposition still persists against our shouldering any share of the project.

In this situation it would seem that the Philadelphia Industrial Council, CIO, has come forward with much the most constructive idea. Since the seaway is going to be built in any event, Joseph P. Kelley, the president, proposes that Philadelphia should support the mutual program and proceed to make an intensive study how to gain the maximum advantage to the city from the development.

Certainly if the city will be damaged by the seaway the main burden will fall upon the workmen.

But, representing these workers, Kelley asserts that in fact Philadelphia will be helped and not hurt. "On the contrary," he says, "we can expect an increase of traffic through this port and over the railroads resulting from the economic development and progress that will inevitably follow the construction of the seaway."

The thesis is that anything that helps one part of the country is of benefit to all the country—that history proves that any regional development provides markets and income for all the rest.

And, of course, all matters of Federal aid are mutual affairs. The Middle West wants the seaway. Pennsylvania wants Federal appropriation for deepening the Delaware River channel. Kelley points out "this stupid campaign in opposition to the seaway is doing nothing but antagonizing the pro-St. Lawrence Congressmen whose votes will be necessary to obtain this appropriation."

The prevailing reason why we should join Canada in this program has nothing to do with Philadelphia at all. It is that, in the considered opinion of the President, the Cabinet, the National Security Council, and the military staff, our national security requires such participation.

And it is observed that since the vast majority of the shipping through the passage will be our vessels, we will be paying for most of the cost in tolls, whether we own any of it or not.

So whatever our interests are, or we fancy they are, the best sense is to give in to the inevitable, endorse our maintaining some control over this major waterway, and proceed from here to learn how we can best benefit by the process.

MAY DAY FESTIVITIES—FREE ELECTIONS IN POLAND (S. REPT. NO. 1273)

Mr. WILEY. Mr. President, I submit the report of the Committee on Foreign Relations on Senate Resolution 178, submitted by the Senator from Michigan [Mr. POTTER], Senate Concurrent Resolution 58, submitted by the Senator from Illinois [Mr. DOUGLAS], Senate Concurrent Resolution 59, Senate Concurrent Resolution 62, and Senate Concurrent Resolution 65, also submitted by the Senator from Illinois.

The committee gave careful consideration to these resolutions and has sought to bring together in one resolution the essential points which were made by their original sponsors. It has amended Senate Concurrent Resolution 58 by striking out all after the heading "Concurrent resolution" and inserting language which covers all of the resolutions on this subject pending before the committee.

The committee felt that it would be advisable for the Senate to act on the subjects covered by this resolution at the earliest possible date.

This resolution calls to the attention of the American people the situation throughout the world in relation to May Day festivities. It calls attention particularly to the atrocities of the Kremlin and the great sins of omission and commission of which the leaders of the Kremlin have been guilty. It calls attention to the importance of America resolving that we shall stand firm.

Mr. President, I ask for the immediate consideration of the resolution.

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

The CHIEF CLERK. A concurrent resolution (S. Con. Res. 58) favoring the immediate holding of free and fair elections in Poland.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. WILEY. Mr. President, no funds or appropriations are involved. This is simply a resolution, in substance, condemning the action of the Communist world.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. JOHNSON of Texas. Mr. President, I was not aware that a request of this kind would be made today. It is rather unusual. It is not in keeping with the procedures which the leaders normally follow in matters of this kind.

The distinguished majority leader has announced repeatedly that the business today would be the unfinished business, until it is concluded. I have not seen the resolution. I am not aware of what it contains. It may have the highest merit. I am inclined to think that it has, considering its author. However, I hope the Senator will defer his request until we can have an opportunity to consider the subject with the majority leader.

Mr. WILEY. Mr. President, I withdraw the request. I made the statement that the resolution was being reported from the Committee on Foreign Relations. The Senator from Michigan [Mr. POTTER] submitted a resolution on the same subject, and the Senator from Illinois [Mr. DOUGLAS] also submitted four resolutions on the matter.

Day after tomorrow will be May 1. On Saturday the American Legion will be conducting May Day festivities throughout the land. If the resolution involved any request for an appropriation, or anything of that nature, I should say that there would be some reason for deferring its consideration. However, if it is the wish of the minority leader to postpone consideration of the resolution, that will have to be done. I have not had time to present the subject in further detail than I have presented it in submitting the report from the Committee on Foreign Relations.

Mr. JOHNSON of Texas. The Senator has the remainder of the day. I have no doubt that the Senate will be in session until 5 or 6 o'clock this evening.

Mr. WILEY. At 5:30 I am leaving for Chicago on official business. I withdraw my request for the second time, and I still have heard no objection.

Mr. CASE. Mr. President——

The PRESIDING OFFICER. The request has been withdrawn.

Mr. CASE. Mr. President, in fairness to the minority leader and the majority leader, let me say that so far as I know, no request had been made of the majority leader for the consideration of the resolution For the time being the Senator from South Dakota is acting majority leader, during the unavoidable absence of the distinguished Senator from California [Mr KNOWLAND] at a department meeting downtown. I believe it is in keeping with the policy that has been established heretofore and the general understanding between the leadership on both sides of the aisle that requests of this sort ought to be referred to the majority leader and to the minority leader, so that the program of the Senate may proceed in an orderly fashion.

In saying this the Senator from South Dakota, neither for himself nor for the majority leader, is expressing any opposition to the passage of the resolution or to the very fine statement made in its behalf by the distinguished Senator from Wisconsin [Mr. WILEY], the chairman of

the Committee on Foreign Relations. However, I do think that in fairness to the minority leader I should say that what the minority leader has said is absolutely correct, namely, that these matters should be presented to the leadership on both sides of the aisle so that the program may proceed in an orderly way.

Mr. JOHNSON of Texas. Mr. President, I appreciate the statement of the distinguished acting majority leader, the Senator from South Dakota [Mr. CASE]. I have no doubt that the resolution is a worthwhile measure, and I have no doubt that the Senate will consider it, and I base my belief solely on the statement made by the distinguished chairman of the Committee on Foreign Relations.

However, if it is worthy of consideration and if the Senate should consider it, there is no reason why the Senator from Wisconsin [Mr. WILEY] should not follow the usual procedure.

The majority leader has an obligation to protect the Senators on his side of the aisle and to formulate the program of the Senate. It is the purpose of the minority, and the continuous objective of the minority, to cooperate to the fullest extent with the majority on procedural matters.

It has been the policy, if nothing has been discussed concerning new legislation or a new resolution or a unanimous-consent request, other than the placing of something in the RECORD, to have a quorum call and to bring such a matter to the attention of Senators on both sides of the aisle, and then to agree, as gentlemen ordinarily agree, on matters of this kind.

I would not permit a member of the minority to make a request of this type without full concurrence and full knowledge and full consent of the majority leader, because he is responsible for procedure in the Senate. I know that if the Senator from Wisconsin will permit us to explore the subject, as we do every day on dozens of matters, the Senate will be able to adopt the resolution before he must leave for Chicago this afternoon. I believe the resolution is worthy of consideration or he would not have said what he did, even though he has now withdrawn it.

Mr. WILEY. Mr. President, I withdrew it some time ago. I appreciate both lectures that were delivered on the subject. I wish to say very sincerely that this matter was laid on my desk with the request by a number of Senators for quick action. I have been in a committee hearing all day, and I had expected to present the matter to the majority leader and to the minority leader, but neither of them was in the Chamber at the time.

It is a May Day resolution, on which I requested the Senate take immediate action. However, I found that there was objection to taking it up at this time. I may say in that connection that I have known the rules of the Senate to be subject to exceptions. However, after I found that there was objection to the resolution, I withdrew it. Following my withdrawal of the resolution I was lectured, as though I did not know anything about the rules of the Senate, though this motion was no violation of the rules. I appreciate that, too.

Mr. JOHNSON of Texas. No one has undertaken to lecture the Senator from Wisconsin. In the first place, there is no rule on the subject which prevents the Senator from Wisconsin doing what he has done.

In the second place, the minority leader has been in the Chamber since a quarter to 12, except when he has been called to the telephone in connection with his duties as a Senator.

If the distinguished chairman of the Committee on Foreign Relations had exercised the prudence and care and ordinary diligence which is so characteristic of him, he could have sent a page to the cloakroom to call the minority leader, and the resolution probably would have been agreed to by now. I hope to be able later this afternoon to communicate to the distinguished Senator from Wisconsin the views of the minority on this subject.

Mr. WILEY. I appreciate the third lecture very much, though the minority leader confirms my statement he was absent in the cloakroom.

PUBLIC WORKS CONSTRUCTION FOR THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of the bill (H. R. 8097) to authorize the financing of a program of public-works construction for the District of Columbia, and for other purposes.

Mr. PAYNE. Mr. President, I offer several amendments to the pending bill, and ask that they be stated and considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc, and the Secretary will state the amendments.

The CHIEF CLERK. On page 45, line 17, it is proposed to strike the number "SEC. 1201" and in lieu thereof insert the number "SEC. 1202" and a new section 1201, as follows:

SEC. 1201. (a) Section 2 of title V of the District of Columbia Income and Franchise Tax Act of 1947 (61 Stat. 331, 341, ch. 258), as amended (sec. 47–1564a, D. C. Code, 1951), is amended by striking "$4,000" wherever it appears therein and inserting in lieu thereof "$3,000."

(b) Section 2 of title VI of such act, as amended (sec. 47–1567a, D. C. Code, 1951), is amended by striking "$4,000" wherever it appears therein and inserting in lieu thereof "$3,000."

Page 46, after line 7, insert a new section 1203, as follows:

SEC. 1203. Section 1 of title VIII of the District of Columbia Income and Franchise Tax Act of 1947 (61 Stat. 345, ch. 258; sec. 47–1574, D. C. Code, 1951) is amended to read as follows:

"SEC. 1. Definition of unincorporated business: For the purposes of this article (not alone of this title) and unless otherwise required by the context, the words 'unincorporated business' means any trade, business, profession, vocation, or commercial activity, including rental of real estate and rental of real and personal property, conducted or engaged in by any individual or group of individuals, whether resident or nonresident, statutory or common-law trust, estate, partnership, limited or special partnership, society, association, joint venture, executor, administrator, receiver, trustee, liquidator, conservator, committee, assignee, fiduciary, joint tenants, tenants in common or tenants by the entirety of property, or by any other entity or fiduciary, other than a trade or business conducted or engaged in by a corporation which would be taxable under title VII of this article."

Page 46, line 8, renumber sections 1202 to 1204.

Page 46, starting on line 16, insert a period after the word "drinks" and strike all thereafter through the end of line 19.

Page 47, strike all of lines 5, 6, and 7.

Page 47, lines 18 and 19, strike the words "other than sales of food for human consumption off the premises where such food is sold, and."

Page 48, strike all of lines 1 to 6, inclusive.

Page 48, line 7, strike "(c)" and in lieu thereof insert "(b)."

Page 48, strike lines 16 to 25, inclusive.

Page 49, strike lines 1 to 7, inclusive.

Page 49, line 8, renumber section 1308 to section 1306.

Page 49, line 8, strike the word "said."

Page 49, after line 12, insert the following new sections 1307, 1308, 1309, and 1310:

SEC. 1307. Subsection (a) of section 114 of said District of Columbia Sales Tax Act (par. 14 (a) of sec. 47–2601, D. C. Code 1951) is amended by adding thereto the following paragraph (7):

"(7) The sale or charges to subscribers for local telephone service. The term 'local telephone service' shall be construed in the same manner and to the same extent as such term is construed under section 3465 (a) (3) of the Internal Revenue Code and regulations relating thereto, at the time of the enactment of these amendments to the District of Columbia Sales Tax Act. The exemptions authorized in subsections (a), (b), (c), and (m) of section 128 of the District of Columbia Sales Tax Act shall not apply to local telephone service, and in lieu thereof the same exemptions and exclusions shall be applicable as are, at the time of the enactment of these amendments to the District of Columbia Sales Tax Act, applicable with respect to the tax on local telephone service imposed by said section 3465 (a) (3) of the Internal Revenue Code. The repeal or amendment of the Federal tax on local telephone service referred to herein shall not in any way be construed as repealing or amending the tax on local telephone services under the District of Columbia Sales Tax Act."

SEC. 1308. Subsection (b) (2) of section 114 of said District of Columbia Sales Tax Act is amended to read as follows:

"(2) Sales of transportation services and communication services other than sales of local telephone service as provided in this title."

SEC. 1309. Subsection (b) of section 114 of said District of Columbia Sales Tax Act is further amended by adding thereto the following subparagraph (5):

"(5) Where sales of local telephone service are rendered by means of a coin-operated telephone available to the public: *Provided, however,* That where coin-operated telephone service is furnished a subscriber for a guaranteed amount such service shall be deemed a retail sale to the extent of such guaranteed amount."

SEC. 1310. Subsection (b) of section 116 of said District of Columbia Sales Tax Act is amended by adding thereto the following subparagraph (6):

"(6) Amounts charged for the installation of instruments, wires, poles, switchboards, apparatus, and equipment in connection with local telephone service."

Page 49, line 13, renumber section 1309 to section 1311.

Page 52, line 5, strike the figure "2.20" and in lieu thereof insert "2.30."

