developed by an able group of young veterans of World War II, the nonsubsidized all-cargo airlines, actually made the largest contribution to the recent Tokyo airlift of any segment of our air industry during the Korean hostilities; in fact, these nonsubsidized cargo carriers flew more than 55 percent of the entire tonnage moved by our civilian airlines during this emergency.

Furthermore, one of these all-cargo carriers, the Flying Tiger Line, Inc., now the largest cargo air line in the world, has offered to carry mail for the Government without subsidy at about one-third of the minimum service rate now being paid by the Government for the carriage of airmail. Although their applications have been pending for many months, no action has as yet been taken by the Civil Aeronautics Board. On the other hand, the passenger air lines have been permitted by the Board to compete with the cargo lines in the freight field, with their competition subsidized by supplemental revenues from mail, express, passengers, and actually also by Government subsidy aid.

Under the Civil Aeronautics Act of 1938, the Civil Aeronautics Board has the responsibility for the encouragement and development of an air transportation system properly adapted to the present and future needs of the foreign and domestic commerce of the United States, of the postal service, and of the national defense. Nowhere in the Civil Aeronautics Act is the Board's responsibility limited to the development and encouragement of passenger air lines alone. In the declaration of policy by the Congress, it was intended that all worthwhile segments of civil aeronautics be encouraged in their proper and adequate development by the Civil Aeronautics Board, and subsidy aid was provided for by the Congress merely as one of the means whereby the Civil Aeronautics Board might assist in maintaining adequate air transportation required for the commerce of the United States, the postal service, and the national defense. Nowhere in the Civil Aeronautics Act is it suggested that the interest of the Civil Aeronautics Board in the development of adequate civil aviation be limited to those air lines who receive subsidy aid or who are made eligible by the Board to receive such Government aid.

During the past year a study of Federal aviation policies has been made at the request of the President of the United States by his Air Coordinating Committee. A report entitled "Civil Air Policy" was made by the Committee on May 1, and on May 26, this year, the President adopted the report "as a guide in future consideration of questions related to the subject of civil aviation and in making recommendations to Congress." I quote briefly from portions of the report regarding air cargo:

> The potential value of a healthy and expanding air-cargo industry to our economy and national defense has become increasingly apparent. A quickened industrial pace, combined with the national need to utilize our resources more efficiently, promises to make the movement of cargo by air as essential as the established need for air carriage of persons and mail.
>
> Proper growth of the air-cargo industry will provide, in addition to economic benefits, a civil air-cargo fleet forming a substantial security asset in the event of national mobilization.
>
> The further development of the air-cargo industry, with particular emphasis on all-cargo services, is in the national interest and should be encouraged.

The President's Air Coordinating Committee report continues on at some length regarding the national importance of the cargo airlines and makes a number of recommendations as to ways in which Federal agencies should encourage the development and maintenance of a healthy cargo industry by expanded use of civil cargo airlift, by granting all-cargo carriers certificates of longer duration to enable them to obtain adequate financing, and so forth. It would be certainly consistent with the President's civil air policy, as well as with the intent of Congress as expressed in the Civil Aeronautics Act, for the Civil Aeronautics Board to permit all-cargo carriers of proven worth and stability, such as the world's largest all-cargo carrying airline, the Flying Tiger Line, Inc., to carry such cargo as express, parcel post and mail, which come rightfully within the category of property or cargo, which these airlines are especially equipped to handle.

Recently on May 18, Mr. Robert W. Prescott, president of the Flying Tiger Line, Inc., testified before the Interstate and Foreign Commerce Committee of the Senate regarding the current status of the all-cargo airlines. Mr. Prescott's statement is, in my opinion, extremely worthwhile and I believe will be of considerable interest to Members of the House of Representatives—it was placed in the Appendix of the daily CONGRESSIONAL RECORD on June 30, 1954.

While we are being asked by the Civil Aeronautics Board for millions of dollars in appropriations to enable them to carry out that part of their responsibility for the maintenance of services by the passenger airlines, I take this opportunity to remind the Board and to call to the attention of the Congress that the Board also has a responsibility under the Civil Aeronautics Act of 1938 for fostering and maintaining a healthy air freight industry, which has become essential to our economy and to the national defense by such action by the Board as will reflect equitable treatment for this segment of the aviation industry under existing law and existing executive policy.

SENATE

TUESDAY, JULY 6, 1954

(Legislative day of Friday, July 2, 1954)

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

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

O Thou God of our fathers, to the high altar of Thy everlasting mercy we come each with his private need which only Thou knowest. We return to the hard and stern facts of the present bitterly divided world, after our hearts have been strangely moved by the inspiring spectacle of our dear land of the free reveling in the celebration of its dearly bought liberties, and resolving with new vows registered in heaven to defend and preserve our heritage against all foes. As the sacred memories of dark and doubtful days, when was launched this noble experiment dedicated to the freely expressed will of all the people, again stir the Republic on the birthday of the state, may we the spiritual heirs of the founders follow in their train, in these most perilous days since the clanging bell rang out its great glad tidings proclaiming liberty to all the land. We ask it in the name of that One whose truth makes men free. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

> UNITED STATES SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, D. C., July 6, 1954.*
>
> *To the Senate:*
>
> Being temporarily absent from the Senate, I appoint Hon. J. GLENN BEALL, a Senator from the State of Maryland, to perform the duties of the Chair during my absence.
>
> STYLES BRIDGES,
> *President pro tempore.*

Mr. BEALL 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 Friday, July 2, 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 passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 9680. An act to provide for the continued price support for agricultural products; to augment the marketing and disposal of such products; to provide for greater stability in agriculture; and for other purposes; and

H. J. Res. 534. Joint resolution to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes.

COMMITTEE APPOINTED TO ATTEND FUNERAL OF THE LATE SENATOR BUTLER OF NEBRASKA

The ACTING PRESIDENT pro tempore announced that, pursuant to the second resolving clause of Senate Resolution 274, agreed to July 1, 1954, the Vice President had appointed the following Senators to constitute, together with the Vice President, the committee on the part of the Senate to attend the funeral of the late Senator Butler of Nebraska:

Mrs. BOWRING, Mr. BRIDGES, Mr. WILEY, Mr. LANGER, Mr. AIKEN, Mr. MILLIKIN, Mr. CORDON, Mr. SMITH of New Jersey, Mr. CAPEHART, Mr. HICKENLOOPER, Mr. MORSE, Mr. SALTONSTALL, Mr. YOUNG, Mr. KNOWLAND, Mr. FLANDERS, Mr. SPARKMAN, Mr. BRICKER, Mr. IVES, Mr. JENNER, Mr. MCCARTHY, Mr. MALONE, Mr. MARTIN, Mr. THYE, Mr. WATKINS, Mr. WILLIAMS, Mr. MUNDT, Mr. HENDRICKSON, Mr. SCHOEPPEL, Mrs. SMITH of Maine, Mr. DWORSHAK, Mr. CLEMENTS, Mr. CARLSON, Mr. BENNETT, Mr. BUTLER, Mr. CASE, Mr. DIRKSEN, Mr. WELKER, Mr. DUFF, Mr. BUSH, Mr. COOPER, Mr. POTTER, Mr. KUCHEL, Mr. BARRETT, Mr. BEALL, Mr. GOLDWATER, Mr. GORE, Mr. PAYNE, Mr. PURTELL, Mr. UPTON, and Mr. CRIPPA.

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.

CALL OF THE ROLL

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

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

The Chief Clerk called the roll, and the following Senators answered to their names:

Beall	Fill	Monroney
Bricker	Holland	Murray
Crippa	Johnson, Tex.	Neely
Daniel	Johnston, S. C.	Payne
Dirksen	Knowland	Schoeppel
Ervin	Langer	Smathers
Flanders	Lehman	Stennis
Goldwater	Magnuson	Williams
Gore	Mansfield	
Hendrickson	Martin	

Mr. KNOWLAND. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Wyoming [Mr. BARRETT], the Senator from Utah [Mr. BENNETT], the Senator from Nebraska [Mrs. BOWRING], the Senator from South Dakota [Mr. CASE], the Senator from Idaho [Mr. DWORSHAK], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Nevada [Mr. MALONE] are necessarily absent having been appointed members, on the part of the Senate, of the committee to attend the funeral of the late Senator Butler of Nebraska.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Michigan [Mr. FERGUSON], the Senator from Michigan [Mr. POTTER], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Hampshire [Mr. UPTON], and the Senator from Wisconsin [Mr. WILEY], are necessarily absent.

Mr. JOHNSON of Texas. I announce that the Senator from Kentucky [Mr. CLEMENTS] and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent, having been appointed members on the part of the Senate of the committee to attend the funeral of the late Senator Butler of Nebraska.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senators from Louisiana [Mr. ELLENDER and Mr. LONG], the Senator from Delaware [Mr. FREAR], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from North Carolina [Mr. LENNON], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

The ACTING PRESIDENT pro tempore. A quorum is not present.

Mr. KNOWLAND. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. ANDERSON, Mr. BURKE, Mr. BUSH, Mr. BUTLER, Mr. BYRD, Mr. CAPEHART, Mr. CARLSON, Mr. CHAVEZ, Mr. COOPER, Mr. CORDON, Mr. DUFF, Mr. FULBRIGHT, Mr. GEORGE, Mr. HAYDEN, Mr. IVES, Mr. JENNER, Mr. JOHNSON of Colorado, Mr. KILGORE, Mr. KUCHEL, Mr. MCCARRAN, Mr. MCCARTHY, Mr. MILLIKIN, Mr. MORSE, Mr. MUNDT, Mr. PASTORE, Mr. PURTELL, Mr. ROBERTSON, Mr. RUSSELL, Mrs. SMITH of Maine, Mr. SMITH of New Jersey, Mr. SYMINGTON, Mr. THYE, Mr. WATKINS, Mr. WELKER, and Mr. YOUNG entered the Chamber and answered to their names.

The ACTING PRESIDENT pro tempore. A quorum is present.

Morning business is now in order, under the usual 2-minute limitation on speeches.

EXECUTIVE COMMUNICATIONS, ETC.

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

PROPOSED AWARD OF CONCESSION CONTRACT, MOUNT VERNON, VA.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed award of a concession contract to provide accommodations, facilities, and services for the public at Mount Vernon on the George Washington Memorial Parkway, Virginia (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON TITLE X OF CLASSIFICATION ACT OF 1949

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, a report on the operations of title X of the Classification Act of 1949, for the fiscal year 1953 (with an accompanying report); to the Committee on Post Office and Civil Service.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

BERNARDINO CANARES SACLO

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report in the case of Bernardino Canares Saclo, and inquiring what action has been taken by the Congress in connection therewith (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore:

A resolution adopted by the convention of the Evangelical Lutheran Church of America, Minneapolis, Minn., relating to proposed legislation to provide a chaplain for the Military Academy; to the Committee on Armed Services.

A resolution adopted by the Missouri River States Committee at Yellowstone National Park, favoring the enactment of the bill (S. 2321) granting the consent of Congress to the States of Colorado, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact for the disposition, allocation, diversion, and apportionment of the waters of the Missouri River and its tributaries, and for other purposes; to the Committee on Interior and Insular Affairs.

A letter in the nature of a petition from the Association of American Geographers, signed by Burton W. Adkinson, secretary, embodying a resolution adopted by that Association, relating to the payment of the United States quota to the Pan American Institute of Geography and History; to the Committee on Foreign Relations.

Telegrams from the Governor of the Virgin Islands, the Chamber of Commerce of St. Thomas, and Bill and Nillie Greer, of St. Thomas, all of the Virgin Islands, expressing condolences at the death of the late Senator Butler of Nebraska; ordered to lie on the table.

FARM PROBLEMS—RESOLUTIONS OF PEMBINA COUNTY (N. DAK.) FARMERS UNION CONVENTION

Mr. LANGER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, six resolutions adopted by the 1954 convention of the Pembina County (N. Dak.) Farmers Union, relating to full parity for agriculture, and so forth. These resolutions are signed by Wilbur Roselton, president, J. E. Peterson, secretary, and Roman Stellon, Carol Roselton, and Glen A. Martin, members of the executive committee.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

REPORT OF RESOLUTIONS COMMITTEE OF THE 1954 PEMBINA COUNTY FARMERS UNION CONVENTION

RESOLUTION 1

We reaffirm our stand of full parity for agriculture on all our basic crops and we urge our Congressmen and Senators to fight for full parity and use their vote and influence to secure passage of full parity legislation for agriculture. We suggest that a copy of this resolution be sent to each of our Senators and Congressmen.

RESOLUTION 2

We urge our county board to expand our junior work so that the work with our young people may be carried on in every local in the county. We urge the members in the locals to take a more active part in junior work to act as leaders and to help in getting our young folks interested and to attend the various junior and reserve camps. We urge the members of our locals to give the voting juniors responsible positions in our locals.

RESOLUTION 3

Whereas the trend of agriculture in North Dakota is definitely toward fewer and larger farms, and

Whereas we believe that this trend is endangering the very existence of the family farm, the small towns, the schools, the churches, and the small businessman.

Now, therefore, we, the Pembina County Farmers Union in convention assembled, do hereby contend that measures should be taken to stop this trend by enacting an enabling amendment to the constitution of North Dakota that will make it possible for the legislature or the people to enact a graduated tax on land to become an effective method to discourage this trend and to insure the future of the family farm in the State of North Dakota.

RESOLUTION 4

We urge the managers of our cooperatives to use all the facilities and handle the products offered by our regional cooperatives and to restrict their outside purchases to those items that cannot be secured through cooperative channels. We also urge the managers of our cooperatives to take a more active part in the Farmers Union locals, working closely with them in the Farmers Union educational program.

RESOLUTION 5

We recommend to our county board that they do their utmost to reactivate the various dormant locals in the county and to put on a vigorous membership campaign.

RESOLUTION 6

We wish to thank the Cavalier City Band for providing music for our evening program and for rescheduling their program to accommodate our plans.

WILBUR HOSELTON,
President.
J. E. PETERSON,
Secretary.
ROMAN STELLON,
CAROL HOSELTON,
GLEN A. MARTIN,
H. E. SWITZER,
Presiding.

VETERANS' HOSPITAL AT COLUMBIA, S. C.—RESOLUTION OF DEPARTMENT OF SOUTH CAROLINA AMERICAN LEGION

Mr. JOHNSTON of South Carolina. Mr. President, it has been called to my attention that in South Carolina veterans are suffering because of the scarcity of beds in veterans' hospitals. To illustrate my point, 180,000 additional South Carolina veterans emerged from World War II, and more than 30,000 from the Korean conflict, and there have not been any additional beds provided in the veterans' hospital at Columbia, S. C.

The American Legion, Department of South Carolina, adopted a resolution, which I ask to have appropriately referred and printed in the body of the RECORD at this point.

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

Whereas the veterans' hospital at Columbia was opened in December 1932, and later in the 1930's was enlarged to a total capacity of 609 beds, to provide only for veterans of the Spanish War and World War I; and

Whereas approximately 180,000 additional veterans emerged from World War II, and more than 30,000 came out of the Korean conflict, giving us a total veteran population in excess of 235,000, there has been no new hospital construction in South Carolina since 1945, as has been the case in many States where the need has not been greater; and

Whereas the limited allocation of funds for the operation of the hospital in Columbia for the fiscal year beginning July 1, 1954, makes it necessary to fix the operating bed capacity to 427 beds and thereby rendering it impossible for that hospital to provide medical and surgical care for only a segment of those veterans who not only need hospitalization but who are not financially able to pay for it in other hospitals; and

Whereas as evidence of this deplorable situation there is a constant waiting list of applicants, the daily total running from 150 to 200, thus necessitating a long waiting period, with the prospect that as time passes the number of applicants will increase because of age factors; and

Whereas even though there are VA general medical and sugical, neuropsychiatric, and TB hospitals located in the adjoining States of North Carolina and Georgia, only a limited number of beds in those hospitals are available for our overflow of applicants, and none for the mental case unless it has been declared to be service connected, thereby making it necessary for the State hospital in Columbia to care for our mental cases: Therefore, be it

Resolved, That the American Legion, Department of South Carolina at its annual convention convened in Greenville this the 22d day of June 1954, goes on record as deploring the unfortunate situation which faces the sick and disabled veterans in South Carolina who need hospitalization who are not able to pay for same in private hospitals; be it further

Resolved, That the department protests the present practice of limiting funds for the operation of the hospital in Columbia and thereby removing from use approximately 175 beds which were constructed for the benefit of South Carolina veterans, while at the same time opening and staffing new hospitals in other areas of the country; be it further

Resolved, That a copy of this resolution be furnished each Member of our congressional delegation to the end that they may again be reminded of the seriousness of the situation in our State which has created a burden on State-supported sanataria.

I certify that this resolution was passed at the department convention in Greenville, June 22, 1954.

J. J. BULLARD,
Department Adjutant.

HEALTH SERVICE PREPAYMENT PLAN REINSURANCE ACT—TELEGRAM

Mr. CARLSON. Mr. President, last week I received a telegram from Dr. J. L. Lattimore, chairman of the legislative committee of the Kansas Medical Society, expressing the opposition of the medical profession of Kansas 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.

Dr. Lattimore's telegram is well substantiated by a large number of letters I have received from medical doctors of the State of Kansas.

As the hearings on Senate 3114 have been concluded, it is impossible for me to make this telegram a part of the committee record, and therefore, I am calling it to the attention of the Senate and request that it be printed in the RECORD and referred to the Committee on Labor and Public Welfare.

There being no objection, the telegram was referred to the Committee on Labor and Public Welfare and ordered to be printed in the RECORD, as follows:

TOPEKA, KANS., *June 30, 1954.*

Senator FRANK CARLSON,
Senate Office Building,
Washington, D. C.:

Medical profession of Kansas strongly opposed to reinsurance bill S. 3114 and would appreciate your vote against this proposal.

J. L. LATTIMORE, M. D.,
Chairman, Legislative Committee,
Kansas Medical Society.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

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

S. 120. A bill for the relief of Gerasimos Giannatos (Rept. No. 1710);

S. 231. A bill for the relief of Otmar Sprah (Rept. No. 1711);

S. 232. A bill for the relief of Hugo Kern (Rept. No. 1712);

S. 808. A bill for the relief of Frederick Wiesinger (Rept. No. 1713);

S. 810. A bill for the relief of Jan E. Tomczycki (Rept. No. 1714);

S. 1212. A bill for the relief of Alice Masaryk (Rept. No. 1715);

S. 2387. A bill for the relief of Willy Voos and his wife, Alma Voos (Rept. No. 1716);

S. 2510. A bill for the relief of Paul Lewerenz and Margareta Ehrhard Lewerenz (Rept. No. 1717);

S. 2542. A bill for the relief of Glicerio M. Ebuna (Rept. No. 1718);

S. 2635. A bill for the relief of Nadeem Tannous and Mrs. Jamile Tannous (Rept. No. 1719);

S. 2798. A bill for the relief of Azizollah Azordegan (Rept. No. 1720);

S. 2958. A bill for the relief of Ida Reissmuller and Johnny Damon Eugene Reissmuller (Rept. No. 1721);

S. 3306. A bill for the relief of Kang Chay Won (Rept. No. 1722);

H. R. 733. A bill for the relief of Hildegard H. Nelson (Rept. No. 1723);

H. R. 734. A bill for the relief of Mihai Handrabura (Rept. No. 1724);

H. R. 944. A bill for the relief of Mr. and Mrs. Zygmunt Sowinski (Rept. No. 1725);

H. R. 1115. A bill for the relief of Mrs. Suhula Adata (Rept. No. 1726);

H. R. 1762. A bill for the relief of Sugako Nakai (Rept. No. 1727);

H. R. 2899. A bill for the relief of Igor Shwabe (Rept. No. 1728);

H. R. 3333. A bill for the relief of Julia N. Emmanuel (Rept. No. 1729);

H. R. 3624. A bill for the relief of Peter M. Leaming (Rept. No. 1730);

H. R. 6650. A bill for the relief of Joseph Gerny (Rept. No. 1731);

H. R. 6998. A bill for the relief of Erna White (Rept. No. 1732);

H. R. 7500. A bill for the relief of Kurt Forsell (Rept. No. 1733); and

H. R. 7802. A bill for the relief of Hanna Werner and her child, Hanna Elizabeth Werner (Rept. No. 1734).

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

S. 328. A bill for the relief of Casimero Rivera Gutierrez, Teresa Gutierrez; Sisana Rivera Gutierrez; Martha Aguilera Gutierrez, and Armando Casimero Gutierrez (Rept. No. 1735);

S. 771. A bill for the relief of Anni Wolf and her minor son (Rept. No. 1736);

S. 966. A bill for the relief of Demitrious Vasilious Karavogeorg (Rept. No. 1737);

S. 2456. A bill for the relief of Martin Genuth (Rept. No. 1738);

S. 2504. A bill for the relief of Elisa Albertina Cioccio Rigazzi or Elisa Cioccio (Rept. No. 1739);

S. 2512. A bill for the relief of Jeannette Kalker and Abraham Benjamin Kalker (Rept. No. 1740);

S. 2587. A bill for the relief of Domencio Peri (Rept. No. 1741); and

S. 3085. A bill for the relief of Mrs. Helen Stryk (Rept. No. 1742).

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

S. 673. A bill for the relief of Urho Paavo Patokoski and his family (Rept. No. 1743); and

H. R. 1673. A bill for the relief of James I. Smith (Rept. No. 1744).

AMENDMENT OF SUBVERSIVE ACTIVITIES CONTROL ACT, RELATING TO IDENTITY OF CERTAIN COMMUNIST-INFILTRATED ORGANIZATIONS—REPORT OF A COMMITTEE

Mr. BUTLER. Mr. President, from the Committee on the Judiciary, I report an original bill to amend the Subversive Activities Control Act of 1950 to provide for the determination of the identity of certain Communist-infiltrated organizations, and for other purposes, and I submit a report (No. 1709) thereon.

In view of the hard work which has been performed in the field embraced by the bill by certain Senators, I ask unanimous consent that the bill bear the names of the following Senators, in addition to my own, as cosponsors: The Senator from Nevada [Mr. MCCARRAN], the Senator from Arizona [Mr. GOLDWATER], the Senator from Michigan [Mr. FERGUSON], and the Senator from Idaho [Mr. WELKER].

The ACTING PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar; and, without objection, the names of the additional cosponsors will be added to the bill, as requested by the Senator from Maryland.

The bill (S. 3706) to amend the Subversive Activities Control Act of 1950 to provide for the determination of the identity of certain Communist-infiltrated organizations, and for other purposes, reported by Mr. BUTLER from the Committee on the Judiciary, 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. BUTLER:

S. 3705. A bill for the relief of Edoardo Maria Filippo Baldassare Perrone di San Martino; to the Committee on the Judiciary.