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments offered by the Senator from Maine [Mr. PAYNE].

Mr. PAYNE. Mr. President, in offering these amendments I wish to assure my colleagues that I am not opposing in any way the purpose and objectives of the very essential legislation under consideration. There is no question at all in my mind that this type of long-range public works financing is absolutely necessary if the Nation's Capital is to avoid deterioration and decay and is to continue as one of America's most beautiful and inspiring cities.

At this point I wish to pay the highest tribute to the distinguished chairman of the Committee on the District of Columbia, the able and distinguished Senator from the State of South Dakota [Mr. CASE]. He has worked long and hard not only on this bill but on many other worthwhile proposals designed to be of benefit to the people of the District of Columbia—people, who, because of the structure of our laws at the present time, do not have the right to vote in their own interests in connection with legislation of this type, but must depend upon the Members of Congress to protect their interests at all times.

The Senator from South Dakota has, in my opinion, given very, very careful consideration to the text of the bill which is presented before the Senate, and the only reason why I must offer the amendments which I have offered is because it is my feeling that there are certain inequities, and if they are allowed to go unchallenged, I would certainly never rest easy in my heart, because of the fact that they are provisions like those which I have long opposed while serving in State government.

I am referring, Mr. President, to the provisions of the bill which would levy a 1-percent tax on groceries and would reduce the present restaurant meal tax exemption from $1.25 to 50 cents. Such taxes as these are of the retrogressive type, unduly burdening those citizens who are least financially able to meet the burden, making it even more difficult for a number of District citizens to make both ends meet. It appears to me that taxes of this sort will only result in increased Federal appropriations to provide the necessary health, food, and welfare services for even more people who are unable to pay their own bills because of increased tax dollars coming out of their meager incomes.

Take, for example, those who are receiving assistance under the public welfare laws and those who are receiving old-age assistance, established on a bare minimum of support in order to enable them to carry on through the years of advanced age.

The proposed tax would throw a definite burden upon those persons and would result in 1 of 2 things: Either they would go without, or the District Government would have to make up in a supplementary manner further assistance in those cases.

I just cannot go along with this type of financial philosophy, which would extend the sales-tax concept to an extreme as being in the best interest of the persons concerned.

I know it is very easy to oppose a tax and it is very easy to encourage the spending of money for governmental agencies. Therefore, to be fully in line and to be consistent, I am presenting in the amendments which I have sent to the desk provisions which will replace the eliminated taxes to which I have referred with something which, I believe, would be more fair and equitable.

For instance, Mr. President, in the amendments offered I propose to eliminate the 1-percent tax on groceries which it has been estimated will raise $3,500,000 for the needed public works financing. They would eliminate the reduction of exemption for restaurant meals from $1.25 to 50 cents, which would raise $1,500,000. A total loss of revenue of $5 million would result.

I submit to the Members of this body a proposal which would reduce the personal income-tax exemption from $4,000 to $3,000, leaving undisturbed the provision of the bill which raises income-tax rates 1 percent across the board. This proposal would raise $1,200,000.

I propose an increase in the realty tax to 2.30 percent. The present rate is 2.15, and the bill proposes a rate of 2.20. This would raise $1,800,000.

A 2 percent sales tax on local telephone service would raise $400,000.

To apply the unincorporated business tax to personal service businesses and income from rental of real property would raise $1,500,000, representing a total revenue gain of $4,900,000 to replace the $5 million which would be eliminated if the amendments were accepted.

In contrast to the inequities of the taxes these amendments would eliminate, I want to emphasize the facts regarding the tax increases proposed.

First, in regard to reducing the District of Columbia personal income-tax exemption from $4,000 to $3,000, the most striking evidence of the fairness of this change is a table of comparative income-tax exemptions showing the exemption totals for all the States that levy a personal income tax.

As of September 1, 1953, of the 31 States and the District of Columbia having such a tax, only 1, Mississippi, has an exemption as high as that of the District of Columbia. In striking variance with the District's single-person exemption of $4,000, and married or head-of-the-family exemption of $6,000, both Virginia and Maryland, nearby tax jurisdictions, allow single-person exemptions of only $1,000 and married or head-of-family exemptions of only $2,000.

Mr. President, I ask unanimous consent to have included in the RECORD at this point, as a part of my remarks, a table which has been compiled relating to income-tax exemptions.

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

TABLE SHOWING WHY PERSONAL INCOME TAX EXEMPTIONS IN DISTRICT OF COLUMBIA SHOULD BE REDUCED

TABLE 11.—*State individual income taxes: Personal exemptions and credits for dependents, Sept. 1, 1953*

States	Personal exemption				Credit for dependents		Additional exemption on account of—	
	Single		Married or head of family				Age	Blindness
Alabama	$1,500		$3,000		$300.00			
Arizona [1]	10	($1,000)	20	($2,000)	4.00	($320)		
Arkansas	2,500		3,500		600.00			
California	2,000		3,500		400.00			[2] $500
Colorado	600		1,200		600.00		[2] $600	[2] 600
Delaware	600		1,200		600.00		600	600
Georgia	1,000		2,500		500.00		[2] 500	[2] 500
Idaho	700		1,500		[3] 200.00			
Iowa [1 4]	15	(1,500)	30	(2,333)	7.50	(333)		
Kansas	600		1,200		600.00		[2] 600	[2] 600
Kentucky [1]	20	(1,000)	40	(2,000)	10.00	(500)		
Louisiana [5]	2,500	(50)	5,000	(100)	400.00	(8)		
Maryland	1,000		2,000		[6] 600.00		[7] 1,000	[7] 1,000
Massachusetts [8]	2,000		2,500		400.00			
Minnesota [1]	10	(1,000)	30	(2,000)	10.00	(333)	[9]	[9]
Mississippi	4,000		6,000					
Missouri	1,200		2,400		400.00			
Montana	1,000		2,000		300.00			
New Hampshire [10]	600		600					

[1] Personal exemptions and credits for dependents are allowed in the form of tax credits which are deductible from the amount of tax. With respect to personal exemptions, the sum in parentheses is the exemption equivalent of the tax credit assuming that the exemption is deducted from the lowest brackets. With respect to the credits for dependents, the sum in parentheses is the amount by which the 1st dependent raises the level at which a married person or head of family becomes taxable.

[2] An identical exemption is allowed for a spouse if separate returns are filed.

[3] In addition, a tax credit of $5 is allowed for each dependent.

[4] In the case of dependent father, mother, or grandparent, the taxpayer may take a deduction of $450 in lieu of the $7.50 tax credit.

[5] The exemptions and credits for dependents are deductible from the lowest income bracket and are equivalent to the tax credits shown in parentheses.

[6] An additional credit of $600 is allowed for each dependent 65 years of age or over.

[7] An identical exemption is allowed for a spouse.

[8] A $2,000 exemption is allowed all taxpayers against salary and business income, in addition to a $500 personal exemption for a spouse (whose income from all sources does not exceed $2,000) and a credit of $400 for each dependent. With respect to income from interest, dividends, annuities, and net gains from sales of intangibles, the $2,000 exemption is allowed only if the total income from all sources does not exceed $2,000 for single persons and $2,500 for husband and wife. However, the tax on these 3 categories of income may not reduce the taxpayer's total income below $2,000 or $2,500, respectively.

[9] An additional tax credit ($10 for single persons and $15 each for taxpayer and spouse) is allowed for persons 65 years of age or over and for blind persons.

[10] Tax applies only to interest and dividends.

TABLE 11.—*State individual income taxes: Personal exemptions and credits for dependents, Sept. 1, 1953*—Continued

States	Personal exemption				Credit for dependents		Additional exemption on account of—	
	Single		Married or head of family				Age	Blindness
New Mexico	$1,500		$2,500		$200.00			
New York	1,000		2,500		400.00			
North Carolina	1,000		[11] 2,000		300.00			$1,000
North Dakota	600		1,500		600.00		[7] $600	
Oklahoma	1,000		2,000		500.00			
Oregon	600		1,200		600.00		([12])	[7] 600
South Carolina	1,000		2,000		400.00			
Tennessee [10]								
Utah	600		1,200		600.00			
Vermont	500		1,000		500.00		500	500
Virginia	1,000		2,000		200.00		[2] 600	[2] 600
Wisconsin [1] [13]	7	($700)	14	($1,320)	7.00	($560)		
District of Columbia	4,000		4,500 or [14] 8,000		500.00			

[11] An additional exemption of $1,000 is allowed a married woman with separate income.
[12] A tax credit of $6 is allowed taxpayers 65 years of age or over.
[13] Applicable to calendar and fiscal years 1953 and thereafter.
[14] The exemption is $4,500 if the spouse is a dependent. If both husband and wife file returns each is allowed a $4,000 exemption.

Source: Treasury Department, analysis staff, Tax Division.

Mr. PAYNE. Second, Mr. President, one of my amendments would increase the realty tax rate to 2.30 percent from the present rate of 2.15 percent and from 2.20 percent as now written in the bill. In discussing this change, I again invite attention to comparative real estate tax figures in nearby Virginia and Maryland, which, of course, have a very definite bearing on the real estate market conditions in the District of Columbia. It is interesting to note that according to figures submitted by Mr. James L. Martin, finance officer and assessor of the District of Columbia, at hearings on the pending measure before the Joint Fiscal Subcommittee, the proposed increase would not be out of line with the taxes paid in surrounding areas.

In the District of Columbia the rate would be $2.30 per $100 if the amendment were adopted. In Maryland the present rate is from $2.1625 to $0.2125 per $100. In Virginia the rate is $2.91 per $100.

Therefore, Mr. President, the rate which would be imposed upon real estate in the District of Columbia would not be in excess of that in the surrounding territory. It would be in line, so that further development within the District of Columbia itself would not be stymied in any way, shape, or manner.

In the third place, a 2-percent tax on local telephone service would be levied. This proposal creates a new tax on local telephone service, to produce approximately $400,000 a year.

My reason for submitting my proposals is not to take out of the bill any revenue needed, but it is merely to submit a method which I deem to be equitable and fair, much more equitable and fair than are some of the proposals in the bill.

Local telephone service is not taxed under existing law. Sales of gas and electricity are already subject to the sales tax. So we would not be adopting a new tax; we would merely be putting into effect the same ratio of tax presently in effect against the other utilities; namely, gas and electric power operations in the District of Columbia.

The Federal Government imposes a tax of 10 percent on long-distance telephone calls and 10 percent on local telephone service.

If the proposed telephone tax becomes law there will be no dispute about revenues from local telephone service that would be subject to the tax, since representatives of the Chesapeake & Potomac Telephone Co. and the Assessor's Office are in agreement as to taxable and nontaxable items.

About 14 States impose a tax on local and long-distance telephone service. The taxing of interstate service is exceptional.

The proposed tax would follow the Federal law so far as exemptions are concerned in order that the least possible burden be placed upon the telephone company. Deviation from the Federal law would be costly to the telephone company in computing bills. The principal change from the exemptions granted by the Sales and Use Tax Act of 1949 would affect semipublic institutions. However, these institutions are already favored in that they receive a 33⅓ percent discount on bills for telephone service.

Finally, one of my amendments would apply the unincorporated business tax to personal service businesses. This change, it seems to me, is most appropriate in order to eliminate any exemptions to a tax which, by its very nature, was intended originally to apply to all forms of unincorporated activity. At this point, I should like to quote from pages 679 and 680 of the hearings before the Joint Subcommittee on Fiscal Affairs regarding the purposes and reasons for this change in the law:

PURPOSE

The purpose of the changes is to eliminate the exemption afforded some personal service businesses, thereby making them subject to the franchise tax and to make the renting of all real estate a business, thereby causing all of such businesses to be subject to the franchise tax.

REASONS

It is considered proper that all firms doing business in the District should be subject to the franchise tax because—

(a) If a tax is to be imposed for the privilege of doing business there would seem to be no good reason for taxing only those businesses which are in competition with corporations. On the other hand it would seem more proper that all firms doing business should be subjected to taxes for that privilege, especially since all firms doing business within the District may avail themselves of the benefits derived from the Government of the United States.

(b) When considered in the light that taxes should be paid by those best able to pay, it is unfair to require the retail merchants having a comparatively small profit to pay a tax for the privilege of engaging in business while the professional people who are also engaging in business and generally making substantially greater profits are not required to pay a tax.

2. The firms which, it is proposed, should be subjected to the francise tax and who are not now subject to the franchise tax are receiving the same benefits from the District of Columbia government such as police and fire protection and use of the courts, as are those firms who are presently paying the franchise tax.

This would merely give such firms an opportunity likewise to share comparably in the operations of the District of Columbia government.

I read further:

3. It would seem proper that we should seek to obtain taxes from those not now subject to the tax, assuming they are equally able to pay.

4. A precedent for taxing personal service businesses was established under the business privilege tax law of 1937–38 and 1939–40.

5. The passage of the amendment to delete the exemption section of the statute so as to bring in the personal service companies would save the District a substantial amount of money through a decrease in litigation, both from the standpoint of attorneys' costs and administrative costs. The same would be true of the proposed amendment to the law under which the renting of all real or personal property would be considered a business regardless of whether or not personal services were rendered to the tenant by the owner.