S. 3706. A bill to amend the Subversive Activities Control Act of 1950 to provide for the determination of the identity of certain Communist-infiltrated organizations, and for other purposes; placed on the calendar.

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

By Mr. BRICKER:

S. 3707. A bill to amend the Interstate Commerce Act in order to provide civil liability for violations of such act by common carriers by motor vehicles and freight forwarders; to the Committee on Interstate and Foreign Commerce.

MUTUAL SECURITY ACT OF 1954—AMENDMENTS

Mr. SMATHERS. Mr. President, I submit for appropriate reference amendments intended to be proposed by me to the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes, the Mutual Security Act of 1954. I ask unanimous consent that the amendments, together with a statement by me relative thereto, be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The amendments will be received, referred to the Committee on Foreign Relations, and will be printed; and, without objection, the amendments and statement will be printed in the RECORD.

The amendments submitted by Mr. SMATHERS are as follows:

On page 21, line 15, strike out "$130,000,000" and insert "$124,000,000."

On page 21, line 20, strike out "$85,000,000" and insert "$81,000,000."

On page 24, lines 17 to 19, strike out "$112,070,000 for technical cooperation programs in the Near East, Africa, south Asia, Far East, and Pacific, and Latin America" and insert "$88,570,000 for technical cooperation programs in the Near East, Africa, south Asia, and Far East and Pacific, and $33,500,000 for such programs in Latin America."

The statement by Senator SMATHERS is as follows:

STATEMENT BY SENATOR SMATHERS

Not too long ago I stated on the Senate floor in bringing to the attention of the Senate the danger of the Communist menace in Latin America that I would submit amendments to the foreign aid bill which would increase funds intended for use in Latin American countries.

I am submitting the amendments today for now that the threatened yoke of communism has been thrown off in Guatemala, it is vitally necessary that we assist the anti-Communist forces in Latin America to eliminate the conditions of poverty and illiteracy in which the seeds of communism blossom and flourish.

It is not my purpose in proposing the amendments to increase the total amount of foreign aid, but merely to reallocate the funds found to be necessary so that Latin America will receive its proper proportionate place in this program. My amendments are designed to transfer funds where it will least affect any planned program in connection with foreign aid. Therefore under title II of the foreign aid bill, my amendments propose to reduce the sum of $215 million allocated for development assistance for the Near East, Africa, and South Asia by $10 million and increase the $25 million set aside for technical cooperation assistance to Latin America to $35 million, specifically earmarking this for Latin America.

Specifically, the amendments propose to reduce the authorization for economic development assistance for the Near East and Africa from $130 million to $124 million or approximately 4.6 percent. They further propose to reduce the authorization for economic development assistance for South Asia from $85 million to $81 million or approximately 4.7 percent. They further propose to break down the technical cooperation authorization of $112,070,000 into $88,570,000 for the Near East, Africa, South Asia, and the Far East and Pacific and $33,500,000 for Latin America. The amendments will not in any way have the effect of increasing the overall amount of $3,500,000,000 for foreign aid.

There can be no question that great need exists for raising the standard of living in Latin America, and that the people there must be able to look forward to a better life along with their neighbors, if we are to prevent the spread of communism in the Western Hemisphere.

The proposed amendments are not intended to limit the aid for Latin American countries to the $35 million technical cooperation assistance program. The purpose is to bring the matter to the attention of the Foreign Relations Committee where it is hoped serious consideration will be given to a program providing adequate foreign aid to Latin America. I am hopeful that the committee will see fit to increase the amount of aid going to Latin America for this purpose far in excess of the proposed increase suggested in my amendments. It is my feeling that if we are to spend approximately $3,500,000,000 for foreign aid, we should spend at least a half billion of this sum in our own hemisphere.

As I have stated in the past, we must act, as well as talk, like good neighbors. The time has now arrived to take some of the money proposed to be spent for foreign aid in other areas of the world and utilize it to its maximum advantage within our own hemisphere. At the time the foreign aid bill was first presented to the Congress, I feel sure that the threat of the Communist menace in Latin America had not received the attention that it deserves today. We must take a more realistic approach to this problem and the time to do it is now.

HOUSE BILL AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bill and joint resolution were each read twice by their titles, and referred or placed on the calendar, as indicated:

H. R. 9680. An act to provide for the continued price support for agricultural products; to augment the marketing and disposal of such products; to provide for greater stability in agriculture; and for other purposes; to the Committee on Agriculture and Forestry.

H. J. Res. 534. Joint resolution to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes; placed on the calendar.

REVISION OF THE ORGANIC ACT OF THE VIRGIN ISLANDS—CHANGE OF CONFEREE

Mr. CORDON. Mr. President, I ask unanimous consent that the name of the Senator from California [Mr. KUCHEL] be substituted for that of the late Senator Hugh Butler, of Nebraska, as a conferee on the bill (S. 3378) to revise the Organic Act of the Virgin Islands of the United States.

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

WATER FOR IRRIGATION AND DOMESTIC USE FROM THE SANTA MARGARITA RIVER, CALIF.—CHANGE OF CONFEREE

Mr. CORDON. Mr. President, I ask unanimous consent that the name of the Senator from Utah [Mr. WATKINS] be substituted for that of the late Senator Hugh Butler, of Nebraska, as a conferee on the bill (H. R. 5731) to authorize the Secretary of the Interior to construct, operate, and maintain certain facilities to provide water for irrigation and domestic use from the Santa Margarita River, Calif., and the joint utilization of a dam and reservoir and other waterwork facilities by the Department of the Interior and the Department of the Navy, and for other purposes.

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

PRINTING OF REVIEW OF REPORT ON AMAZON CREEK, OREG. (S. DOC. NO. 131)

Mr. MARTIN. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated April 30, 1954, from the Chief of Engineers, Department of the Army, together with accompanying papers and an illustration, on a review of report on Amazon Creek, Oreg., with a view to determining whether any modification of the existing project for flood protection at Eugene, Oreg., should be made at this time, which was requested by a resolution of the Committee on Public Works dated October 14, 1949. I ask unanimous consent that the report be referred to the Committee on Public Works and be printed as a Senate document, with an illustration.

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

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

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

Charles E. Whittaker, of Missouri, to be United States district judge for the western district of Missouri, vice Albert L. Reeves, retired; and

B. Hayden Crawford, of Oklahoma, to be United States attorney for the northern district of Oklahoma, vice Whitfield Y. Mauzy, resigned.

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

William F. Tompkins, of New Jersey, to be an Assistant Attorney General; and

Raymond Del Tufo, Jr., of New Jersey, to be United States attorney for the district of New Jersey, vice William F. Tompkins, promoted.

STAR MAIL ROUTE IN NEW MEXICO

Mr. ANDERSON. Mr. President, we are having some trouble finding the facts with reference to a star mail route in New Mexico.

A veteran named Liberato A. Leal, Jr., who spent 37 months in the South Pacific, was 1 of 30 bidders who responded to a post office circular of March 18 calling for a bid on Star Route 67169 from Bernalillo to Pena Blanca in Sandoval County. Leal was the low bidder and was so notified by the Post Office Department on June 18. He was told to begin his work on July 1. He made arrangements for an investment of $2,500 in equipment so that he might start July 1, but on June 28 the order was rescinded and orders are being issued extending the present contract of Romeo Ortiz which calls for compensation at a rate nearly 50 percent higher than the bid of Mr. Leal.

This is not, or at least should not be, a political squabble, since all three of the low bidders are Republicans. Apparently the contract was suspended on the basis that Leal was a young man. He is young—28 years old—but he was not too young to wear the uniform of his country and not too young to serve in the South Pacific for more than 3 years.

In the second place it was charged that he was not a resident of the county; but he has lived there all of his life. The final charge was that he bid for someone else. The fact that he arranged to buy the equipment and do the work indicates that this veteran was looking only for a job for himself.

In order that this situation may be properly understood, I ask unanimous consent to have printed in the RECORD at this point a letter to me from Dick Montoya, sheriff of Sandoval County, attesting to the good character of this young veteran, a letter from Manuel Aragon, mayor of Bernalillo, N. Mex., the county seat of Sandoval County, letters from J. F. Castillo, Jr., and Isidro Sanchez, both of Bernalillo, together with the wording of a petition signed by hundreds of his friends and neighbors, starting with Mrs. Joe E. Gros, of Bernalillo, N. Mex. To save space in the RECORD, I will not include all the other names, but will supply them to the Post Office Department if anyone there is interested in the case of this veteran.

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

BERNALILLO, N. MEX., *July 3, 1954.*

Hon. CLINTON P. ANDERSON,
United States Senator,
Washington, D. C.

DEAR SENATOR: I beg to impose on your good office for assistance in behalf of a veteran and resident of the county in which I serve as sheriff.

I have known Liberato Leal, Jr., since he was a very young boy. I have known his family as well. He is a fine young man and has served his country in the Armed Forces with honor. He is 28 years old.

It is my information that he was awarded a mail contract, and that upon the filing by some unknown person of charges against this young man his contract was recalled.

I know of nothing against his character and I highly recommend your intercession in his behalf.

Sincerely,

DICK MONTOYA,
Sheriff, Sandoval County.

BERNALILLO, N. MEX., *July 3, 1954.*

Hon. CLINTON P. ANDERSON,
United States Senate,
Washington, D. C.

DEAR SENATOR: Liberato Leal, Jr., a citizen of Sandoval County, was notified on June 18 by the Assistant Postmaster General that he had been accepted to carry the mail on route 67169, from Bernalillo to Pena Blanca.

On June 28, he was informally notified that his contract had been recalled, giving no explanation for the action taken. Many of the unsuccessful bidders as well as residents of Bernalillo would like to know the facts regarding the rescinding of said contract.

I have had close acquaintance with Mr. Leal since his return from the United States service. If he is given an opportunity to vindicate himself from the charges filed with the Postal Transportation Service, I am positive that he will give us excellent service as a United States mail carrier.

I highly recommend Mr. Leal for this particular position.

Very truly yours,

MANUEL ARAGON,
Mayor of Bernalillo.

BERNALILLO, N. MEX., *July 3, 1954.*

Senator CLINTON P. ANDERSON,
United States Senator,
Washington, D. C.

DEAR SENATOR: I am calling your attention in behalf of Liberato Leal. Mr. J. C. Allen, Assistant Postmaster General, notified him on the 18th of June that he had been the successful bidder for mail route 67,169 and instructed him to commence carrying the mail on July 1, 1954.

On June 28, 1954, after having gone to considerable expense in preparing himself to perform the duties of mail carrier, he was notified by the postal transportation service here in Albuquerque that his contract had been rescinded and that the present contractor would have his contract extended.

This matter has aroused many people here in Sandoval County, in view of the unfair treatment given to one of its citizens.

Information has reached us that charges have been filed with the postal transportation service in Washington by one individual against this young man. I will appreciate it if your office can find out the details regarding these charges and who filed them.

I respectfully request that an investigation of these charges be made, and if said charges are without foundation that Mr. Leal's contract be reconsidered and he be given the opportunity to perform his duties on said route.

Yours very truly,

J. F. CASTILLO, Jr.

BERNALILLO, N. MEX., *July 3, 1954.*

Hon. CLINTON P. ANDERSON,
United States Senate,
Washington, D. C.

DEAR SIR: In fairness to residents that are being served by mail route 67,169, I recommend that a change of mail carrier be effected.

Mr. Ortiz, the present mail-route carrier, is at the present time holding two 8-hour jobs, one as mail carrier, the other at the

port of entry. Therefore, he cannot render satisfactory service.

I highly endorse Mr. Liberato Leal, who was the successful bidder.