For reasons I have given I submit that the particular tax changes which I advocate will place the tax burden where it can be better met without harming the interests which are receiving the burden. This is true since the overall competitive position of these interests is not made less favorable by those changes when compared with tax conditions which would be found in the nearby jurisdictions.

To my way of thinking, this amendment will serve to remove the truly discriminatory local taxes, discriminating against those who are least able to pay; but at the same time the amendment will not impair the total amount of tax financing required for the successful implementation of this splendid program, developed through the hard work of the District of Columbia Commissioners, their advisory committee, and the Joint Senate-House District of Columbia Subcommittee on Fiscal Affairs, directed so ably by the distinguished Senator from South Dakota [Mr. CASE] and Representative JOSEPH P. O'HARA.

This program deserves a favorable reaction from the Senate; it deserves assurance that the moneys will be available to carry out the many contemplated capital improvement projects and so must not depend too much on the uncertainties of future congressional appropriations. At the same time, a portion of the program deserves tax financing from those revenue sources which can meet

the burden with the least personal privation. These are sources whose incomes directly depend upon the continuation of a strong, expanding Washington, which is the primary objective of the proposed 10-year $305 million capital-improvement program.

Mr. President, I shall take but one moment longer, in which again to emphasize the fact that if Congress intends to support legislation of this type, which is needed, then Congress, in turn, should finance such a program from sources which can bear the freight, and can do so without harming those who are least able to contribute.

It is for that reason that I have submitted these amendments. I hope the Senate will favorably consider them, and will not impose burdensome taxation measures upon those who least can afford to pay the expense.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Maine.

Mr. MORSE. Mr. President, I find myself in a very interesting and difficult parliamentary situation, because I am confronted with some amendments offered by my good friend, the distinguished Senator from Maine [Mr. PAYNE], which I consider to be better than the provisions of the committee bill which he seeks to amend. Yet I find myself with some modification of opinion in respect to his amendments with relation to certain amendments offered in the committee.

I am very fond of the Senator from Maine, because he and I have worked together, as has the present Presiding Officer of the Senate, the distinguished junior Senator from Maryland [Mr. BEALL], with the chairman of the committee, the distinguished junior Senator from South Dakota [Mr. CASE], and the distinguished junior Senator from Wyoming [Mr. BARRETT], on a great many issues which have come before the Committee on the District of Columbia. In fact, I think I may say, good naturedly, that there seems to be surprising agreement among the members of our committee. There has not been as much difference of opinion, since I was assigned to the Committee on the District of Columbia, as many persons predicted would be the case as a result of that assignment. On the contrary, we have had some very delightful sessions. Our differences, as they have arisen, have not been too great. I suppose we are discussing today the only substantial disagreement, or any disagreement to a marked degree, which has appeared within the Committee on the District of Columbia since I became a member. As will be seen as the debate proceeds, it is not even a very serious difference.

But the parliamentary situation being what it is, my consultation with the parliamentarian supports the proposal which I am now about to make, with the consent of the Senate. Rather than to modify, by way of amendment, each of the amendments offered by the distinguished Senator from Maine, I shall ask permission to follow the same parliamentary procedure which has been granted to the Senator from Maine, namely, that on these items, I may offer amendments en bloc, by way of a substitute bill, as an amendment to the amendments offered by the Senator from Maine. I now send such a proposed substitute amendment to the desk, and ask that it be read.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

Mr. CASE. Reserving the right to object, and I shall not object, I merely wish to point out that had the committee not adopted the committee amendments en bloc and made them a part of the bill, the amendment offered by the Senator from Oregon at this time might be interpreted as an amendment in the third degree. If the committee amendments were still pending, and then the Senate had before it the amendments offered by the Senator from Maine [Mr. PAYNE] as amendments to the committee amendments, and then the amendment in the nature of a substitute had been offered by the Senator from Oregon, I believe some point might be raised to the amendment as being one in the third degree. However, that is not the situation. The committee amendments were adopted en bloc.

There are some rather clear-cut issues presented in the amendments which have been offered, and, whatever the parliamentary situation may be, I feel the Senate should not try to emphasize or press it. I have no objection to the amendments being considered en bloc. The Senator from Maine and the Senator from Oregon have been most cooperative in their work and studies in the committee, and I am glad that they may have an opportunity to present their questions in full and in such detail as they desire.

I withdraw the reservation.

Mr. MORSE. Mr. President, I wish to thank the committee chairman for his statement. I think, in the interest of saving time, this is the way to expedite the handling of these differences, which are differences only in degree. I wish to have the attention of my friend, the Senator from Maine [Mr. PAYNE], when I state that although I am hopeful that my amendments will be adopted as a substitute for his, if they are not adopted, I intend to support his amendments in preference to the present wording of the bill as reported by the committee.

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

Mr. MORSE. I yield.

Mr. PAYNE. I was quite interested in having an opportunity to refer to the suggested substitute. It so happens that here again apparently the distinguished Senator from Oregon and I are in practically complete agreement, because, in the event that the previous amendments which I have offered were not favorably considered, I had intended fully to introduce the type of amendment which has been presented by the distinguished Senator from Oregon. I wish to say to the Senator from Oregon that, in reciprocity, I will support, under those circumstances, the amendment which he has offered, although I would take it as a second choice, because I am sure the Senator from Oregon will agree with me that one amendment provides for certain revenues, whereas the amendment which has just been proposed as a substitute provides for an authorization, and there would then still have to be a fight to get an appropriation to cover it.

Mr. MORSE. The Senator from Maine is correct.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. The Senator from Oregon proposes an amendment in the nature of a substitute for the amendment of the Senator from Maine [Mr. PAYNE], on page 46, after line 9, to strike out all of title XIII and in lieu thereof insert the following:

TITLE XIII—ADDITIONAL ANNUAL FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

SEC. 1301. For the fiscal year ending June 30, 1955, and for each fiscal year thereafter there is hereby authorized to be appropriated, in addition to the sums appropriated under article VI of the District of Columbia Revenue Act of 1947, approved July 16, 1947 (61 Stat. 361), as amended (sec. 47–2501a, D. C. Code, 1951 ed.), and as further amended by title VII of this act, an annual payment by the United States toward defraying the expenses of the Government of the District of Columbia in the sum of $5,225,000.

SEC. 1302. The payments authorized by this title shall be credited to the general fund of the District of Columbia.

Mr. MORSE. Mr. President, my argument will be very brief. It will be based on the major premise which I urged in committee, but which failed to secure majority approval in committee.

The Senator from Montana [Mr. MANSFIELD] supported me in committee. He is ill today, and he has authorized me to say that if he were here, he would support my amendment, as he did in committee.

The major premise to which I refer is that, in my judgment, the Federal Government owes a greater obligation to the District of Columbia to make a lump sum appropriation in order to meet the public works needs of the District of Columbia than is to be found in the bill reported by the committee.

In support of that premise, I wish to observe that the District of Columbia relationship to the Federal Government was aptly described many years ago, in 1835, by Senator Southard, when he said on the floor of the Senate:

> The committee has been unable to separate the interests of the District from the interests of the United States. They regard it as the child of the Union—as the creation of the Union for its own purposes. The design of the Constitution and its founders was to create a residence for the Government, where they should have absolute and unlimited control.

The statement made by Senator Southard in 1835 is just as true today as it was then, when he made the statement I have just quoted that the interests of the District of Columbia cannot be separated from the interests of the United States. In fact, the primary interest of the District of Columbia is Government. The major purpose of the operations of this Capital City is to carry on the governmental functions of the Federal Government.

In my judgment, there is not being paid to the District of Columbia the contribution which the people of the

country as a whole owe to the District of Columbia. I repeat what I said in committee, Mr. President, that, in my judgment, we would pay a larger amount if the citizens of the District of Columbia had representatives who had a vote in the House of Representatives and the Senate of the United States. The people of the District of Columbia are at a great disadvantage because they do not have the influence of elected representatives in the House of Representatives and in the Senate to represent their interests as taxpayers of the District of Columbia. I say, therefore, there is a great moral obligation which rests upon us as representatives from the States of the Union to see to it that we never take advantage of the people of the District of Columbia simply because they owe no political responsibility to us, and we owe no political responsibility to them, in the sense that we are not subject to their votes. I think it is very important that the Congress be very careful when it passes tax legislation, particularly, that it does not impose upon the people of the District of Columbia the yoke of unfair taxes. It is my judgment, I say most respectfully, that the bill as reported from the Committee on the District of Columbia which is presently before the Senate is not fair in all respects to the taxpayers of the District of Columbia.

Mr. President, for further opinion in support of my major premise; namely, that the interests of the District of Columbia cannot be separated from the interests of the Nation. I wish to quote from William Howard Taft, who, in 1896, said:

> The object of the grant of exclusive legislation over the District was, therefore, national in the highest sense, and the city organized under the grant became the city, not of a State, not of a district, but of a nation.

Mr. President, in this matter, we are dealing with the Nation's Capital. All the taxpayers of the United States, across the Nation, should be willing to pay a fair share of the cost of operating the District of Columbia. It is my contention that the Nation is not presently paying such a fair share.

In order to understand my point of view, I believe we need to spend several minutes on a résumé of the history of the development of the relationship between the Federal Government and the city of Washington. If we do so, we find that the Federal payment for the District of Columbia has gone through four major phases.

During the first period, between 1790 and 1878, there was no fixed system for Federal payments. In some years there were lump-sum payments, and in other years there were no payments at all; but during this early period the average Federal Government payment was approximately 25 percent of the city's budget.

During the second period, from 1879 to 1921, the District of Columbia was on a 50–50 basis with the Federal Government.

Mr. President, if today I were engaged in a compromise procedure, I would be willing to settle on a 50–50 basis, which was the basis from 1879 to 1921. However, the percentage paid by the Federal Government has dropped far below 50 percent.

The fixed ratio payment on a 50–50 basis, established in the organic act of 1878, lasted for almost half a century. It was much fairer than the present relationship, although if I had to fix an arbitrary percentage relationship, my conclusion as a member of the District of Columbia Committee, having studied this matter, is that the share of the Federal Government should be not less than 60 percent. I believe the Federal Government's share should have been modified upward from the historic pattern of 1879 to 1921, from a 50–50 basis to at least a ratio of 60–40, with the Nation as a whole bearing 60 percent of the cost, for reasons which in a moment I shall set forth.

However, the movement has been in the opposite direction. The share of the Federal Government is now far below even the 50-percent share the Federal Government paid during the period from 1879 to 1921.

The third period in the history of the relationship between the Nation and the city of Washington began in 1921, when Congress ignored the organic act, and provided for a 40–60 basis, with the Federal Government paying 40 percent and the District of Columbia paying 60 percent. The Federal Government's 40-percent share during the third period was, in my judgment, entirely too small.

The same plan was used in 1922. In 1923, the 40–60 ratio basis of payment was supposed to have been made a permanent basis.

The fourth and final period in the history of the relationship between the city of Washington and the National Government began in 1925, when the Congress adopted the present lump-sum payment system. It is a very bad system, Mr. President. It is very dependent upon chance and upon political alinements in the Congress. It does not permit of careful planning over a long-time period for a public works program, for instance. I think the lump-sum plan leads to a great many inefficiencies. We have only to look at the results, it seems to me, since 1925, to have ample proof of the contention I am making.

But, Mr. President, I am aware of the fact that, as of the present moment, at this session of Congress, there is no hope of going back to any ratio formula; there is no hope of returning to the 50–50 formula or of going to a 60–40 formula, with the Federal Government paying 60 percent and the District of Columbia paying 40 percent. For that matter, I think there is no hope of going back to the 40–60 formula, which I believe was unfair to the District of Columbia. But if such legislation were enacted with the idea that it would be permanent, at least it would permit of a little more scientific planning than has characterized District of Columbia planning since 1925.

The first lump-sum payment was for $9 million, or for approximately 30 percent of the city's expenses in that period. But during the period since 1925 and up to the present time, the share of the Federal Government has declined from 30 percent to less than 9 percent. That is simply unfair, Mr. President. We cannot justify reducing the payment of the Federal Government to any such percentage as that. My amendment seeks at least to remedy the immediate situation confronting us.

I serve notice now that if my amendment is adopted, it must be adopted on the basis of being only a temporary plan insofar as this basic principle is concerned, because I do not like the lump-sum principle. But we are confronted with a legislative reality, namely, that we must accept the lump-sum principle this year because time does not permit us to come forward with a carefully worked out ratio principle which I believe ought to be the fiscal principle followed in determining the budget of the District of Columbia and the Federal share. So the situation now confronting us is complicated in actual practice, and it serves to deprive the District of Columbia of revenues, and at the same time it imposes cost burdens.

Illustrative of the means by which Washington, D. C., is deprived of revenues because it is operated as the Federal city, are the following points, among many others I could mention—but these are the ones I wish to emphasize today:

First. The District has developed because of the presence of the Federal Government, and does not have and probably never will have independent basic industries that would support it. On this point, a recent study showed that four of the Nation's largest corporations pay $1 in State and local taxes for every $20 spent for salaries. If the same ratio were to be applied to the Federal payroll of $800 million in Washington, the Federal payment to the District would be $40 million.

That shows how far short we fall from making the contribution which I believe the Federal Government should make to the District of Columbia, in view of the fact that the major industry of Washington, D. C., is Government, and in view of the further fact that the Congress follows courses of action, as regards the District of Columbia, restrictive in nature, and bound to keep Government as the major industry of Washington, D. C. I do not believe the time will ever come when Washington, D. C., will be cataloged among the industrial cities of the Nation. I think all of us will agree it should not be. I believe all will agree that the Capital City of the Nation should be one of the beauty spots of America, and should be one of the model cities of the Nation. It should be devoted primarily to operation of the Federal Government; and I think it would be rather unfortunate if Washington, D. C., became another smokestack city, with industry predominating over Government. However, unless we are willing to pay a larger share of the cost of operating the city, then I think every inducement should be made available to turn it into a smokestack city. That would mean, for example, that Congress would have to change some legislation regarding zoning and industries in the city.

Mr. President, my next point is:

Second. In Washington, D. C., Federal Government land amounts to 42.8 percent of the total. No taxes are paid on

this land, and no other major city has such a large part of its land and improvements tax exempt. This area, if taxable, would yield $18,971,000 in real estate taxes. To further show how industry supports the ordinary city, a survey of taxes in the District revealed that for each $1 of real estate tax that is paid by business, an additional sum of 80 cents is paid for other District business taxes. Consequently, if the Federal Government were taxable as a private business in the District, it probably would pay total taxes of about $35 million. This would indicate that a Federal payment of between the $35 million just mentioned and the $40 million cited in the previous paragraph could be justified.

The third point I would mention in support of a larger contribution by the Federal Government to the District of Columbia budget is this: Washington attracts tax-exempt activities, such as charitable foundations, because it is the Capital City. Each year more taxable property is being taken off the tax rolls of the District of Columbia. Today $20 million more of property is exempt than was the case only 3 years ago.

In my discussion with District officials who are thoroughly grounded in the fiscal problem I am now discussing, they tell me that there is every indication and every reason to believe that tax-exempt property will continue to increase in amount in the years ahead. I think we must take that into account when, as legislators, we come to decide what is fair and equitable as Federal appropriations for the District of Columbia.

My fourth point is that building-height limitations are set to prevent any commercial structure from overshadowing Federal structures which precludes the skyscrapers common to most large cities. These limitations hold down real-estate value. They likewise hold down tax revenues. To show the effect of such limitations, Chicago has an employment density of about 160,000 persons per square mile in its central business district, contrasted with 90,000 in the District of Columbia.

We of Congress are responsible for holding down tax revenues. I think we ought to keep this a beautiful city, as I have said before, but I think we ought to be willing to pay the price for beauty. I think we should recognize that the burden of maintaining a beautiful city, a model city, as the Capital of the United States, should not be placed upon the tax shoulders of the citizens of the District of Columbia to an extent out of all proportion to what is fair and equitable. It is my contention that that is exactly what we are doing, and that the committee bill would perpetuate that injustice.

The fifth point I wish to make under this topic is that many local residents maintain their legal domicile elsewhere, and thereby entirely avoid the payment of District of Columbia income taxes. This could not happen in any State. Let me say good naturedly, and somewhat against self-interest, that we in the Congress do not pay taxes in the District of Columbia. We live here, but we do not pay taxes in the District of Columbia.

I note the presence in the Chamber of the two Senators from Maryland [Mr. BUTLER and Mr. BEALL]. I understand that the State of Maryland has been very cooperative with Members of Congress, as has the State of Virginia. Members of Congress are not asked to pay income taxes in those States, although, as I say to some of my brethren living in those States, it is a matter of sufferance so far as the law is concerned. I think the attitude of those two States is very charitable. I make this point good naturedly, because it is rather interesting, as we sit here voting to impose taxes on the District of Columbia which, in my judgment, if this bill is enacted, will in due course of time force some increases in income-tax costs on the part of the permanent residents of the District of Columbia, to which, of course, we in the Congress are not subject, to reflect upon our position. There is something about it—I do not know what it is—that says to me that it is not quite cricket, and that I had better be extremely careful, as a Member of the Senate, to see to it that I am very fair toward the residents of the District of Columbia, because the residents of the District of Columbia are more than fair with me and with every other Member of Congress who lives in the District of Columbia, in that the District of Columbia does not impose District income taxes upon us. As a matter of law, there is nothing which would entitle us to exemption if the District chose to impose such a tax.

The sixth point under this topic is that many cities practically solve their revenue problems by extending their boundaries to include growing suburbs. Obviously this is not possible here, but that fact is particularly pertinent to our problem in view of the fact that, contrary to popular opinion, the median income level in the District of Columbia is materially lower than in the surrounding suburbs, being $2,975 in the District, and ranging from $3,446 to $5,098 in the various suburbs. This point is worth dwelling upon a little longer, although I wish to keep this speech very short.

The District of Columbia is not in the position of my hometown of Eugene, Oreg., and the hometown of every other Senator, I believe. My hometown has been extending its city limits as suburbs developed and fire and police protection and sanitary protection became necessary. What is the practice in most of our home State communities? City limits are extended so as to take in a larger taxable area. That proves to be of great benefit to the city treasury. The District of Columbia cannot do that. It overflows into Virginia and Maryland, but it cannot extend its city boundaries. Yet, of course, the suburbs which are developing in Virginia and Maryland bear a direct relationship, so far as the cost of their development is concerned, to the transaction of Government business in the District of Columbia. However, the District of Columbia cannot obtain the advantage of taxing the development of the suburbs to obtain the revenue with which to meet the extra costs, for example, of the public works program which we are discussing today.

When all is said and done, the thing which underlies this debate today is the need for finding the means to develop the public works which the District of Columbia needs in order to carry on Government operations more efficiently.

Of course, such public works are essential to the transaction of Government business. There has been a great deal of controversy for weeks in the press about the building of a bridge across the Potomac. Of course, a bridge ought to be built. Perhaps more than one bridge is needed. I do not think the people of the District of Columbia should have to pay most of the cost. Such bridges are necessary to the transaction of Government business. In my judgment such bridges are just as necessary to carrying on the functions of the Government as are any of the Government buildings which house workers who cross the bridges in order to get to work. If we are to pass appropriations for the construction of Federal buildings in the District of Columbia, in my judgment we should pass the appropriations necessary to construct bridges so that people living outside the District of Columbia—and they all could not live inside the District, unless we wanted a terribly crowded city—may go to and from work. Bridges must be built so that they can get to the buildings where they work, in order to carry on Government business.

It is easy to take the position, "After all, why should the people of Maine, Oregon, California, and Florida pay any of the cost of building a bridge across the Potomac for Government workers to get to Government buildings to carry on the business of the Government?"

My answer to that is that it is essential to the transaction of the business of the Government, which belongs to the people of Maine, Oregon, California, Florida, and every other State.

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

Mr. MORSE. I yield.

Mr. BUTLER of Maryland. Would the Senator go so far as to say that the approaches and highways from such bridges into the State of Maryland should be paid for by the Federal Government?

Mr. MORSE. I am with the Senator on the Peace Cross development. I have asked that a study be prepared by the staff of the District of Columbia Committee. The Senator ought to thank me for that.

Mr. BUTLER of Maryland. I do thank the Senator from Oregon.

Mr. MORSE. I will tell the Senator what the study will show. We have not the final result as yet, but it is perfectly obvious what it will show. The study goes into the question of the loss of time and the delay which the Government suffers every time there is a flood around the Peace Cross.

My hunch is—and I will eat these words if the survey does not show it—and I am not preparing it, either, but it is being prepared by engineers and experts in that field—but I will eat my words if the study does not show that the Federal Government should pay the total cost, and that the Government will save money in a few years by the elimination of the loss which it suffers because of the time that people who work

for the Government lose in getting to work.

Mr. BUTLER of Maryland. I thank the Senator from Oregon. I believe the Senator is eminently correct. The Senator should give some consideration, too, as should Congress, of course, to the overloading of the facilities of the counties adjacent to the Capital of this country.

Mr. MORSE. I believe the Senator is quite correct.

I continue with my statement. The sixth point I wish to make—and I summarize it now—is that the median income level in the District of Columbia is materially lower than in the surrounding suburbs, being $2,975 in the District, and ranging from $3,446 to $5,098 in the various suburbs.

Similarly to the foregoing, the District incurs increased costs because it is the Nation's Capital. Among many I enumerate the following examples of increases:

First. The Fine Arts Commission and National Capital Planning Commission require that most public-works structures be designed to harmonize with the Federal master plan for the Capital City. The new highway bridge cost $1,182,000, or 21 percent, extra because of this. Municipal Center is also an illustration of fine monumental construction consistent with such concepts.

Mr. President, it may be argued that these are very small items. They are small items standing alone, but if we multiply them over the years they represent a considerable additional cost that we impose upon the taxpayers of the District of Columbia, because we insist that not only must Federal buildings conform to a certain design, but buildings of the municipality and of private enterprise in the area also must conform to a design that will not detract from the governmental structures.

Second. The federally conceived plan of the city calls for wide, beautiful tree-lined streets such as few other major cities enjoy. Planting and maintaining these trees is costing $325,000 this year, and further increases are in sight. Wide streets also mean additional paving costs.

Third. An unusually fine federally operated zoo is wholly paid for by the District of Columbia. The cost this year is about $650,000.

Let anyone suggest abandoning the zoo, Mr. President, and what a howl would be made—a howl even louder than the lions and the tigers make in the zoo. That howl would reach all the way up to the eagle in the ceiling of the Senate Chamber. If anyone were to suggest that we get rid of the zoo, we would have speeches made on the floor of the Senate in behalf of the little school kiddies that would make tears run down our cheeks. Yet it costs money to operate the zoo, Mr. President, and the costs of operating it are paid for by the District citizens alone.

Fourth. The National Park Service receives about $1,500,000 each year from the District of Columbia for maintenance and operation of federally owned and controlled parks in the city. In addition, the District pays approximately $500,000 per year to support the Park Police. This is more park land and more park expenditures than is customary in comparable cities.

Mr. President, I am in favor of keeping it that way. I want my Nation's Capital to have the beautiful parks which now characterize it. In fact, I shall continue, as my record shows, to oppose any attempt in any way to desecrate the parks of this city by diminishing them in size or by not giving them the support they ought to have. I believe the Capital City of my Nation ought to be a city of beautiful parks.

I shall not let myself digress too long to discuss the need for a beautiful Potomac. I shall make a speech on that subject within a few days, when I offer an amendment to my so-called pollution bill. However, I do wish to make mention of that point here because I believe it is our responsibility to beautify the Potomac. There it is, Mr. President—nothing but a slow-moving sludge. We cannot call it a river. It is a slow-moving sludge, many parts of it 12 feet deep of filthy sewage, the filthiest river in the world.

I again issue the challenge on the floor of the Senate for any of my colleagues to come forward with any engineering and sanitary proof that there is a river in the world comparable to the Potomac River in filth. Yet it flows through the Nation's Capital.

I say we ought to be ashamed of ourselves for letting that moving sludge, that cesspool, degrade the beauty of the city of Washington.

Yet try to get Congress to appropriate the money it ought to appropriate to protect the beauty and the health of the District of Columbia, and there is opposition. I am trying, Mr. President. I never get discouraged. It has been said that the fight for progress is never won. However, we must never let ourselves adopt the pessimistic attitude of believing that the fight can ever be lost.

When we are fighting for this kind of legislation today, we are fighting for progress and we are fighting for a decent National Capital.

Fifth. The large volume of Federal structures imposes significant demands on our police, fire, sanitation, and other services, which cannot be precisely computed in dollars, but which, nonetheless, add to the cost of building and operating the city.

I have some approximations of these costs. I shall mention them on the floor of the Senate at this time because we are about to vote. Approximations of some of these costs are as follows:

Police, special details	$60,000
Fire, special services	90,000
Cleaning streets	175,000
Sewage handling and treatment	625,000
Installing curbs and gutters abutting Federal property	50,000
Motor-vehicle titling, etc	15,000
Temporary home for soldiers and sailors	30,000

Every one of these extra costs is borne by taxpayers of the District of Columbia. In my judgment, the costs ought to be paid by all the taxpayers of this country in support of their Capital.

Sixth. Because of Federal expansion in the area, Washington is now completely encircled by a thickly settled area that is more populous than the city itself, and which requires the construction of expensive arterial highways to enable suburban populations to move to and from the city. The fact that two rivers have to be crossed by much of this traffic requires the construction of very costly bridges.

Because of the fact that so many people are able to reside here and legally avoid some of our taxes, many District residents now carry a disproportionate share of the tax burden. This does not appear to be justified by the trend in incomes in the District as compared with its suburbs. These taxes are being materially increased, and thereafter will be substantially higher than most other cities of comparable size.

The next major item in the bill, Mr. President, to which I am objecting and which my amendment would eliminate is, of course, the proposal of the committee of a 1 percent tax on groceries and the proposal of a reduction in exemption with reference to restaurant meals of from $1.25 to 50 cents. Every 51-cent meal is now going to be taxed, and groceries are going to be taxed if the committee's bill is enacted. The bill also proposes a 1-percent increase in tax on hotel rooms. The present tax is 2 percent, which is high enough, but I do not think there should be any tax at all on hotel rooms. The argument is that it is an easy tax to get by with. Hotel people come and go, and there is nothing they can do about it. We tax them 2 percent, and now a tax of 3 percent is proposed. That does not make it fair or right or just. I do not think a visit to the District of Columbia by citizens of this country ought to carry with it a sales-tax penalty. I think we should encourage the visitations of our citizens. I think we ought to encourage the poor as well as the wealthy to come here. I just do not like the regressive sales tax in any form, shape, or manner. I do not like it on even transient rooms.