Yours truly,

ISIDRO SANCHEZ,
Livestock Inspector.

To Whom It May Concern:

We, the undersigned petitioners, served by mail route No. 67169, respectfully request that an investigation be made regarding the circumstances which led to the rescinding of Liberato Leal's mail contract. He had already been officially notified of the contract award and had gone to the expense of $2,500 to meet the terms of this contract. It now develops that some individual placed charges against this man and as a result thereof has lost the contract.

We state to the best of our knowledge this man is a reputable citizen and has a clean military service record. He is responsible and honest.

We urge that immediate action be taken to correct the injustice which has been done.

Signed this 3d day of July 1954.

(Names and addresses omitted.)

SUBSIDY REQUIREMENTS OF CERTAIN UNITED STATES AIR CARRIERS

Mr. BRICKER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a letter from Hon. Chan Gurney, Chairman of the Civil Aeronautics Board, in regard to the payment of subsidies to airlines, dealing with the problem of the division accounting, to which the attention of the Senate was brought by the letter inserted in the RECORD of June 8, 1954, by the Senator from West Virginia [Mr. KILGORE].

This letter is a reply from Chairman Gurney, of the Civil Aeronautics Board, to the Attorney General's letter pointing out that $50 million of alleged savings is not actually the fact. The Postmaster General's letter is, to a degree, confusing, and the Chairman of the Civil Aeronautics Board attempts to clarify the issue.

The "offset" decision is involved in Senate bill 3426, on which the Committee on Interstate and Foreign Commerce has scheduled further hearings for July 8. Mr. Gurney's letter will explain the issues that are raised by the letter of the Postmaster General. I ask unanimous consent that it be printed in the RECORD at this point.

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

CIVIL AERONAUTICS BOARD,
Washington, July 1, 1954.

Hon. JOHN W. BRICKER,
Chairman, Senate Committee on Interstate and Foreign Commerce, United States Senate, Washington, D. C.

DEAR SENATOR BRICKER: At the hearing on June 21, 1954, before the Senate Committee on Interstate and Foreign Commerce in connection with S. 3426, you requested the Board to submit comments regarding a letter and accompanying table submitted by the Postmaster General to Senator KILGORE of the Senate Appropriations Committee indicating that, as the result of the decision of the Supreme Court in the C. & S. case, as much as $50,798,000 might be available in reduction of the subsidy requirements of several United States air carriers. The letter and table presented by the Postmaster General appear in the daily CONGRESSIONAL RECORD of June 8, 1954, at pages A4234 and A4235.

It is indeed disturbing that after the considerable testimony and materials that have been submitted on the offset question to the Senate and House Appropriations Committees by the Board and the Post Office there should be so much misunderstanding and confusion. No one can presently eliminate the uncertainty that stems from the fact that the mail rate cases to which the ruling of the Supreme Court in the C. & S. case is to be applied are pending before the Board and will not be concluded for some time. Nor can anyone presently predict with certainty just how profitable will be the domestic operations of a particular carrier also operating an international division for the purpose of determining how much profit, if any, will be available to carry its losing foreign division. We can and are anxious, however, to clarify further certain points that have been the subject of statements appearing in the CONGRESSIONAL RECORD during recent weeks.

1. First of all, I should like to focus your attention on the Postmaster General's $50 million figure as it might affect the Board's request for appropriations for the fiscal year 1955, since it is believed that there has been a substantial amount of misunderstanding on this score. Approximately $47 million of that amount—that is, all but about $4 million—relates to periods prior to October 1, 1953, the date on which the provisions of Reorganization Plan No. 10 which became effective and hence to periods during which the Postmaster General remains responsible for the payment of all airmail pay, including subsidies. Under Plan No. 10, the Board is responsible for requesting appropriations and making payment of subsidies only in connection with services rendered on and after October 1, 1953. Obviously, therefore, the maximum extent to which any part of the $50 million figure could affect the Board's request for appropriations for fiscal 1955 is approximately $4 million. This takes full account of any elements of carryover from the appropriation transferred from the Post Office Department to the Board for the last 9 months of fiscal 1954, that is, after October 1, 1953.

2. Further, with respect to the Board's appropriations request for fiscal 1955, it is believed that there is little likelihood that the C. & S. decision will have any material effect on the subsidy requirements for the industry as a whole for fiscal 1955. The details supporting this conclusion are set forth for each carrier in the printed copy of the hearings before the subcommittee of the Committee on Appropriations, United States Senate, at pages 1989 and 1991. A copy of that statement is submitted herewith for inclusion in this record.

It is common knowledge that domestic airline earnings have declined sharply during the past year, and, indeed, a number of air carriers have stated publicly their opinion that 1954 domestic earnings will fall below a fair return on the basis of the rates presently in effect for the several services. A year or 2 ago, a good many carriers were earning substantially more than 8 percent on their domestic operations without any subsidy whatsoever. Thus, it is possible that for such past periods excess earnings may be available for offset against international subsidies otherwise payable. It is apparent, however, that the current level of earnings has declined to the point where it becomes at least seriously doubtful whether the Board will be able to find, after notice and hearing, that there will be excess earnings available for offset against the subsidy requirements of the international divisions of the several carriers involved in pending mail rate proceedings before the Board. At a later date, if the earnings of the subsidy-free domestic division of these carriers again increase, it is possible that sufficient excess earnings will develop to justify the Board in reopening certain rates for appropriate adjustment.

3. Turning away now from the relation of the $50 million figure to the Board's request for appropriations for fiscal 1955 to a consideration of other aspects of such figure, it is important to bear in mind that the Post Office Department is a full party to the pending proceedings in which the offset issue is present, and indeed was the party that was essentially responsible for taking the C. and S. case to the Supreme Court. The figure is therefore to be considered in the nature of an assertion by an interested party to a proceeding as to what it believes the body charged with making a decision ought to agree with. In noting this point, the Board, of course, does not mean to cast disrepect or impugn the motives of the Post Office or any other party to the pending proceedings. It is at least an understandable responsibility of each party to put its best foot forward, just as it is the responsibility of the Board to decide cases before it in accordance with its best understanding of its duties under the Civil Aeronautics Act.

You must understand that there are wide differences between the parties to these proceedings, both in theory and the amounts of money involved. Just to give you an example of where a difference in theory between the Post Office and the carriers might spell a difference in offset of millions of dollars, the Post Office contends that where a carrier has excess earnings in 1 year and a deficiency in another year, both years being in the open rate period, the Board should offset the excess earnings, but should ignore the deficiency. The carriers, on the other hand, contend that the Board should at the very least net the excess earnings against the deficiencies, and offset only any net excess. To give you a further indication of the complexities and novel character of the issues involved, it is interesting to note that counsel for the Bureau of Air Operations of the Board is contending for almost a million dollars more by way of offset against Pan American in the pending Transatlantic Mail Rate Case than the Post Office asserts. These and many other disputed issues must await the decision of the Board, and perhaps the courts. In the meantime, we urge the utmost caution in evaluating the assertions of the various parties involved in the pertinent proceedings and pledge ourselves to furnish the Congress the most balanced estimates that we can make and that are consistent with our statutory duty of deciding cases only after an opportunity for hearing has been afforded all the parties.

4. There appears to be an unfortunate misunderstanding that in furnishing the $50 million figure, the Post Office was asserting that the entire amount could somehow be offset or recaptured by the Government. We did not so understand it, and have received confirmation of our own understanding from the staff of the Post Office. While the Post Office is claiming that there is approximately $50 million available to offset against operating divisions for which carriers are requesting subsidies, it is not saying that those carriers require enough subsidy in those operating divisions to absorb by way of offset the entire $50 million. Nor is the Post Office claiming that if the entire $50 million is not absorbed by offset, the Government can recapture the remainder. Clarification of this point is exceedingly important, because obviously, for example, if a carrier should have $10 million in excess profits in its domestic division which was on a final, subsidy-free mail rate and only

claims a $5 million subsidy for its international division, it might well lead to confusion if one talked about the $10 million the maximum figure available for offset without carefully emphasizing that the subsidy requirements involved were only $5 million, and that the total possible offset was thus limited to $5 million.

The data furnished by the Post Office with respect to United and Delta further serves to illustrate the danger of bandying about the $50 million figure. The Post Office tabulation shows that United is claiming mail pay for its Hawaiian operations from April 30, 1947, through August 7, 1952, of $14,595,503. For this period, United has received from the Post Office Department under the rates fixed by the Board temporary mail pay of $2,626,918. Assuming that a fair and reasonable service mail rate for the period would be 45 cents per ton-mile, which was the rate established by the Board as a final service rate for United's Honolulu operations for the period after August 7, 1952, the service mail pay due United would equal $1,600,052. On this basis, the subsidy temporarily received by United for the open-rate period amounts to $1,026,866. The Post Office has asserted that $15,857,000 is available for offset against subsidy otherwise payable to United. But, since United is claiming subsidy of approximately $13 million and has received subsidy of only $1,026,866, in no sense would it be possible to offset the full amount of $15,857,000 of alleged excess earnings from the domestic operations. Parenthetically, the Board's staff has contended in the proceeding that United should receive no subsidy whatever for its Honolulu services, regardless of the offset issue.

The Post Office tabulation also asserts that $954,000 is available for offset on Delta's Latin American operations for the period May 1, 1953, to April 30, 1954. However, the Board, on September 21, 1953, proposed total mail compensation for Delta's international operations for that period in the amount of $792,000, of which $62,000 was estimated to be service mail pay and $730,000 subsidy. Here again it will be noted that, even if the Board should ultimately find after hearing that excess earnings amount to $954,000, the offset can in no event exceed the entire amount of subsidy otherwise payable, which in this case the Board last year estimated to be $730,000.

While we have attempted in this letter to clarify the most important points with respect to the offset issue that have recently come to our attention, we realize that there may be other points on which the committee would like the Board's comments. We are anxious to cast whatever light we can on this very complex and controversial subject and will be glad to respond to any further inquiry.

Sincerely,

CHAN GURNEY,
Chairman.