Then there is the proposed application of the sales tax to national banks and Federal savings and loan associations.

Mr. President, my amendment abolishes those sales taxes and substitutes therefor an additional Federal payment of $5,225,000, a lump-sum amount added to the lump-sum principle already in the bill, which would help to take care of the public-works program which has really given rise to the need for the bill at all. I think we should make that contribution to the public-works program, and we should not do it by way of a sales tax on necessities of life. I recognize the fact that sincere men differ on the political philosophy behind the sales tax. I have always opposed it. I am proud of the fact that in my State every time the sales-tax proponents have tried to put it across, we have taken it to the people by way of a referendum vote, and we not only have beaten them every time, but we have beaten them by an overwhelming majority. I am willing to say we are going to lick them again. Selfish interests in my States are trying once more to whip up public opinion on the

basis of the fallacious argument that because Washington, D. C., and California have sales taxes, we ought to impose the same kind of an unfair tax yoke upon the necks of the people of Oregon. We shall oppose it again, and I am satisfied that we shall beat it again. As long as I sit in the Senate of the United States I shall not vote such a tax yoke upon the necks of the people of the District of Columbia.

Mr. President, in conclusion—and I hope the majority leader is pleased to hear those words, "in conclusion," because I have assured him that this was going to be one of my shorter speeches—I am sure my amendment will have the vote of the majority leader. He has sat here so impressed throughout my entire speech, that I am sure I have convinced him that he should vote for my amendment.

All joking aside, Mr. President, I should like to say that the District of Columbia differs greatly from other cities because of the complex relationship with its "industry," the Federal Government, and that a significant increase in Federal responsibility for the cost of building and maintaining the city is fully justified. To that end I offer my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE] to the amendments offered by the Senator from Maine [Mr. PAYNE].

GENERAL BUSINESS CONDITIONS

PRESS REPORTS

Mr. MALONE. Mr. President, the current press reports make interesting reading for our unemployed and our small businesses. On page 17 of the New York Journal of Commerce, there is an article headed "Traders Hedge on Significance of Import Rate," and indicating that the objective of this Nation is to increase imports—they say that "imports have been holding fairly well." The Randall, Paley, and Bell reports, of course, were made to sell the people of this Nation that the more goods we can import from the peon and sweatshop labor countries, the more money the workers and investors in America will make. I read:

So far, imports have been holding fairly well, although if a comparison of the January-February imports of this year were made with the peak rate reached in the spring of 1953, the contraction would be about as severe as the latter prediction.

It is a typical implication that the greater our imports, the greater our employment.

IDLE SHIPYARDS

Mr. President, on the same page of the New York Journal of Commerce there is the following heading: "Idle Shipyards Termed Threat to United States Defense; Navy Official Sees Need for Government Aid to Industry."

Government aid, Mr. President, to keep the shipyards running. I read:

The Navy official said that for the long run he favored a policy of building ships through private enterprise with Government encouragement, but he stressed that the present situation was a critical one for which an emergency program was necessary.

WE LOAN COLOMBIA $50 MILLION—GERMANY BUILDS HER SHIPS

Mr. President, on page 24 of the same Journal there is a headline as follows: "Grancolombiana Orders Four Ships."

The item under that heading reads, in part, as follows:

BOGOTA, April 28.—A West German shipyard has been awarded a contract to build four new freighters for the Flota Mercante Grancolombiana, the company announced today. H. G. Stuelken Sohn yard, of Hamburg, won the award over bidders from British, Swedish, Japanese, and Italian yards.

The contract, reportedly worth $4.5 million, provides that the new vessels will be of the same sepcifications as the German-built Brunsbuttel, now the Ciudad de Bucaramanga. They will have a cargo capacity of 4,500 tons and speed of 13 knots. Delivery will begin in April next year with the fourth ship to be delivered by August 1955.

Mr. President, there was a very prominent official, a White House aide, by the name of J. Laughlin Currie, I believe, who went to Colombia rather suddenly a few years ago, on the eve of an investigation, and took about $50 million from the Export-Import Bank with him as a loan for Colombia—for that he was retained by the Columbian Nation as an adviser. This man was naturalized in 1934 as a United States citizen.

But, Mr. President, I notice, however, that shipyards in Germany, Japan, and the British Empire build ships for Colombian firms, while our shipyards are idle. Incidently, German wages are only a fraction of the pay rate here.

UNITED STATES SEWING-MACHINE BUSINESS MOVES TO ITALY AND JAPAN

On page 4 of the same Journal there is a leading article headed "Immigrant Builds $50 Million Business; Sewing Machine Bonanza Spurs Europe Trade."

I read:

Trade between the United States and Western Europe has been stimulated by a Polish refugee who came here 7 years ago with $6. Since then he has built a $50 million a year business, assembling and distributing Italian and Swiss sewing machines.

These machines use American-made components—in addition to the imported parts, worth millions of dollars each year. And the mass market created for the Italian machines has enabled the Italian factory to buy American-made machine tools and other equipment so that it could adopt mass-production methods.

Many freetraders, supporters of the 1934 Trade Agreements Act, in the United States, say they do not fear imports because of our modern machinery and assembly line methods. So I simply wanted to read the dispatch to show that foreign manufacturers are using our modern machinery and our assembly line methods and using the peon and sweatshop labor to displace American workers.

I believe that it was in 1951, when the extension of the 1934 Trade Agreements Act was before the Senate for extension, that I placed a sewing machine made in Japan on one corner of my desk and a Singer sewing machine on the other corner. Each machine was guaranteed to do the work of the other.

The difference between them was that one was made by Japanese labor, paid 12 to 15 cents an hour, and the other was made by American labor receiving $1.80 an hour. They could not be distinguished from each other by a person standing 10 feet away.

The name of the Japanese machine was attached underneath its structure, so that the housewife could not see where it was made. The Japanese machine sold for about $21 wholesale and the American-made machine sold for about $72 wholesale.

Mr. President, I know it will be good news to the Senate, which voted for the 2-year extension of free trade—1934 Trade Agreements Act—at that time, and for a year's extension last year, that the sewing-machine business in the United States is being slowly cut down, if not eliminated.

That same Trade Agreements Act, under which the sewing-machine business is being sold out, expires at midnight on June 12 of this year.

Reading further from the statement by the immigrant who built a $50 million business by importing machines manufactured in Italy, where the labor is paid only a fraction of what is paid to American labor, the article continues as follows:

What his company has done to help the Italian economy has directly helped American producers of machine tools and other equipment.

Note that they use our modern machinery with their cheap labor and the combination built a $50 million import business for the immigrant.

The article continues:

Mr. Jolson believes in stressing automaticity in advertisements. They say, "Just insert a disk—sit back and watch—it's as easy as playing a record."

The article contains this further statement:

The Singer Co., still the largest domestic producer of sewing machines, is also importing machines from its subsidiary in Scotland.

I suppose the Singer Co. has been forced to build a factory in Scotland in order to compete with other cheap labor imports. I continue to read:

But Mr. Jolson, who today believes he has 10 percent of the American market, says he doesn't fear his competitor as much as he did back in 1947. Then, Mr. Jolson and his wife worked 16 hours a day to make up samples of the work done on the Necchi machine.

I know that will be good news for the United States Senate, which passed the 1934 Trade Agreements Act to shift their responsibility of regulating the national economy each 3 years to the executive branch, meaning, as it now operates, the State Department. This has merely meant a transfer of the constitutional responsibility of Congress to set duties, imposts, and excises, and to regulate foreign trade, to the executive branch, meaning the State Department, which probably does not even know where sewing machines are made in the United States. The State Department, under the trade agreements, is able to trade away any business at any time, just as it has traded away in whole or in part the wool business, the mineral business, the

watch business, and several hundred other businesses.

LOWERING TAXES ON FOREIGN PROFITS ENCOURAGING USE OF FOREIGN CHEAP LABOR

Mr. President, in today's issue of the New York Journal of Commerce, I observe the following statement:

Much has been said here this tax-happy spring about "removing the roadblocks to the flow of American investment abroad," and one of the many Gordian subchapters of the revision bill sets out to achieve this.

Revenuewise, foreign income is the bill's third biggest revision item—at least in the first year of operation—being ticketed to cost the Government $147 million, according to Treasury estimates. Only the dividend credit ($240 million) and declining-balance depreciation ($375 million) rank larger.

In the 3 weeks of Senate hearings just concluded, two aspects of the bill's treatment of foreign income came in for sustained keelhauling.

One was the exclusion of wholesalers operating abroad from the benefits of a 14-percent tax cut for foreign operations.

It probably is not news to the Senate that the House Committee on Ways and Means has made a 14 percent reduction in the taxes on foreign profits of American manufacturers who will locate their plants behind the foreign-sweatshop curtain.

Mr. President, there is now a complete cycle. Free trade, so that American individuals and companies can locate factories behind the sweatshop-labor curtain, as Mr. Ford, Mr. Hoffman, of Studebaker, Mr. Coleman, and others, are doing, and to import the products into the United States without having to pay any tariff or evener of the wage and tax differential.

Then the United States Congress reduces the taxes on the imported profits from products produced abroad.

There are many other considerations which Congress is trying to give to anyone who will leave the United States and use the low-cost labor and ship the finished material back to the United States, including purchasing modern machinery for them with the taxpayers money.

Mr. President, the Chicago Tribune of this morning contains a very enlightening editorial, entitled "Charity Begins at Home." The first paragraph reads as follows:

One of the peculiarities of the new internationalism, spawned by the New Deal and carried on by the Eisenhower administration, occasioned remonstrances from members of the House Foreign Affairs Committee. Grumbling was evoked by the administration's demand for almost $3½ billion in new money for foreign aid during the fiscal year 1955.

Mr. President, in addition to writing down the taxes on profits made behind the sweatshop-labor curtain and imported into this country, we are approaching free trade so that manufacturers can import products which are made abroad by factories behind the low-wage curtain, and with American machinery and American assembly line methods.

The extension of free trade, the 1934 Trade Agreements Act, for 3 years already has been recommended in accordance with the Randall report—the bill is in the Committee on Ways and Means of the House—we then, after contributing $50 billion to such foreign countries, for the construction of factories and to promote competition with American industry, now ask for $3.5 billion additional for another year.

The $100 million to build up European competition in the coal and steel business came from the Export-Import Bank which also distributes the American taxpayers' money abroad. One hundred million dollars has just gone to Europe to promote additional steel capacity and additional coal production to compete with American workers.

So the $3.5 billion is new money for foreign aid during the fiscal year 1955, as referred to in the editorial, is intended to continue building American competition abroad.

I read further from the editorial:

Congress said that $400 million of this was to be spent in European countries on boats, armaments, and expansion of European chemical production.

The head of one of the largest chemical producing companies in the United States has said publicly that unless something is done about the situation, the American chemical industry will move back to the Rhine in Germany, unless it is afforded tariff protection, if you please—duty protection, as the Constitution of the United States calls it.

I remember that during World War I there was no chemical industry in the United States. After the war had been concluded, the United States placed duties or tariffs on chemical materials and built up a chemical industry in the United States. Now it has been traded away. I continue to read from the editorial:

The critics complained that American workers need jobs and that the money could be laid out here to produce the same items while keeping Americans at work. The funds earmarked for chemical production were challenged because, it was said, European exports already are damaging the American chemical industry.

Representative FULTON, Pennsylvania Republican, charged that the diversion of money to Europe for economic aid would aggravate unemployment here.

Mr. President, press dispatches show that every day more unemployment is occurring, and more investments are being lost in this country. All one has to do to learn such facts is just follow the news.

On the same page of the Journal of Commerce of April 29, 1954, from which I just read, I wish to read another article. I want to compliment the reporters for the Journal of Commerce. The officials certainly run a good newspaper, and the reporters do a good job of reporting.

GATT—FOUNDED UPON THE 1934 TRADE AGREEMENTS ACT

The headline of the article to which I have just referred reads: "Peru Signs Agreement Extending GATT Tariffs."

Perhaps some of the Senators who are present will remember the agreement at Geneva.

The article reads:

Peru has signed the declaration extending until July 1, 1955, tariffs negotiated under the 34-nation General Agreement on Tariffs and Trade (GATT).

The declaration was drawn up in Geneva last fall by GATT nations to prolong for 18 months tariff schedules that would otherwise have expired at the end of 1953. Peru and Australia were granted additional time to sign the accord. Australia signed February 23.

Brazil is the only GATT nation that has not yet signed. The South American nation has not taken any action because it is revising its tariffs and is expected to submit the new rates to GATT for approval.

Mr. President, in closing, I wish to say that if the Congress allows the 1934 Trade Agreements Act, laughingly called a reciprocal trade act, to expire at midnight on June 12 of this year, the fixing of duties, imposts, and excises and the regulation of foreign commerce reverts to the Tariff Commission, which as an agent of Congress is directed to determine the difference in the cost—not the highest or lowest cost, but the fair cost—between the production of any article in this country and of a like article in the chief competing foreign nation, and to recommend such difference as the duty or tariff.

The Tariff Commission determines the tariff on the basis that if it costs $22 to manufacture a sewing machine in Japan, when the cost of labor in Japan is 15 cents an hour as compared to $72 with $1.80 per hour labor in this country, the Tariff Commission determines the difference, and recommends the amount of the tariff.

The State Department operates under the 1934 Trade Agreements Act entirely independent of Congress, and decides what is for the national good. If the Secretary of State determines that it is for the national good to put the sewing machine, the mineral industry, and the watch industry out of business in this country and allow the low-wage nations to capture the market for such products through free trade, then the State Department may make such an agreement. Under the 1934 Trade Agreements Act, it is the Secretary of State who regulates the national economy. Under the Constitution of the United States, it is the Congress of the United States. Article I, section 8, of the Constitution, provides that the Congress of the United States, the legislative branch, has the duty to set the duties, imposts, and excises, and to regulate foreign commerce. Why? The debates indicate that the regulation of the domestic economy was left in the hands of the Congress of the United States, because Members of Congress represent every area in this Nation. The Constitution of the United States provides that the elected representatives of the people shall regulate the national economy. I call that to the attention of my colleagues, Mr. President.

PUBLIC WORKS CONSTRUCTION FOR THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of the bill (H. R. 8097) to authorize the financing of a program of public-works construction for the District of Columbia, and for other purposes.

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

The PRESIDING OFFICER (Mr. WELKER in the chair). The Secretary will call the roll.

The legislative 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. CASE. Mr. President, the pending amendment, offered by the Senator from Oregon [Mr. MORSE], to the amendments of the Senator from Maine [Mr. PAYNE], presents a rather clear-cut issue for decision. The amendment of the Senator from Oregon proposes to increase the Federal Government's contribution by $5,225,000 over and above whatever increases are provided by the bill as reported by the committee.

The Senator from Oregon has made a speech on behalf of the National Capital; and I think most of us can endorse the sentiments expressed by him in the course of his speech, namely, the desire to have a beautiful Capital, a Capital with good streets, good bridges, good highways, and other good public facilities.

However, I fear that the amendment of the Senator from Oregon would not accomplish the purposes of its sponsor. For many years Congress authorized for the District of Columbia a Federal appropriation far in excess of the appropriation actually voted by Congress. Only within the last 2 years has Congress appropriated the full amount of the authorization of $11 million.

The pending bill proposes that the District of Columbia itself increase its revenues by about $14 million a year, and that the contribution of the Federal Government be increased by $9 million, the top two-thirds of which would be dedicated to a public-works program, conditioned upon the ability of the District of Columbia to match, by means of revenues raised by the District of Columbia, the Federal Government's contribution.

If the amendment of the Senator from Oregon were adopted, I fear that, in the first place, the Appropriations Committees would not report a bill providing for the appropriation of the amount of the authorization; and, in the second place, if the Appropriations Committees did not report a bill calling for the appropriation of the full amount of the authorization, and if, at the same time, it were made impossible for the District of Columbia to obtain the revenue it would obtain under the provisions of the pending bill, then the District of Columbia would not have the revenue with which to match the increased appropriation by the Federal Government, and thus the increased Federal Government appropriation would not be made and would not be effective. In other words, I think the purpose of the amendment of the Senator from Oregon would actually be defeated.

Mr. President, I believe the issue presented by the amendment of the Senator from Oregon is a rather simple and clear-cut one. I hope the Senate will vote immediately upon the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute, submitted by the Senator from Oregon [Mr. MORSE] to the amendments of the Senator from Maine [Mr. PAYNE].

Mr. MORSE. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. MORSE. 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. 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 ask for the yeas and nays on the question of agreeing to the amendment in the nature of a substitute, submitted by the Senator from Oregon [Mr. MORSE] to the amendments of the Senator from Maine [Mr. PAYNE].

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HAYDEN (when his name was called). On this vote I have a pair with the junior Senator from Montana [Mr. MANSFIELD]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Indiana [Mr. CAPEHART] are absent on official business.

The Senator from North Dakota [Mr. LANGER] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Pennsylvania [Mr. DUFF], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Indiana [Mr. JENNER], the Senator from California [Mr. KUCHEL], the Senator from Connecticut [Mr. PURTELL], the Senator from New Jersey [Mr. SMITH], and the Senator from New Hampshire [Mr. UPTON] are necessarily absent. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "yea."

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senators from West Virginia [Mr. KILGORE and Mr. NEELY], the Senator from North Carolina [Mr. LENNON], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. MCCARRAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from Georgia [Mr. GEORGE], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Montana [Mr. MANSFIELD] are necessarily absent.

I announce further that on this vote the Senator from Louisiana [Mr. LONG] is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Louisiana would vote "nay," and the Senator from West Virginia would vote "yea."

I announce also that if present and voting, the Senator from Massachusetts [Mr. KENNEDY] would vote "yea."

The result was announced—yeas 15, nays 51, as follows:

YEAS—15

Anderson	Ives	Morse
Douglas	Jackson	Murray
Ferguson	Johnston, S. C.	Payne
Hennings	Kefauver	Schoeppel
Hill	Lehman	Young

NAYS—51

Barrett	Ellender	McClellan
Beall	Flanders	Millikin
Bennett	Frear	Monroney
Bowring	Goldwater	Mundt
Bricker	Gore	Pastore
Burke	Green	Potter
Bush	Hickenlooper	Robertson
Butler, Md.	Hoey	Saltonstall
Butler, Nebr.	Holland	Smathers
Carlson	Johnson, Colo.	Smith, Maine
Case	Johnson, Tex.	Stennis
Clements	Kerr	Symington
Cooper	Knowland	Thye
Cordon	Malone	Watkins
Daniel	Martin	Welker
Dirksen	Maybank	Wiley
Dworshak	McCarthy	Williams

NOT VOTING—30

Aiken	Hayden	Long
Bridges	Hendrickson	Magnuson
Byrd	Humphrey	Mansfield
Capehart	Hunt	McCarran
Chavez	Jenner	Neely
Duff	Kennedy	Purtell
Eastland	Kilgore	Russell
Fulbright	Kuchel	Smith, N. J.
George	Langer	Sparkman
Gillette	Lennon	Upton

So Mr. MORSE's amendment in the nature of a substitute for the amendments of Mr. PAYNE was rejected.

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

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. As I understand, the pending question is on agreeing to the amendments offered by the Senator from Maine [Mr. PAYNE]. Is that correct?

The PRESIDING OFFICER. The Senator from California is correct. The question is on agreeing to the amendments offered by the Senator from Maine [Mr. PAYNE]. The yeas and nays have been ordered.

Mr. CASE. Mr. President, I shall not detain the Senate for more than 2 or 3 minutes. I wish to explain to the Senate what the amendments offered by the Senator from Maine would do. The Senator from Maine has been a very hard-working and valuable member of the Committee on the District of Columbia, and he is presenting a very fine study of the transportation system in the District of Columbia.

The amendments he offers are amendments which propose to substitute 3 or 4 different types of taxes, or increases in taxes, for the tax on groceries which is included in the committee bill.

The bill is a District of Columbia revenue bill. It is designed to make it

possible for the District of Columbia to have a public-works program. At the present time the law does not permit the Commissioners to submit an unbalanced budget to Congress.

The bill provides for increasing the revenues of the District. If the District increases its revenues, the bill authorizes a limited increase in the Federal contribution, but most of the Federal contribution is conditioned upon the District raising additional revenue to match the Federal contribution for sewers, water extensions, streets, bridges, buildings, and various items of that nature.

The amendments offered by the Senator from Maine would eliminate the 1-percent tax on groceries and reduce the personal income-tax exemption, which is now $4,000, to $3,000. It would mean an increase in the personal income tax of the people who pay it. I believe that would be somewhat in violation of the pledge that was made to the people to retain the higher personal income-tax exemption at the time the sales tax was first set up.

The second increase, under the amendments, would be in the realty tax. The bill proposes an increase in the realty tax from the present $2.15 a hundred to $2.20. The Payne amendments would increase it by an additional 10 cents. That is an increase which the District Commissioners oppose very much. They are afraid it would increase the present flight to the suburbs. They are very much opposed to it.

The third increase in the Payne amendments would be a 2 percent sales tax on local telephone service, which would raise about $400,000. It strikes me that it would be a little inconsistent for us, after having reduced the excise tax on telephone calls nationally, to increase the excise tax on telephone service in the District of Columbia.

The fourth tax proposed in the Payne amendments would be a new tax, to apply to unincorporated businesses. The committee gave some consideration to that matter. No doubt it would raise a great deal of money. It is estimated that it would raise a half million dollars. However, it is a new type of tax, and no city with which I am familiar has had any experience with that kind of tax. Perhaps the District may some day wish to give some consideration to such a tax, but I doubt that it should be enacted at this time, with the limited amount of study we have been able to give to it.

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

Mr. CASE. I yield.

Mr. THYE. With reference to the proposed 2 percent tax on telephone service, am I correct in understanding that the greatest user of telephone service in the District is the Federal Government?

Mr. CASE. I believe that is correct.

Mr. THYE. Therefore, the Federal Government would pay the tax in the expenditures made by the various agencies of the Government. If that is the case, we might as well make a direct appropriation, instead of increasing the excise tax.

Mr. CASE. I believe that is correct. I trust the Senate will reject the amendments.

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

Mr. CASE. I yield.

Mr. ELLENDER. Did I understand the Senator to say that the Federal contribution would be increased by what is provided in the pending bill?

Mr. CASE. The pending bill increases the contribution by $9 million, two-thirds of it being conditioned upon the District increasing its own revenue to match the contribution.

Mr. ELLENDER. The amendments would not increase the Federal contribution?

Mr. CASE. That is correct.

Mr. ELLENDER. They would make it possible to collect taxes with which to match the contribution. Is that correct?

Mr. CASE. Yes. However, they strike out the other revenue.

Mr. ELLENDER. But they deal with revenue only?

Mr. CASE. Yes; not with the Federal contribution.

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

Mr. CASE. I yield.

Mr. JACKSON. Perhaps I should make a point of order. I wonder how long it will be before the Senate will vote. I must attend a television program, as the Senate knows.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendments, en bloc, offered by the Senator from Maine [Mr. PAYNE]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from North Dakota [Mr. LANGER] is absent by leave of the Senate.

The Senator from Vermont [Mr. AIKEN] and the Senator from Indiana [Mr. CAPEHART] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Pennsylvania [Mr. DUFF], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Indiana [Mr. JENNER], the Senator from California [Mr. KUCHEL], the Senator from Connecticut [Mr. PURTELL], the Senator from New Jersey [Mr. SMITH], and the Senator from New Hampshire [Mr. UPTON] are necessarily absent. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "yea."

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senators from West Virginia [Mr. KILGORE and Mr. NEELY], the Senator from North Carolina [Mr. LENNON], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from Georgia [Mr. GEORGE], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Montana [Mr. MANSFIELD] are necessarily absent.

I announce further that on this vote the Senator from Louisiana [Mr. LONG] is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Louisiana would vote "nay," and the Senator from West Virginia would vote "yea."

I announce also that if present and voting, the Senator from Massachusetts [Mr. KENNEDY] would vote "yea."

The result was announced—yeas 23, nays 45, as follows:

YEAS—23

Cordon	Hill	Schoeppel
Douglas	Ives	Smathers
Dworshak	Jackson	Thye
Ferguson	Lehman	Welker
Flanders	Monroney	Wiley
Gillette	Morse	Williams
Goldwater	Murray	Young
Hennings	Payne	

NAYS—45

Anderson	Dirksen	Martin
Barrett	Ellender	Maybank
Beall	Frear	McCarthy
Bennett	Gore	McClellan
Bowring	Green	Millikin
Bricker	Hayden	Mundt
Burke	Hickenlooper	Pastore
Bush	Hoey	Potter
Butler, Md.	Holland	Robertson
Butler, Nebr.	Johnson, Colo.	Russell
Carlson	Johnson, Tex.	Saltonstall
Case	Johnston, S. C.	Smith, Maine
Clements	Kerr	Stennis
Cooper	Knowland	Symington
Daniel	Malone	Watkins

NOT VOTING—28

Aiken	Humphrey	Magnuson
Bridges	Hunt	Mansfield
Byrd	Jenner	McCarran
Capehart	Kefauver	Neely
Chavez	Kennedy	Purtell
Duff	Kilgore	Smith, N. J.
Eastland	Kuchel	Sparkman
Fulbright	Langer	Upton
George	Lennon	
Hendrickson	Long	

So Mr. PAYNE'S amendments were rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 8097) was read the third time and passed.

Mr. CASE. Mr. President, I move that the Senate reconsider the vote by which House bill 8097 was passed.

Mr. KNOWLAND. Mr. President, I move that the motion be laid on the table.

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

The motion to lay on the table was agreed to.

AMENDMENT OF LABOR MANAGEMENT RELATIONS ACT OF 1947

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar 1217, Senate bill 2650, to amend the Labor Manage-

ment Relations Act of 1947, and for other purposes.