Summary of 1955 estimates for "Payments to air carriers" and effect of recent Supreme Court decision

Name of carrier	Mail, ton-miles	Service, mail pay	Subsidy	Total, United States mail pay	Effect of Supreme Court decision
I. Domestic trunks (on subsidy): [1]	*Thousands*	*Thousands*	*Thousands*	*Thousands*	
Braniff	2,170	$1,150	$500	$1,650	See explanation for Braniff under international group.
Colonial	154	116	764	880	See explanation for Colonial under international group.
Continental	505	379	687	1,066	None.
Delta	3,200	1,696	----------	1,696	See explanation for Delta under international group.
Northeast	160	120	1,615	1,735	None.
Northwest	3,830	2,030	----------	2,030	See explanation for Northwest under international group.
Trans-World	12,250	5,513	----------	5,513	See explanation for Trans-World under international group.
Total	22,269	11,004	3,566	14,570	
II. Local service:					
Allegheny	82	121	1,789	1,910	None.
Bonanza	29	43	902	945	Do.
Central	46	119	1,686	1,805	Do.
Frontier	122	111	2,904	3,015	Do.
Lake Central	30	77	1,473	1,550	Do.
Mohawk	51	46	954	1,000	Do.
North Central	130	192	2,508	2,700	Do.
Ozark	62	92	2,008	2,100	Do.
Piedmont	115	86	1,549	1,635	Do.
Pioneer	155	116	1,021	1,137	Do.
Southern	97	144	1,810	1,954	Do.
Southwest	102	93	1,107	1,200	Do.
Trans-Texas	83	123	2,577	2,700	Do.
West coast	42	62	1,553	1,615	Do.
Total	1,146	1,425	23,841	25,266	
III. Helicopter:					
Helicopter	33	85	431	516	Do.
Los Angeles	54	139	761	900	Do.
New York	50	129	1,371	1,500	Do.
Total	137	353	2,563	2,916	
IV. Alaskan carriers:					
Alaska Airlines:					
States-Alaska	260	122	1,174	1,296	No effect on 1955 estimate anticipated; currently operating on final rates in both divisions; rates for past period for Intra-Alaska open Jan. 1, 1947, to Sept. 30, 1952, States-Alaska open from beginning of service Aug. 17, 1951, to Sept. 30, 1952; currently requires subsidy in both divisions and apparently also for past period; no excess earnings for offset purposes involved; formal proceeding for past period required.
Intra-Alaska	275	355	969	1,324	
Alaska Coastal	45	113	329	442	None.
Byers	8	20	47	67	Do.
Cordova	14	35	332	367	Do.
Ellis	18	45	254	299	Do.
Northern Consolidated	200	258	1,088	1,346	Do.
Pacific Northern:					
States-Alaska	490	230	759	989	Do.
Intra-Alaska	223	288	425	713	Do.
Pan American—Alaska	525	247	1,322	1,569	See explanation for Pan American under international group.
Reeve	106	265	38	303	None.
Wien	234	302	1,198	1,500	Do.
Total	2,398	2,280	7,935	10,215	
V. Hawaiian carriers:					
Hawaiian	38	31	583	614	Do.
Trans-Pacific	21	17	453	470	Do.
Total	59	48	1,036	1,084	
VI. International, overseas, and other Territorial:					
Braniff	643	566	2,934	3,500	No effect on 1955 estimate anticipated; currently operating on open rates in both its domestic and international divisions and apparently requires subsidy for each division; no question of excess earnings for offset purposes is involved; formal proceeding is required.
Caribbean-Atlantic	16	22	141	163	None.
Colonial	22	17	43	60	No effect on 1955 estimate anticipated; currently operating on final rates in both its domestic and international divisions and requires subsidy for each division; no question of excess earnings for offset purposes is involved.

[1] Includes carriers receiving subsidy for either domestic or international divisions, or both. Does not include the following carriers receiving no subsidy: American, Capital, Eastern, National, United, and Western.

Summary of 1955 estimates for "Payments to air carriers" and effect of recent Supreme Court decision—Continued

Name of carrier	Mail, ton-miles	Service, mail pay	Subsidy	Total, United States mail pay	Effect of Supreme Court decision
VI. International—Continued	*Thousands*	*Thousands*	*Thousands*	*Thousands*	
Delta (C. and S.)	69	$61	$739	$800	No effect on 1955 estimate is anticipated. The mail-rate cases for both divisions of this carrier are pending with no subsidy rate currently in effect. On the basis of current trends, it is extremely unlikely that there will be any excess earnings on the domestic division for fiscal 1955. Completion of formal proceedings covering past periods is necessary to determine amount of offsets for past period, if any.
Northwest	1,515	1,015	3,927	4,942	No effect on 1955 estimates is anticipated. During the calendar year 1953, Northwest was operating under a service-mail rate of 53 cents per mail ton-mile and earned less than an 8 percent return domestically for that period. The Board recently reduced the domestic service-mail rate to 45 cents, effective Jan. 1, 1954. Accordingly, it does not appear that any amounts will be available for offset to reduce the estimated international subsidy for this carrier.
Panagra	394	347	2,155	2,502	None.
Pan American:					
Atlantic	6,449	5,482	8,018	13,500	No effect on 1955 estimates is anticipated. This carrier operates 4 divisions —Alaska and Latin American which are on final rates, and Atlantic and Pacific which are on open rates—all of which require subsidy. The Latin American division is on an open rate for 1952 only. A formal proceeding is required to determine amount, if any, of offset.
Latin American	3,440	2,030	11,170	13,200	
Pacific	5,328	3,570	7,823	13,393	
Trans-World	4,869	4,139	4,361	8,500	No effect on the 1955 estimate is anticipated. Based upon the reported earnings of this carrier on its domestic division for calendar year 1953, it would appear that there might be available approximately $1,500,000 for offset against the previously estimated subsidy for its international division. On the basis of current trends, with particular reference to heavy losses on TWA's domestic operations in the first few months of 1954, it is now deemed unlikely that there will be any excess earnings on the domestic division for fiscal year 1955. A formal proceeding is now in process for the determination of the actual amount of offset, if any, with respect to both past and future periods.
Total	22,745	17,249	41,311	58,560	
Total all subsidy carriers	48,754	32,359	80,252	112,611	

FARM PRICE-SUPPORT LOANS

Mr. MURRAY. Mr. President, there has been considerable discussion lately of large farm price-support loans.

In his fight on the farm programs, Secretary of Agriculture Benson has tried to convince city consumers that most of the benefits of price supports go to a few huge millionaire farm operators. Mr. Benson has used a table showing the five largest wheat, corn, and cotton loans in each State. More recently, he has made available lists of farm operators who got these loans.

Mr. Benson has not made any suggestion as to how to correct this except to burn the whole barn down—to pull supports out from under all the farmers in order to deny benefits to a few.

I am strongly in favor of a limitation which will stop the benefits from price-support programs at a decent family income level. Beyond that, the big operators ought not to have Government aid.

Democrats have more than once suggested such a limitation. Former Secretary Brannan proposed a limit at about $26,000 gross farm income, but he was viciously attacked by men of the same political faith now bewailing the big farm loans.

More recently, such a limitation was proposed at a luncheon here by a retired Chicago businessman, Mr. E. G. Shinner, now head of the Shinner Foundation.

It is not necessary, Mr. President, to bankrupt hundreds of thousands of family farmers to put an end to excessive benefits to a few. If Mr. Benson is sincere about this matter, why does he not come to Congress with a limitation proposal? Certainly he should, or his use of the big-loan material in recent weeks will be open to the charge that it was sheer demagoguery, and that this side issue was not sincerely raised.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a newspaper column written by Mr. Robert P. Vanderpoel entitled "Would Put $7,000 Top to Farm Price Support," which appeared in the Chicago Sun-Times of May 7, 1954.

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

WOULD PUT $7,000 TOP TO FARM PRICE SUPPORT

(By Robert P. Vanderpoel)

WASHINGTON.—E. G. Shinner, retired Chicago businessman and now chairman of the Shinner Foundation, believes we should take a new look at our farm policy.

At the invitation of Senators DOUGLAS and KEFAUVER, Shinner presented his views to a group of Senate leaders at a private luncheon here. He mentioned the manner in which small farms were being liquidated or added to large farm holdings with the result that the farm population has been steadily declining even in the face of sharply increased demands for food products.

"It has been widely recognized," said Shinner, "that the very foundation of our Nation rests on the private farmer with his family-size farm. Yet, we have stood supinely aside and seen him liquidated on a vast scale while more and more of the agricultural lands of the Nation have drifted into the hands of big corporations or wealthy individual farmers.

"Meanwhile, the Government, in its attempt to maintain farm prosperity, has paid these 'biggies' enormous amounts. The taxpayers quite legitimately have been protesting against these payments. I am convinced they would not resent a program that helped to maintain general prosperity through aid to the farmer but they properly do resent a program which builds up huge crop surpluses and makes a relatively small group wealthy at the expense of the taxpayer."

BEST GROSS AVERAGE $7,000 PER FARM

The total gross income of American farmers in the record year of 1951, Shinner told these Senators, was $37 billion. That was around $7,000 per farmer. He suggested that the Federal price support laws should assure parity prices sufficient to make up such an income but no more. It takes a pretty good sized, well run farm to make an income of $7,000 a year.

Shinner would have the Federal Government support agricultural prices at or near parity for all farmers until such income of $7,000 is reached but all products marketed beyond the $7,000 figure would bring only such price as might be available in the competitive market.

In essence the scheme would provide a subsidy from the Federal Government for the average farmer. But the wheat king, or the cotton king, or the cattle king would not grow wealthy at the expense of the Federal Treasury or the taxpayer.

If some men want to make a business out of farming instead of a way of life, declared Shinner, "then let them do it at their own risk in the markets. Let them earn only what their efficiently produced surpluses will bring in a free market. They should not be permitted to squeeze family farmers off the land, nor be subsidized by the Federal Treasury for creating surpluses as has been done in the past.

"This limitation on price supports would have the effect of putting the small farmers back in business, and of slowing up those who think that efficiency is a cure-all in agriculture."

SENATORS SEEK BETTER SOLUTION

Shinner's remarks were listened to with a great deal of interest by this Senate group seeking a better solution of the farm problem than any which has yet been tried. They promised to give his proposal further study.

It was stated at the luncheon that Bernard M. Baruch has been advocating a somewhat similar idea, proposing it not only for agriculture but as well for Government support of business. The idea here would be to encourage increased competion, help within reasonable limits the small individual businessman and yet keep down the cost of Government support of the national economy.

Shinner feels that we have overemphasized in this country sheer efficiency, that in the name of efficiency worship we have created all sorts of problems which are proving much greater than those which improved efficiency was counted upon to solve.

He rejects the philosophy of presidential economic adviser, Arthur F. Burns, who, he says, "offers as a solution for the low income farmers that they consolidate farms and, as an alternative, seek part-time work in industry."

Shinner emphasizes that not only does he disagree with this philosophy, but he regards it with particular disfavor at a time when there are already millions unemployed in industry. The increasing concentration of land and income in farming, declares this amateur economist from Chicago, is a trend which is not in the national interest and should not be encouraged.

RETURN OF FISHING VESSELS

The PRESIDING OFFICER (Mr. BUTLER in the chair). Is there further morning business? If not, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the joint resolution (S. J. Res. 67) to repeal certain World War II laws relating to the return of fishing vessels, and for other purposes.

CALL OF THE CALENDAR

Mr. PAYNE. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of the calendar, with respect to bills to which there is no objection, beginning at the point reached at the last call of the calendar.

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

There were two bills which were to be included on the call of the calendar, Calendar No. 1621, Senate bill 2380, and Calendar No. 1622, Senate bill 2381, which will now be called.

BILLS PASSED OVER

The bill (S. 2380) to amend section 17 of the Mineral Leasing Act of February 25, 1920, as amended, was announced as first in order.

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

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that both bills which went over at the last call of the calendar and were to be called on the present call go over until the next call of the calendar.

The PRESIDING OFFICER. Objection is heard to the present consideration of the first bill, and the bill will go over.

The bill (S. 2381) to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of oil and gas on the public domain, was announced as next in order.

Mr. HENDRICKSON. Over.

The PRESIDING OFFICER. The bill will go over.

MANAGEMENT OF THE EXPORT-IMPORT BANK OF WASHINGTON—BILL PASSED OVER

The bill (S. 3589) to provide for the independent management of the Export-Import Bank of Washington under a Board of Directors, to provide for the representation of the bank on the National Advisory Council on International Monetary and Financial Problems and to increase the bank's lending authority was announced as next in order.

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

Mr. HENDRICKSON. Mr. President, reserving the right to object, and I shall not object, the bill constitutes very important proposed legislation, and the junior Senator from New Jersey would appreciate it if the distinguished Senator from Indiana would explain the bill, for the RECORD.