I would say for the information of the Senate that I merely desire to make the bill the unfinished business before the Senate. When we dispose of routine business this afternoon I shall move that the Senate stand in recess until Monday next. At that time there will be a call of the calendar of bills to which there is no objection, from where we left off the last time the calendar was called, and then we will proceed to the debate and discussion of the bill which I have just mentioned.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 2650) to amend the Labor Management Relations Act of 1947, and for other purposes.

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

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2650) to amend the Labor Management Relations Act of 1947, and for other purposes, which had been reported by the Committee on Labor and Public Welfare, with an amendment.

ORDER FOR RECESS UNTIL MONDAY

Mr. KNOWLAND. Mr. President, I am prepared to keep the Senate in session for the introduction of any matters into the RECORD; but as soon as that has been completed, I shall be prepared to suggest that the Senate take a recess.

I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 o'clock noon on Monday next.

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

MAY DAY FESTIVITIES—FREE ELECTION IN POLAND

Mr. KNOWLAND. Mr. President, before Senators leave the Chamber, I desire to call up a resolution which was reported by the Committee on Foreign Relations, on which some discussion was had earlier in the day, when both the majority leader and the minority leader were absent from the Chamber. At that time it had been pointed out that there had been no discussion with either the majority leader or the minority leader with reference to the resolution being placed on the program for today. Had I been present, I should have felt that, under all the circumstances, and with the general understanding which is held on both sides of the aisle, the matter should go over until I could have consulted with the minority leader and also had had an opportunity to check with the members of the committee, and with other Senators who would have wished to have the matter discussed with them.

The question has now been discussed by the minority leader and the majority leader with Senators on both sides of the aisle, and I understand the minority leader is now prepared to have the resolution considered immediately, without its having to go to the calendar.

In the normal course of events, I believe it is better legislative procedure to have any resolution which comes from a committee go to the calendar. But due to the fact that the concurrent resolution in question relates to May Day, which is a day that is celebrated by Communists throughout the world, and because the concurrent resolution expresses hope and inspiration to the people who are temporarily enslaved behind the Iron Curtain, I think that if the measure is to have any value, it should be considered at this time, for it will be subsequent to May Day when the Senate meets on Monday next. Therefore, I am prepared to waive the objection I would normally have to the consideration of the concurrent resolution because of the time element.

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

Mr. KNOWLAND. I am glad to yield to the distinguished minority leader.

Mr. JOHNSON of Texas. I share fully the views expressed by the distinguished majority leader. I was called to the telephone and was, therefore, absent for a few minutes earlier in the day. When I returned, I explained to the distinguished chairman of the Committee on Foreign Relations the procedure that is always followed, and he agreed to defer his request.

I appreciate the courtesy which the majority leader always shows to the minority in connection with programing the business of the Senate. I know that if he had been present, he would have done just as he said he would have done, and would not have allowed the measure to be considered until the minority had been forewarned.

Mr. KNOWLAND. Mr. President, the Senator from Illinois [Mr. DOUGLAS] is prepared to submit the concurrent resolution. I suggest that it be called up while many Senators are still present.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Concurrent Resolution 58.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may submit a Senate resolution in lieu of the concurrent resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none.

The resolution (S. Res. 241) submitted by Mr. DOUGLAS was thereupon read and considered, as follows:

Whereas the General Assembly of the United Nations has called upon every nation, as one of the essentials of peace, to promote, in recognition of the paramount importance of preserving the dignity and worth of the human person, full freedom for the peaceful expression of political opposition, full opportunity for the exercise of religious freedom and full respect for all the other fundamental rights; and

Whereas the Government of the Soviet Union and the satellite governments, which it has imposed upon its captive countries, have consistently ignored and flouted the principles listed above; and

Whereas the Soviet Government repeatedly has given lip service to the idea of free and unfettered elections in those captive countries; and

Whereas the Soviet Government has, in addition, forcibly and aggressively incorporated the territory of the nations of Lithuania, Estonia, and Latvia into the Soviet Union; and

Whereas the Soviet Government has furthermore been found responsible by a committee of Congress for the Katyn massacre of Polish military personnel; and

Whereas the General Assembly, in considering the suppression, by the Governments of Bulgaria, Hungary, and Rumania, of human rights and fundamental freedoms in violation of their peace-treaty obligations, has expressed the opinion that the three countries are callously indifferent to the sentiments of the world community; and

Whereas the United Nations General Assembly has expressed the grave concern which is felt by all decent men "at reports and information that North Korean and Chinese Communist forces have, in a large number of instances, employed inhuman practices against the heroic soldiers of forces under the United Nations command in Korea and against the civilian population of Korea": Therefore, be it

Resolved, That—

(1) The Senate condemns the notorious disregard for fundamental human rights and basic civil and religious liberties in all countries under the domination of the Soviet Government.

(2) The Senate condemns the refusal of the Soviet Government and of its puppet governments to allow free and fair elections in Poland, Hungary, Rumania, Bulgaria, Albania, Czechoslovakia, and the Soviet zone of Germany.

(3) The Senate endorses the refusal of Presidents Roosevelt, Truman, and Eisenhower to recognize the Soviet conquests of Lithuania, Estonia, and Latvia.

(4) The Senate condemns the flagrant disregard for human life shown by the Soviet Government throughout the areas under its domination, and particularly in the atrocities committed by Communist regimes in the Katyn Forest and in Korea.

(5) The Senate endorses the resolution of the United Nations General Assembly of December 3, 1953, condemning "the commission by any governments or authorities of murder, mutiliation, torture, and other atrocious acts against captured military personnel or civilian populations, as a violation of rules of international law and basic standards of conduct and morality and as affronting human rights and the dignity and worth of the human person."

(6) The Senate requests the President to use all available and appropriate means, through the United Nations, United States Information Agency, and otherwise, to keep the facts of the Soviet Government's inhuman actions in these matters and its violations of solemn agreements before the attention of the world and to let the subject peoples know that they have not been forgotten.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 241) was agreed to.

The preamble was agreed to.

The PRESIDING OFFICER. Without objection, the concurrent resolution (S. Con. Res. 58) will be indefinitely postponed.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Michigan will state it.

Mr. FERGUSON. Do I understand correctly that the concurrent resolution

which has been adopted by the Committee on Foreign Relations, of which I am a member, has been changed to a simple Senate resolution?

Mr. DOUGLAS. The Senator is correct.

The PRESIDING OFFICER. The concurrent resolution was changed to a simple resolution, and was agreed to as a simple resolution.

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

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. Was not the resolution reported by the Committee on Foreign Relations as a concurrent resolution?

Mr. DOUGLAS. It was reported as a concurrent resolution, which would have necessitated joint action by the House. But since there would not be time for the House to act before May 1, the Committee on Foreign Relations recommended that the concurrent resolution be agreed to as a Senate resolution.

Mr. KNOWLAND. It is because of the time element that the action has been taken without the concurrence of the House; but the language of the Senate resolution is precisely the same as that which was included in the concurrent resolution reported by the committee.

Mr. FERGUSON. The only reason why I raised the point was that I thought the action would be much stronger if it were taken by both Houses of Congress. I think both Houses are interested in making the resolution as strong as possible, as representing the opinion of the people of the United States. I merely wished to raise the point that a concurrent resolution would have indicated that the House of Representatives, as well as the Senate, was in favor of the resolution as reported by the Senate Committee on Foreign Relations.

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

Mr. FERGUSON. I yield.

Mr. KNOWLAND. I have just been informed, and I believe the information to be accurate, that the House is about to recess until Monday next.

Mr. FERGUSON. If that is so, I shall not press the point any further.

Mr. KNOWLAND. I do not believe it would be possible to obtain the concurrence of the House before May 1, notwithstanding prompt action by the Senate.

Mr. FERGUSON. That being true, I shall not raise any objection. I think the expression of the sense of the Senate is important in this matter, although I believe it would have been much stronger and more representative of the feelings of the people of the United States if Congress could have agreed to a concurrent resolution.

Mr. DOUGLAS. Mr. President, does the action which has been taken indicate approval of the resolution as a simple Senate resolution, with the necessary language changes having been made, namely, with the word "Senate" being substituted for the word "Congress"?

The PRESIDING OFFICER. The Senator from Illinois is correct.

Mr. DOUGLAS. I thank the Chair.

POLISH CONSTITUTION DAY

Mr. FERGUSON. The Senate having agreed to the resolution, I now wish to place in the RECORD as a part of my remarks a statement in relation to May 3, which is the anniversary of the adoption of the Polish Constitution.

On May 3, Americans of Polish descent, together with Americans generally, will have in mind Polish Constitution Day, for it is the 163d anniversary of the adoption of the Polish Constitution in 1791.

I am glad that the Committee on Foreign Relations was able to submit the resolution which has just been agreed to. As I have already said, I think it would have been stronger, when presented to the people of the world, if both Houses of Congress had acted on it. But I am glad to be able to have the Senate resolution made a part of the RECORD today, so that the world may know that Americans have in mind the desire for liberty and freedom on the part of the people behind the Iron Curtain.

Mr. President, I ask unanimous consent that my statement relative to the anniversary of Polish Constitution Day be printed at this point in the RECORD.

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

STATEMENT BY SENATOR HOMER FERGUSON ON ANNIVERSARY OF POLISH CONSTITUTION DAY

Mr. President, Monday, May 3, will be celebrated by Americans of Polish descent and by Americans generally, as Polish Constitution Day, for it is the 163d anniversary of Poland's Constitution of 1791.

I am certain that freedom-loving citizens in Poland today would risk imprisonment and death if they were to take public note of this occasion so it is important for freedom in Poland and here in the United States for us to observe this anniversary on behalf of those suffering people.

Constitution day cannot be celebrated in Poland today because the constitution of 1791 is a document of freedom and liberty. It gave formal expression to that age-old striving of the Polish people for their liberty. Like our own Constitution which was adopted only 2 years earlier, the Polish Constitution places sovereignty in the people and bases the government on the consent of the governed. It is a remarkable document and one whose provisions still inspire free men.

It is particularly appropriate that this day be honored in America because the bonds between the people of this country and the people of Poland, in spite of the present Communist regime at Warsaw, continue to be close and firm. We Americans acknowledge with appreciation the great contributions which citizens of Polish descent have made to our Nation from its very beginning.

Americans and Poles, too, stand shoulder to shoulder in their unshakable opposition to their common enemy, international communism.

This year it is heartening to know that we can celebrate Polish Constitution Day without doing it under the spying eyes of Communist agents in Polish Communist consulates in Detroit, Chicago, and New York. I am delighted to have been able, with the aid of many Polish groups, to secure the closing of these Communist centers which operated as an open insult to the millions of Americans of Polish descent.

This action by our Government has been effective in reducing Communist propaganda outlets in this country and reducing the number of diplomatic Communist agents in the country. The real effectiveness of these closings is proved, in my opinion, by the noisy protests which the Communist government registered. Needless to say, these protests fell on deaf ears in our State Department.

The policy of the United States for many years has favored and supported a strong, free, and independent Poland with the unrestricted right of the Polish people freely to select their own form of government.

This policy has been strongly emphasized during the past year by our President and Secretary of State. I am confident that we will continue to use every peaceful means to achieve the objectives of our policy in this respect.

Our present policy includes complete opposition to the idea of freezing the captive nations behind the Iron Curtain and we must continue to oppose this. We cannot recognize as legitimate and permanent those regimes whose rule is based on police power, treachery, and brutal conquest. Our Government's official position supports every peaceful means which will enable Poland and the other countries of Eastern Europe to take their proud and rightful places as free and independent nations.

We know that the overwhelming majority of Poles are unyielding opponents of Communist domination and we take this opportunity to salute their bravery, their patriotism, and their love of freedom.

The people of Poland are our friends and our allies. We have not forgotten them and we never will. We owe it to them to labor by all proper means for their liberation and we shall do so.

Mr. SALTONSTALL. Mr. President, I wish to commend the Senator from Michigan upon his statement, and I join with him in his remarks.

On Sunday, in Boston, I intend to participate in a meeting of Polish-American citizens, who are tremendously interested in the independence and the freedom of Poland. I was glad to be able to join with the Senator from Michigan, and with other Senators, in the resolution which has been agreed to, and to be able to so inform the Polish-American citizens on Sunday.

Mr. MORSE. Mr. President, I wish to congratulate the Committee on Foreign Relations upon its resolution calling for free elections in Poland, because it is further evidence that we in the United States recognize that freedom cannot exist without a free ballot.

MESSAGES FROM THE PRESIDENT

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

REORGANIZATION PLAN NO. 1 OF 1954—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 381)

The PRESIDING OFFICER (Mr. BARRETT in the chair) laid before the Senate a message from the President of the United States, transmitting Reorganization Plan No. 1 of 1954, relating to the Foreign Claims Settlement Commission of the United States, which was read, and, with the accompanying paper, referred to the Committee on Government Operations.

(For President's message, see House proceedings in today's CONGRESSIONAL RECORD.)

REORGANIZATION PLAN NO. 2 OF 1954—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 382)

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, transmitting Reorganization Plan No. 2 of 1954, relating to the liquidation of certain affairs of the Reconstruction Finance Corporation, which was read, and, with the accompanying paper, referred to the Committee on Government Operations.