Mr. CAPEHART. The purpose of the bill is among other things, to amend the Export-Import Bank Act. The bill proposes to increase the lending capacity of the bank from $4½ billion to $5 billion. The bill also proposes to establish a board of directors for the bank, rather than have a one-man director, which provision was put into effect through passage of the Reorganization Act about a year ago. The bill likewise proposes to reinstate the president of the bank as a member of the National Advisory Council, from which latter position he was eliminated as a result of the passage of the same act.

In addition to the aspects I have mentioned, the intent of the bill is that the Export-Import Bank shall adopt a more aggressive policy, become more active, and make more loans of all types than it has been making during the past 12 months. It is not desired that the bank make any bad loans, but it is the intention of the bill that the bank shall become a more aggressive and active banking institution. We are particularly interested in helping American exporters, and lending money on long-time terms to so-called backward countries.

Briefly, I have stated what the bill proposes to do. The bill has the support of the President, the Secretary of State, the Secretary of Commerce, and the Secretary of the Treasury. The bill was reported unanimously from the Senate Committee on Banking and Currency, all 15 members having voted in favor of reporting it. I know of no one opposed to it.

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

Mr. CAPEHART. I yield to the Senator from New Jersey.

Mr. HENDRICKSON. As the Senator from New Jersey understands the provisions of the bill, they will be very helpful particularly to small businesses. Is my understanding correct?

Mr. CAPEHART. Passage of the bill will prove to be very helpful to small business, because enactment of the bill will increase the capacity of the bank to lend. In the report of the committee, we practically say to the Export-Import Bank, "We want you to get busy now and do what you were supposed to do, namely, help our exporters, both small and large."

Mr. LANGER. Mr. President, will the Senator from Indiana yield?

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

Mr. LANGER. How will passage of the bill help the exporter?

Mr. CAPEHART. The bank will be able to finance the exporter.

Mr. LANGER. How large or small a loan will the bank make to exporters?

Mr. CAPEHART. There is no limit. Under the bill, the bank can make loans ranging from $1 up to $5 billion.

Mr. LANGER. The amount of the loan will be purely a matter of discretion?

Mr. CAPEHART. Of the Board of Directors.

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

Mr. CAPEHART. I yield to the Senator from Florida.

Mr. HOLLAND. I note with interest that the distinguished Senator from South Carolina [Mr. MAYBANK] the ranking minority member of the committee, was a cointroducer of the bill.

Mr. CAPEHART. The bill was introduced by myself and the Senator from South Carolina.

Mr. HOLLAND. Does that indicate, as I hope it does, that support of the bill is completely bipartisan?

Mr. CAPEHART. The report indicates that support of the bill is 100 percent bipartisan. It was reported unanimously by the Senate Committee on Banking and Currency. We are thinking of changing the name of that committee to the "Senate Unanimous Committee."

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

Mr. GORE. Mr. President, the distinguished Senator from Indiana has given an adequate explanation of the bill. The junior Senator from Tennessee does not know of any opposition to the bill, but, since the provisions of the bill involve one-half billion dollars, I feel I must ask that at least it lie over on the calendar for another week.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

CONSTRUCTION, OPERATION, AND MAINTENANCE OF THE FOSTER CREEK RECLAMATION PROJECT, WASHINGTON

The bill (S. 446) to authorize the Secretary of the Interior to construct, operate, and maintain the Foster Creek reclamation project, Washington, was announced as next in order.

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

Mr. MORSE. Mr. President, may we have an explanation of the bill?

The PRESIDING OFFICER. An explanation is requested.

Mr. MAGNUSON. Mr. President, there is no opposition to this bill. In the case of Chief Joseph Dam, with which the Senator from Oregon is familiar—it was originally called Foster Creek Dam, but was renamed Chief Joseph Dam—the original authorization for construction of the dam did not include,

for some reason or other—perhaps I can plead guilty to this fault—the words "for purposes of irrigation." We now find there are approximately 20,000 acres in that vicinity, up the Columbia River, north of Wenatchee, which probably could well be used for irrigation, in connection with this multipurpose dam. That is the objective of this bill.

Mr. MORSE. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. MORSE. It is the testimony of the Senator from Washington, is it not, that it certainly was the intention to have the original bill include "irrigation," but by oversight it was omitted?

Mr. MAGNUSON. Yes. In fact, I was the author of the original bill, and the omission was entirely by error. Now that the construction of Chief Joseph Dam is nearing completion, the enactment of this bill is vital to that entire area.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 1, at the beginning of line 6, to strike out "eight thousand seven hundred" and insert "six thousand"; on page 2, line 1, after the word "Creek", to strike out "reclamation project, otherwise known as the East Canal, Shoreline Pumping and Bridgeport Bar"; in line 5, after the word "Creek", to strike out "project" and insert "Division"; at the beginning of line 11, to insert "(including any operation and maintenance deficit at the end of a development period)"; in line 22, after "(c)", to strike out "the benefits of the first proviso in the act of July 1, 1932 (47 Stat. 564) may be extended to lands served by the project which are, and as long as they remain, in Indian ownership, all costs properly assignable for repayment by such lands but deferred by application of said act being payable in accordance with the other provisions of this act after the Indian title has been extinguished; (d)"; on page 3, line 8, after the word "project", to insert "as are over and beyond those required to amortize the power investment in said project and to return interest on the unamortized balance thereof"; in line 10, after the word "and", to strike out "(e)" and insert "(d)"; in line 16, after the word "Act.", to insert "Power and energy required for irrigation pumping for the Foster Creek division authorized shall be made available by the Secretary from the Chief Joseph Dam powerplant and other Federal plants interconnected therewith at rates not to exceed the cost of such power and energy from the Chief Joseph Dam taking into account all costs of the dam, reservoir, and powerplant which are determined by the Secretary under the provisions of the Federal reclamation laws to be properly allocable to such irrigation pumping power and energy."; and, at the top of page 4, to insert:

SEC. 3. Reports on additional reclamation units in the vicinity of the Chief Joseph Dam project proposed to be constructed as units of the project shall be submitted by the Secretary from time to time in accordance with the provisions of the act of July 17, 1952.

So as to make the bill read:

Be it enacted, etc., That, as an initial step in supplementing the act of July 17, 1952 (Public Law 577, 82d Cong.), and in order to provide water for the irrigation of approximately 6,000 acres of land along the Columbia and Okanogan Rivers in the vicinity of Chief Joseph Dam, Wash., the Secretary of the Interior is authorized to construct, operate, and maintain the Foster Creek division of the Chief Joseph Dam project.

SEC. 2. In the construction, operation, and maintenance of the Foster Creek Division, the Secretary shall be governed by the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto) except that (a) the period provided in subsection (d), section 9, of the Reclamation Project Act of 1939 (53 Stat. 1187), for repayment of construction costs (including any operation and maintenance deficit at the end of a development period) properly chargeable to any block of land and assigned to be repaid by the irrigators may be extended to 50 years, exclusive of a development period, from the time water is first delivered to that block or to as near that number of years as is consistent with the adoption and operation of a variable payment formula as hereinafter provided; (b) any repayment contract entered into may provide that the amounts to be paid thereunder shall be determined in accordance with a formula, mutually agreeable to the parties, which reflects economic conditions pertinent to the irrigators' payment capacity; (c) all construction costs which are beyond the ability of the irrigators to repay as hereinbefore provided shall be charged to, and returnable to the reclamation fund from net revenues derived from the sale of power from the Chief Joseph Dam project as are over and beyond those required to amortize the power investment in said project and to return interest on the unamortized balance thereof, and (d) an appropriate share of the construction, operation, and maintenance costs of Chief Joseph Dam, reservoir, and powerplant shall be allocated to irrigation and become a part of the costs of the Foster Creek project to be returned to the United States as under the reclamation laws and as provided in this act. Power and energy required for irrigation pumping for the Foster Creek division authorized shall be made available by the Secretary from the Chief Joseph Dam powerplant and other Federal plants interconnected therewith at rates not to exceed the cost of such power and energy from the Chief Joseph Dam taking into account all costs of the dam, reservoir, and powerplant which are determined by the Secretary under the provisions of the Federal reclamation laws to be properly allocable to such irrigation pumping power and energy.

SEC. 3. Reports on additional reclamation units in the vicinity of the Chief Joseph Dam project proposed to be constructed as units of the project shall be submitted by the Secretary from time to time in accordance with the provisions of the act of July 17, 1952.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MAGNUSON subsequently said: Mr. President, with reference to Calendar No. 1638, S. 446, previously passed by the Senate, the House has sent to the Senate a similar bill, which is H. R. 4854. That bill was referred to the Committee on Interior and Insular Affairs.

I ask unanimous consent that the vote whereby Senate bill 446 was passed be reconsidered, that the Committee on Interior and Insular Affairs be discharged from further consideration of H. R. 4854, to authorize the Secretary of the Interior to construct, operate, and maintain the irrigation works comprising the Foster Creek division of the Chief Joseph Dam project, Washington, and that the Senate proceed to the consideration of the House bill.

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

Mr. HENDRICKSON. Do I correctly understand that the language of the Senate bill will be substituted for the House bill?

Mr. MAGNUSON. That is correct. The texts are the same. The House bill has been sent to the Committee on Interior and Insular Affairs, and the committee wishes to clear its records.

The PRESIDING OFFICER. The text will be the same?

Mr. MAGNUSON. That is correct.

Mr. ANDERSON. Are the bills the same? As I understand, the Senate amended the Senate bill.

The PRESIDING OFFICER. The Senate amended the Senate bill.

Mr. MAGNUSON. That is correct.

Mr. ANDERSON. What the Senator from New Jersey and I have in mind is that the House bill, if it is passed, will contain the language previously adopted by the Senate in passing the Senate bill, and therefore the House bill will go to conference.

Mr. MAGNUSON. That is correct. The Senate amended the Senate bill, and we want the Senate bill to prevail. Therefore, I ask unanimous consent that the text of the Senate bill be substituted for the text of the House bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the House bill 4854.

Mr. MAGNUSON. Mr. President, I now move that the House bill be amended by striking out all after the enacting clause and inserting in lieu thereof the text of Senate bill 446, as amended.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 4854) was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 446 is indefinitely postponed.

EXTENSION AND IMPROVEMENT OF VOCATIONAL REHABILITATION SERVICES—BILL PASSED OVER

The bill (S. 2759) to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational rehabilitation

services, and for other purposes, was announced as next in order.

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

Mr. HENDRICKSON. Mr. President, by request, I ask that the bill go over.

The PRESIDING OFFICER. Objection being heard——

Mr. MORSE. Mr. President, will the Senator from New Jersey withhold his objection until I have an opportunity to make a brief statement in connection with the bill?

Mr. HENDRICKSON. I gladly withhold my objection, Mr. President.

Mr. MORSE. Mr. President, I know the Senator from New Jersey is not objecting personally to the present consideration of the bill, but is objecting by request, in carrying out his function as chairman of the calendar committee on this side of the aisle.

Mr. HENDRICKSON. That is quite correct.

Mr. MORSE. I wish to say that the enactment of this bill is very important from the standpoint of humanitarian considerations. The bill seeks to have the Government do a much better job in the rehabilitation of crippled and injured persons who have been severely incapacitated either as a result of disease or as a result of accident.

I wish to call the attention of the Senate to the need for enactment of the bill and the need, I think, for clarification, at least, by way of the legislative history of the bill, because the bill has a special project feature. I desire to refer to a project almost within a stone's throw of the Capitol; and I hope the Senators from Virginia will heed these remarks when they read them in the CONGRESSIONAL RECORD, so that I can elicit their support either for an amendment to the language of the bill or for an explanation in connection with its legislative history, so that the Secretary of Health, Education and Welfare, Mrs. Hobby, can do something with the funds, which eventually will be appropriated to implement the bill, to provide greater assistance in connection with the rehabilitation of injured persons.

In Arlington, Va., there is a highly desirable community project, which really was built by the donation of materials by various business houses of the area, the donation of labor by various trade unions, the donation of a great many professional services, and the donation of a great many hours of hospital-aid service by various women belonging to the auxiliaries of very fine humanitarian organizations. I refer to the Anderson Clinic, in Arlington, Va., and its rehabilitation program.

That clinic devotes itself not only to the treatment of injured persons, but also to a program seeking to rehabilitate them after they have at least been helped as much as medical science can help them. The clinic is really the brain child of a distinguished physician of Virginia, Dr. Engh, who is the source of inspiration of the clinic. I wish to call attention to the potentialities of this bill from the standpoint of making that clinic or hospital a great pilot laboratory for the use of Federal employees who have been injured and for the rehabilitation program of the vocational division of the Federal Office of Education.

Mr. President, I have been deeply moved by what I have observed in that hospital—so deeply moved, in fact, that recently I had breakfast in the Senate restaurant with Dr. Engh, and called over the Senator from Virginia [Mr. ROBERTSON] to meet Dr. Engh, and we chatted with the doctor about the great humanitarian project there.

Mr. President, we who are healthy and who have not had visited upon us or upon our families some of the tragic afflictions which can be observed in such an institution as the Anderson Clinic, in Arlington, Va., sometimes—merely by oversight, I think—forget the plight of some of our less fortunate brothers.

I sincerely hope that under the language of this bill it will be found possible to have such a clinic as the Anderson Clinic be one of the special projects permissible under the bill, so it may receive the funds which are needed for service of the kind it provides, including room and board, for unfortunate persons.

Mr. President, a rehabilitation center such as that clinic cannot accomplish its purpose unless provision is made, for example, to pay the room and board of the unfortunate patients who are brought there and who go through a program of rehabilitation.

I do not refer to a program from which someone will make profit dollars, because not a profit dollar is made at this great Virginia clinic. It is a nonprofit organization dedicated to helping in a substantial way afflicted citizens. I wish to pay tribute to the Junior Chamber of Commerce of Arlington, Va., which 2 years ago, I believe, won a national award for the excellent job of public service it did in making this clinic its major project for that period of time; and now it seeks to add a new wing to the clinic, and that will be done by donated materials.

Mr. President, I ask for an additional 2 minutes, by unanimous consent.

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

Mr. MORSE. Mr. President, the additional wing also will be built with donated materials and donated labor. Not only that, but the trade unions of that area will supply, free of cost, the instructors who will make possible the teaching of trades to the various handicapped persons. All too often, Mr. President, we have assumed that only a few trades—for instance, trades such as watch repairing and shoe repairing—are open to persons so unfortunately situated. However, that is not so. The great progress that has been made in the field of rehabilitation shows that many trades are available to such persons, if the necessary instructors and facilities are provided.

But as I talked to Dr. Engh the other day, I found there is some question as to whether any of these funds can be used to pay the room and board of the patients. I hope that at least by means of these comments I shall help make sufficient legislative history so that—although the bill will go over, anyway, by request—the committee can go over it again, and so there can be added to the committee report, language authorizing the payment of room and board in cases where patients do not have the wherewithal to pay for themselves. Of course, without such aid, such persons cannot be given this opportunity.

It is a fine bill so far as its objective is concerned, and I am pleading for a combined project which will provide, first, hospitalization; second, facilities for convalescents; and, third, facilities for training crippled and handicapped persons in various trades so that they can take their position once again in society as self-sustaining, wage-earning individuals.

The PRESIDING OFFICER. The bill will be passed over.

Mr. HENDRICKSON. Mr. President, lest my request that the bill go over be misunderstood, I want the record clearly to show that I consider this proposed legislation to be very meritorious, and I hope the distinguished majority leader will have it considered at the earliest possible moment.

Mr. MORSE subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks on Calendar No. 1639, Senate bill 2759, an official letter which was addressed to the Senator from Kentucky [Mr. COOPER], chairman of the subcommittee of the Committee on Labor and Public Welfare which had jurisdiction over this particular bill. The letter is dated June 7, 1954, and is addressed to the Senator from Kentucky by Dr. O. Anderson Engh, of the Anderson Clinic, in which he points out the need for the kind of assistance I referred to in my remarks, and supports the point of view which he expressed to me at breakfast the other morning, when he said he feared that the provisions of the bill as presently worded, for taking into consideration work under the special projects feature, would be inadequate.

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

JUNE 7, 1954.

The Honorable JOHN COOPER,
United States Senate,
Washington, D. C.

SIR: Recently I spoke to you concerning a rehabilitation bill offered by the Office of Vocational Rehabilitation. It was suggested by you that I put in writing some of my ideas so that you could read them and also arrange for a meeting with Senator PURTELL. I have given this considerable thought. First I felt that I should write a brief statement coming directly to the point as to my recommendations for improving rehabilitation in this country. However, it occurred to me that unless it were more detailed it would be difficult to appreciate some of the statements and opinions which I would offer. In fact, without a more detailed description it would appear that I had some selfish ambition. It would also appear that I was offering some pet project of my own which could be compared with many others that have been offered.

It appears important that I give you some of my background. Prior to entering medical school I worked in the steel mills, a machine shop, in the coalfields, and taught school for 3 years. After graduating from medicine I entered the field of orthopedic surgery which is the most prominent field dealing with rehabilitation. In 1941 I purchased 4 acres of ground in south Arlington for the express purpose of developing this into an orthopedic rehabilitation center. After purchasing this ground a clinic was built in 1943. In 1949 the community with free labor and materials built a hospital which the board of trustees called the Anderson Orthopedic Hospital. At the present time there are 43 patients hospitalized in this building. The hospital has no indebtedness. It is a nonprofit hospital chartered and incorporated in the State of Virginia. In 1953 it was decided to add a rehabilitation wing so that many of our patients could be rehabilitated. At the present time this rehabilitation wing is under construction. It is being built with free labor and materials in the same manner that the present hospital was built. Most of the labor is being furnished by the District Trades Council and American Federation of Labor. It has been agreed, however, that union labor will work with nonunion employees in view of the nature of the project. It is intended to make this a complete rehabilitation center in every respect, treating not only orthopedic patients but all types of individuals who require rehabilitation.

When the orthopedic hospital was built, the junior chamber of commerce, the northern Virginia home builders, and the northern Virginia plumbers cooperated in one of the finest demonstrations of community spirit ever seen in this country. The junior chamber of commerce was given a State award as well as a national award for the best project of the year. The community participation in the work at the Anderson Orthopedic Hospital is almost unbelievable. Crippled children are transported from various parts of northern Virginia by the Red Cross and by the Gray Ladies, a voluntary organization. The women's auxiliary conducts various events in order to purchase various types of equipment for the hospital.

The decision to build a rehabilitation center was the original plan and dates back to the time that the land was first purchased about 13 years ago. At that time it was realized that a complete setup would consist of a clinic, a hospital, and a vocational division. It was felt that these should all be in the same building in order to have a well-coordinated program.

It was felt that the crippled children's work should be tied up with the entire plan of rehabilitation so that one could start very early in rehabilitation process. Many of the patients were suffering from congenital disorders such as clubfeet, congenital dislocations of the hips, spinal deformities, etc. It was felt that these patients should be started on an educational program while in the hospital receiving surgical care.

In order to rehabilitate patients, the hospital itself appeared to be too costly for handling many of the chronic disabling disorders. It was planned, therefore, to have domiciliary facilities for those patients who required the minimum amount or no nursing care. This would bring down the cost of housing patients. In the new rehabilitation wing domiciliary facilities are therefore included. It is planned also to have patients who have been hospitalized to be moved into this domiciliary section of the hospital as soon as possible.

This arrangement in a hospital is unique in this country. It was observed by me in Finland in 1947 and it was decided to copy their plan. The invalid foundation in Finland has a large 10-story building constructed in the shape of an H. One large wing of this H is entirely trade school and the handicapped patients who have been hospitalized are brought directly into the trade school in order to teach them new occupations which they can perform after discharge from the hospital. In our new rehabilitation wing, one section of a Y will be used entirely for trade schools. The American Federation of Labor has already promised instructors to teach trades in this section of the building. A considerable amount of equipment has also been promised. This portion of the center is considered very important and will function very closely with the outpatient department and hospital.

It is hoped this trade school will not be devoted entirely to handicapped persons but that many normal individuals desiring to learn trades will take advantage of it. This appears important for many reasons but principally because handicapped patients should not work in a trade school entirely by themselves. A bad mental attitude frequently develops, and this is particularly true in compensation cases. Recently, in conducting a pilot study for the Bureau of Employees Compensation of the Department of Labor, in which many handicapped patients from various parts of the country have been sent here, it has been found very disadvantageous to have handicapped individuals working together. (In our present hospital, we have a few rooms devoted to woodwork, metal, and electrical work, and our ideas regarding construction of a proper rehabilitation center have had their birth here.) We are firmly convinced that it is unwise as a result of our experience to have handicapped individuals learn trades working entirely with other disabled persons.

In regard to the trade school with the hospital, we hope to take advantage of the aptitudes and abilities of disabled persons. The handicapped should have numerous trades offered to them rather than a relatively few occupations, such as shoe repairing, watch repairing, etc. If patients could have an opportunity to learn 40 to 50 different trades, rehabilitation would be much more successful. There is a strong possibility that the trade unions themselves on a national scale will offer such a large number of instructors that this will be possible.

In order to obtain jobs for patients who have been physically rehabilitated and vocationally trained, it is necessary to have a coordination division. Many of the ideas of Paul Stratton, of the American Society for the Physically Handicapped, will be used in this respect. This problem has been discussed by Mr. Stratton on various occasions, and it has been suggested to him that he set up offices in the new rehabilitation wing where he could meet with various representatives of labor, industry, government, etc., so that activities may be coordinated more effectively. Placement of handicapped workers in industry and stimulation of efforts to employ handicapped would be carried out here. Meetings would be held periodically in an auditorium provided for that purpose.

It can be seen from the above discussion that the plan at the Anderson Rehabilitation Center is a very complete one; one in which there will be a closely functioning group. Total rehabilitation will be offered. Costs will be kept at the minimum through voluntary contributions. Rehabilitation will be started early and followed through to the point where the patient is eventually gainfully employed. The Office of Vocational Rehabilitation will work with the rehabilitation center. Labor will participate effectively. Voluntary assistance from clubs, such as Rotary, Kiwanis, etc., will be obtained where possible. It is even hoped that in the trade school products will be made that can be sold so that the cost of rehabilitation is reduced.

Since a description has been given of the Anderson Rehabilitation Center, the question probably now arises "How does this differ from plans already in existence or the proposed plans of pending rehabilitation bills?" It differs essentially in that it is an overall plan. No other plan uses an outpatient department, hospitalization, domiciliary care, trade school for normal and handicapped, and voluntary community response in one center. No other plan starts with the congenital disorders of children and follows through educationally and vocationally. No other plan utilizes the free instruction which will be obtained through individual trade unions. No other plan aims at rehabilitation with efforts in the future designed to cut the cost of rehabilitation.

If this is our plan, what then is the difficulty in carrying out this total rehabilitation project? The difficulty lies in the lack of funds for boarding these patients. Even though a building is being furnished with no cost to the Government, and even though instructors will be furnished free, there must be some money available to pay for room and board. The Vocational Rehabilitation Bureau bill does not provide sufficiently for this purpose. In order to make this feasible, it would require payment for 100 hospitalized patients continuously. Approximately 300 outpatients would be treated and taught trades. The inclusion of the program of the American Society for the Physically Handicapped would also increase the cost. It is felt that an appropriation of approximately a million dollars a year would be necessary to carry out such a program. This figure will be itemized in detail at your request.