(For President's message, see House proceedings in today's CONGRESSIONAL RECORD.)

THE FLEXIBLE FARM POLICY

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a statement addressed to the Oregon congressional delegation by Mark V. Weatherford, a distinguished lawyer of Oregon, who is thoroughly familiar with the problems of the American farmer. I desire to associate myself with the arguments he presents in his very fine statement.

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

STATEMENT ON FARM ISSUE SUBMITTED TO OREGON CONGRESSIONAL DELEGATION BY MARK V. WEATHERFORD

May I discuss with you some of the features of the new farm bill which is now in committee and will probably be before Congress in the very near future? It is named the flexible farm policy.

THE BILL IS MISNAMED

This new bill is termed the flexible farm policy. The only thing that flexes is the lowering of the price the farmer receives. That which he is compelled to pay out in his operation remained fixed. One of the greatest items the wheat farmer meets is freight rates. These are fixed by law, State and Federal, upon a basis to guarantee cost of operation and a reasonable return upon the investment. These laws are as inflexible as the Rock of Gibraltar. The same applies to the cost of power and electricity, telephone rates, and all corporate services which the farmer must purchase. These rates are fixed and inflexible. The new farm bill proposes to leave these secure and fixed and still lower the price of wheat under the term of a flexible policy. The only thing that flexes is the price that the farmer receives. We, therefore, submit that the term "flexible" farm prices is a misnomer.

THE PRESENT FARM BILL IS A FLEXIBLE FARM PRICE BILL

After years of study and groping, there crept into the legislation of Congress on the farm laws, the word "parity," which means that the farmer shall receive a sum which puts him on an equality with other industries. If freight rates go up under the rule of parity, the guaranteed price goes up. If freight rates go down, likewise, under the parity rule, farm prices go down. This applies to all other commodities, including farm machinery, equipment, and all things that the farmer purchases. This is a flexible farm policy, and it is the only way that a flexible policy can exist. Under the present law the farmer is given only 90 percent of parity; still this is based upon a flexible formula.

The present proposed law is not flexible. It doesn't disturb the cost of machinery, the cost of freight rates, the cost of power rates, the cost of telephone rates, or the cost of labor, but arbitrarily slashes the farm price and leaves all of the prices that he must pay out in his operations fixed and inflexible. The bill is nothing more or less than a provision that sells the farmers down the river. The new bill is misnamed. It is unfair and it will bring disaster to agriculture.

BRIEF HISTORY OF FARM LEGISLATION

The writer had a small part in farm legislation. He was president of the first group of wheat growers who assembled to discuss farm prices at Arlington, Oreg., in 1923, when efforts were initiated by the wheat growers to meet the situation and get the wheat industry on an equality with other industries. The writer had returned from World War I somewhat as a disabled soldier and spent 6 years, from 1920 through 1925, in wheat raising, primarily to regain his health, and during that time, and since, has been engaged in operating an averaged-sized farm in the wheat areas of Gilliam County, now joined by his daughter and son-in-law and his son and another associate. Since 1923 the writer has been more or less active in the wheat program of the United States Congress. He wrote probably the first draft of the McNary-Haugen bill and cooperated with Senator McNary and later Congressman Pierce in assisting to formulate a farm program. The McNary-Haugen bill was copied after the Brazilian coffee bill. It guaranteed a domestic price for the part of the crop used in this country, with the idea that the exportable surplus should be sold upon world market price. It twice passed Congress; it was twice vetoed, among other things, on the ground that it was unconstitutional.

Those who advocate the present so-called plan for a two-price system are advocating substantially the same thing that the McNary-Haugen bill provided.

The Grange had what they called a debenture plan, which was never passed by Congress. Later came the bill that was declared unconstitutional by the United States, and then, substantially, the present farm bill which has worked for years, and has kept agriculture on an equality with other industries and has been a means of creating and maintaining prosperity in the Nation. To disturb this law is to unsettle agriculture and bring about uncertainty in the Nation, if not greater disastrous results.

THE PRESENT AGRICULTURE LAW IS NONPARTISAN

The present law under which agriculture has prospered is a nonpartisan bill. So far as Oregon is concerned, we were fortunate in having Senator McNary until his death as chairman of the Agriculture Committee of the Senate, and Walter Pierce a member of the Agriculture Committee of the House. One was a Republican and the other a Democrat. They did yeoman work for the farmers and for the Nation all along the line as long as either of them was in Congress in establishing a suitable farm policy.

SURPLUS

It is claimed that we cannot continue the present farm policy because of the surpluses which have been created. This is not a sound objection to the present law, and the writer is discussing the present law as it applies to wheat. The farmers were asked to produce to the maximum during World War II and during the Korean war, this because of the ending of the war has created a surplus.

The current crop under the old law has been cut down in acreage, which is the only feasible way of cutting down surpluses. The farmers overwhelmingly voted for this cut-down in acreage. On the writer's ranch alone, in compliance with this law, 600 acres has been planted to barley—substantially one-third of the acreage in crop this year. All farmers have likewise cut down the acreage. This is the method provided under the present law for the elimination of surpluses. It is the only method known to Congress whereby this can be done.

Surpluses cannot be cut down by lowering the price. The farmers, in order to meet their obligations, will raise all that they possibly can in order to make ends meet, if the price is lowered. We had that experience in the twenties and early thirties. The wheat was worth 28 cents a bushel, and the writer sold one crop for that price. The reason for the low price given at that time was surplus—too much wheat. So the low price did not solve the farm situation. On the contrary, it created the depression, with monumental loss to the whole Nation. The farmer could not buy equipment; factories closed, and the depression was nationwide. Taxes could not be paid; farm mortgages were foreclosed all over the Nation.

During this time, however, under Federal law and State law, freight rates, power rates, telephone rates were all guaranteed to those engaged in that line of business. They were as inflexible as the Rock of Gibraltar. The farm price was flexible and as an illustration of the result, attention is called to the situation the farmer met at that time. Few farmers then had trucks; they could not buy them. They had to hire the wheat hauled. In the writer's operation this cost 7 cents a bushel. The freight rate was about 8 cents a bushel to the terminal. The terminal price was 35 cents. Thus 15 cents of the 35 cents was exacted by the inflexible freight rates. That left 20 cents per bushel out of the 35 cents which was received for the crop. At that time the writer joined others in the agitation to the effect that freight rates should be flexible and when the wheat price was lowered, the freight rates should be lowered. No relief was available.

It cannot be said that lower prices will solve the farm problem. On the contrary, it will cause farm failure and national failure. It did it in the 1920's and 1930's, and it will do it again.

The national economy is now geared to the parity program and to disturb it by a so-called flexible program which is inflexible as to all the farmer buys and flexible only to what he sells, by lowering his price, is a program of ruin. Prices are upon a high level. Tractors which formerly could be bought for from four to six thousand dollars are now priced at from nine to twelve thousand dollars. Combines formerly could be bought for $3,000; now they are $9,000. These prices are stated roughly. The last tractor the writer bought was $7,500. Taxes on the farm which in the early 1940's were $1,100 a year, are now substantially $4,000 per year. Exact figures on all of these questions are more readily available to you gentlemen than they are to the writer. The present wheat price of 90 percent of parity makes it possible for the farmer to survive in meeting these high prices. To disturb this situation by lowering the farmer's prices and leaving what he must pay out in his operation at the inflexible price fixed by law, is to invite inequality and create havoc with the farming industry. It is to invite disaster to the Nation.

Every farm must pay additional taxes, far above what now exists, and they have already raised, substantially, four times since 1942 in order to take care of the growing school problem which is national in its scope. Other governmental local expenses likewise will continue to increase. These burdens cannot be borne by agriculture with a lowering of the commodities that it produces. It means economic disaster for the farmer and the Nation. We have gone through it once. This will cause us to go through it again.

BOTH PARTIES PLEDGED EQUALITY TO THE FARMER

Politically, the farmer in the last election voted for Eisenhower in the majority, and this upon his promise that the farmer should receive not only 90 percent of parity but 100 percent of parity. The farmers heard this

speech where he made this pledge. It is realized that the Oregon delegation is Republican, with the exception of one Independent, and, while the writer is a Democrat, he, as well as all citizens, expect that a pledge solemnly made to the voters of the Nation will be kept, not only by the President of the United States but by the Representatives of the successful party in Congress.

RECESS UNTIL MONDAY

The PRESIDING OFFICER. If there be no further business before the Senate, the Senate will stand in recess, under the previous order of the Senate, until 12 o'clock noon on Monday next.

Thereupon (at 4 o'clock and 6 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Monday, May 3, 1954, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 29 (legislative day of April 14), 1954:

POSTMASTERS

CALIFORNIA

Ernest L. Kincaid, Napa.
Edward C. Wright, National City.
Marion R. Bessac, Riverbank.
John J. Vizzolini, Westley.

ILLINOIS

John R. Depper, Caseyville.
Harry A. Lange, Mattoon.

MASSACHUSETTS

Robert H. Hughes, Oak Bluffs.

MINNESOTA

Raymond J. Michelau, Dundee.

MONTANA

Willard J. Adams, Bridger.

NEW JERSEY

John R. Dougherty, Bordentown.
Margaret G. Spencer, Lake Hopatcong.
Frank Elia, Union City.

PENNSYLVANIA

Charles M. Brubaker, Dornsife.
Anna E. Lefever, Holtwood.
Dallas L. Darr, Jacobus.
George A. McDowell, Jamestown.
Marianna W. McClelland, Masontown.
Lillian M. Mengle, Port Clinton.
Jacob F. Lefever, Smoketown.
Walter C. Snyder, Swarthmore.
Charles W. Snyder, Three Springs.
Keith G. Baird, Youngwood.

SOUTH DAKOTA

Harold O. Ewing, Jr., Turton.
Marvin W. Wilcox, Volin.
Clair E. Woodard, White.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 29, 1954

The House met at 11 o'clock a. m.

The Reverend Edward J. Craddock, Nashville, Tenn., offered the following prayer:

Our Father, who art in heaven, may Thy name be exalted in all the earth, Thy will be done. We are thankful for past blessings, for Thy guiding hand in all things. Lord, today we pray for guidance. Give us the faith of Abraham, to live beyond ourselves with ultimate good in mind. Like Solomon, we seek wisdom to do the right thing. May parents with David say, "Except the Lord build the house, they labor in vain who build it." Give our young people Gideon's discipline and will to leadership. May they see in us, most of all, integrity, that, like Joshua, we may know our own minds. Like Paul, may we be committed with the sense of mission for life or death.

God bless the President, the Congress, all leaders of Government, and all the people. In Jesus' name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2098. An act to provide for the compensation of certain persons whose lands have been flooded and damaged by reason of fluctuations in the water level of the Lake of the Woods.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2665. An act to amend the Classification Act of 1949, as amended, and the Federal Employees Pay Act of 1945, as amended, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8481. An act making supplemental appropriations for the fiscal year ending June 30, 1954, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BRIDGES, Mr. FERGUSON, Mr. CORDON, Mr. SALTONSTALL, Mr. HAYDEN, Mr. RUSSELL, and Mr. MCCARRAN to be the conferees on the part of the Senate.

SPECIAL ORDER GRANTED

Mr. FORAND asked and was given permission to address the House for 30 minutes on Monday next, following the legislative program and any special orders heretofore entered.

FILING OF CERTAIN CLAIMS UNDER WAR CLAIMS ACT OF 1948

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6896) to extend the period for the filing of certain claims under the War Claims Act of 1948 by World War II prisoners of war, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 7, strike out "November" and insert "August."

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

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. ANGELL asked and was given permission to address the House for 15 minutes today, following the legislative program of the day and any special orders heretofore granted, and also to revise and extend his remarks and include extraneous matter.

CALL OF THE HOUSE

Mr. SCRIVNER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously, a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 57]

Barrett	Gamble	Pilcher
Battle	Graham	Powell
Bender	Haley	Radwan
Boykin	Harrison, Va.	Reed, Ill.
Camp	Hart	Richards
Carlyle	Herlong	Roberts
Chatham	Howell	Saylor
Chelf	Jenkins	Shafer
Clardy	Kearney	Sieminski
Crosser	Kersten, Wis.	Sutton
Curtis, Mo.	King, Calif.	Talle
Curtis, Nebr.	Klein	Thompson, Mich.
Deane	Lantaff	Walter
Dies	McDonough	Warburton
Dingell	Martin, Iowa	Weichel
Dollinger	Metcalf	Westland
Donovan	Morrison	Wier
Dorn, S. Dak.	Murray	Yorty
Doyle	Norblad	
Engle	O'Konski	
Fine	Osmers	

The SPEAKER. On this rollcall 371 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

APPOINTMENT TO COMMISSION ON INTERGOVERNMENTAL RELATIONS

The SPEAKER. Pursuant to the provisions of section 2, Public Law 109, 83d Congress, the Chair appoints as a member of the Commission on Intergovernmental Relations to fill the existing vacancy thereon, the gentleman from Massachusetts, Mr. GOODWIN.

SPECIAL ORDERS GRANTED

Mr. HYDE asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders heretofore entered.

Mr. SHEEHAN asked and was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.