I would recommend that provisions be made in bill S. 2759 for a pilot demonstration center in the metropolitan Washington area to be used as a guide for rehabilitation centers which will be set up later in other parts of the country. In the District of Columbia metropolitan area civil-service employees would receive the benefits of the rehabilitation program.

There are numerous advantages also from such a pilot demonstration center in this area. It is close to such organizations as (1) the Office of Vocational Rehabilitation; (2) United States Public Health; (3) Bureau of Employees Compensation of the Department of Labor; (4) national offices of the trade unions; (5) the Federal Department of Education; (6) the American Society for the Physically Handicapped; and (7) the President's Committee for the Handicapped. These organizations would observe, advise, and have close-hand information which would prove very useful.

The above plan can be put in operation by increasing the special-projects portion of the plan suggested by Secretary Hobby from 5 to 10 percent.

I would welcome the opportunity to discuss this matter with other members of the committee.

Very truly yours,

O. ANDERSON ENGH, M. D.

The PRESIDING OFFICER. The clerk will state the next order of business.

ADOPTION AND USE OF OFFICIAL SEALS BY THE SPEAKER OF THE HOUSE AND THE PRESIDENT PRO TEMPORE OF THE SENATE

The concurrent resolution (S. Con. Res. 85) to authorize the adoption and use of official seals by the Speaker of the House of Representatives and the President pro tempore of the Senate was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That hereafter the Speaker of the House of Representatives and

the President pro tempore of the Senate are authorized to adopt and use an official seal of their respective offices.

SEC. 2. Expenses incident to the designing and procurement of such seals shall be paid from the contingent funds of the respective Houses upon vouchers signed by the Speaker of the House of Representatives or the President pro tempore of the Senate, as the case may be.

SEC. 3. Descriptions and illustrations of the seals adopted pursuant to this concurrent resolution shall be transmitted to the General Services Administration for publication in the Federal Register.

STUDY OF TECHNICAL ASSISTANCE PROGRAMS

The Senate proceeded to consider the resolution (S. Res. 214) providing for a study of technical assistance programs, which had been reported from the Committee on Foreign Relations with amendments, and subsequently reported from the Committee on Rules and Administration with additional amendments.

The amendments of the Committee on Foreign Relations were, on page 2, line 1, after the word "That", to strike out "the Committee on Foreign Relations, or"; in line 2, after the word "subcommittee", to strike out "thereof" and insert "of the Committee on Foreign Relations"; in line 10, after the word "programs", to strike out "authorized by the terms of Public Law 535, 81st Congress, as amended"; in line 16, after the word "the", where it occurs the second time, to strike out "program" and insert "programs"; in line 17, after the word "achieve", to strike out "its" and insert "their"; in line 18, after "2.", to strike out "The relationship between the United Nations technical assistance program and that conducted by the United States" and insert "The relationships between the technical assistance programs of the United Nations and of the Organization of American States and those conducted by the United States."; on page 3, line 8, after the words "which the", to strike out "program has" and insert "programs have"; in line 9, after the word "achieving", to strike out "its" and insert "their"; at the beginning of line 16, to strike out "program" and insert "programs"; in line 19, after the words "prior to", to strike out "February" and insert "March"; and on page 4, line 4, after the word "until", to strike out "February" and insert "March."

On page 2, in line 1 of the last Whereas, after the word "if", to strike out "the"; and in the same line, after the word "assistance", to strike out "program is" and insert "programs are", so as to make the preamble read:

Whereas the act for international development (the technical assistance program, Public Law 535, 81st Cong.) has been in operation for 4 years; and

Whereas that act declares it to be the "policy of the United States to aid the efforts of the peoples of economically underdeveloped areas to develop their resources and improve their working and living conditions by encouraging the exchange of technical knowledge and skills and the flow of investment capital * * *"; and

Whereas the administration of the program has recently been transferred from the Department of State to the Foreign Operations Administration; and

Whereas reports have been received indicating in some areas of the world a tendency for purposes of the program to become distorted; and

Whereas if technical assistance programs are to contribute to the foreign-policy purposes of the American people and to hold full promise of helping underdeveloped areas to realize the full potential of democratic life: Now, therefore, be it

The amendments of the Committee on Rules and Administration were, on page 3, line 22, after the word "Senate", to strike out "prior to" and insert "not later than", and in the same line, after the amendment just above stated, to strike out "March 1", as proposed to be amended, and insert "January 31"; on page 4, line 9, after the word "basis", to strike out "until" and insert "through January 31"; in line 10, after the amendment just above stated, to strike out "March 1", as proposed to be amended; in line 12, after the word "desirable", to strike out "and to reimburse the Library of Congress for such assistance as it may be called upon to supply over and above that normally made available to congressional committees. Notwithstanding any other provision of law, the necessary" and insert "The"; in line 17, after the word "exceed", to strike out "$500,000" and insert "$40,000"; and in line 20, after the word "Relations", to strike out "or the chairman of the subcommittee, as the case may be", so as to make the resolution read:

Resolved, That a subcommittee of the Committee on Foreign Relations (hereinafter referred to as the committee), to consist of six members chosen equally from both parties by the chairman of the Foreign Relations Committee (in conjunction with two other Senators, not members of the Committee on Foreign Relations and not of the same political party, designated by the President of the Senate), is hereby authorized and directed to make a full and complete study of technical assistance and related programs.

SEC. 2. The said committee shall, without limiting the scope of the study hereby authorized, direct its attention to the following matters:

1. The general level of authorizations of funds for the future to enable the programs efficiently to achieve their purposes;

2. The relationships between the technical assistance programs of the United Nations and of the Organization of American States and those conducted by the United States;

3. The coordination of United States agencies in operations within and outside the United States;

4. The extent to which the programs have been able to utilize private agencies in achieving their purposes;

5. The degree of self-help and mutual assistance available in countries receiving technical assistance;

6. The relationship between technical assistance, economic aid, and military assistance; and

7. The effectiveness of the administration of the programs in advancing the foreign policy of the United States.

SEC. 3. The Committee on Foreign Relations shall transmit to the Senate not later than January 31, 1955, the results of the study herein authorized together with such recommendations as may be found desirable.

SEC. 4. In the conduct of this study, full use shall be made of the reports submitted by the International Development Advisory Board. The executive agencies concerned with this program are requested to give the committee such assistance as it may require.

SEC. 5. For the purpose of this resolution, the committee is authorized to employ on a temporary basis through January 31, 1955, such technical, clerical, or other assistants, experts, and consultants as it deems desirable. The expenses of the committee under this resolution, which shall not exceed $40,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee on Foreign Relations.

The amendments were agreed to.

The resolution, as amended, was agreed to.

The preamble as amended was agreed to, as follows:

Whereas the act for International Development (the technical assistance program, Public Law 535, 81st Cong.) has been in operation for 4 years; and

Whereas that act declares it to be the "policy of the United States to aid the efforts of the peoples of economically underdeveloped areas to develop their resources and improve their working and living conditions by encouraging the exchange of technical knowledge and skills and the flow of investment capital * * *"; and

Whereas the administration of the program has recently been transferred from the Department of State to the Foreign Operations Administration; and

Whereas reports have been received indicating in some areas of the world a tendency for purposes of the program to become distorted; and

Whereas if technical assistance programs are to contribute to the foreign policy purposes of the American people and to hold full promise of helping underdeveloped areas to realize the full potential of democratic life.

BILL PASSED OVER

The bill (S. 3158) to eliminate cumulative voting of shares of stock in the election of directors of national banking associations was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill will be passed over.

TERMINATION OF FEDERAL SUPERVISION OVER PROPERTY OF THE KLAMATH TRIBE OF INDIANS

The Senate proceeded to consider the bill (S. 2745) to provide for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the Sate of Oregon and the individual members thereof, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 2, after line 15, to insert:

(e) "Adult" means a member of the tribe who has attained the age of 21 years.

In line 18, after "Sec. 3.", to strike out "The" and insert "At midnight of the date of enactment of this act the roll of the tribe shall be closed and no child born thereafter shall be eligible for enrollment:"; on page 3, line 23, after "Sec. 5.", to strike out "The tribe is authorized to select and retain the services of qualified specialists for the purpose of making studies and reports of its reservation resources and recommendations for the management thereof, as

may be deemed necessary and desirable by the tribe in connection with the termination of Federal supervision. Such studies and reports should include but not be limited to the feasibility of a continuation of the practice of sustained-yield management of the Klamath Indian Forest. Such reports shall be completed not later than 18 months from the date of this act. Such specialists shall be retained under contracts entered into between them and authorized representatives of the tribe, subject to approval by the Secretary", and insert "The tribe is authorized to select and retain the services of qualified management specialists, including tax consultants, for the purpose of studying reservation resources on the Klamath Reservation and making such reports or recommendations, including appraisals of Klamath tribal property, as may be desired by the tribe, and to make other studies and reports as may be deemed necessary and desirable by the tribe in connection with the termination of Federal supervision as provided for hereafter. Such reports should include, but not be limited to, the feasibility of a continuation of the practice of sustained-yield management of the Klamath Indian Forest, and shall be completed not later than 2 years from the date of enactment of this act. Such specialists are to be retained under contracts entered into between them and authorized representatives of the tribe, subject to approval of the Secretary. Such amounts of Klamath tribal funds as may be required for this purpose shall be made available by the Secretary"; on page 5, line 4, after the word "exceed", to strike out "two" and insert "three"; in line 6, after the word "plan", to strike out "or plans for the management" and insert "for future control"; in line 15, after "Sec. 6.", to strike out "Effective on the date of this act the costs of management of trust and restricted property of the tribe and its members and such other services as are conducted through the Klamath Agency of the Bureau of Indian Affairs in the discharge of Federal trust responsibilities to the tribe and its members shall be paid from funds of the tribe" and insert "The Secretary is authorized and directed, as soon as practicable after the passage of this act, to pay from such funds as are deposited to the credit of the tribe in the Treasury of the United States, $250 to each member of the tribe on the rolls of the tribe on the date of this act. Any other person whose application for enrollment on the rolls of the tribe is subsequently approved, pursuant to the terms of section 3 hereof, shall, after enrollment, be paid a like sum of $250: *Provided*, That such payments shall be made first from the capital-reserve fund created by the act of August 28, 1937 (25 U. S. C., sec. 530)"; on page 6, line 7, after the word "tribe", to strike out "in accordance with the plans submitted in accordance with section 5 (a) of this act" and insert "approved by a majority of the adult members thereof voting in a referendum called by the Secretary"; in line 11, after the word "within", to strike out "three" and insert "four"; in line 21, after the word "any", to strike out "tribunal" and insert "tribal"; on page 7, line 6, after the word "agreement", to insert a colon and "*Provided further*, That the trust agreement shall provide that at any time before the sale of tribal property by the trustees the tribe may notify the trustees that it elects to retain such property and to transfer title thereto to a corporation, other legal entity, or trustee in accordance with the provisions of subsection (a) of this section, and that the trustees shall transfer title to such property in accordance with the notice from the tribe if it is approved by the Secretary."; on page 8, line 1, after the word "trustees", to insert "and shall require such trustees to provide a performance bond"; after line 2, to insert:

(e) Notwithstanding any other provision of this section, the Secretary is directed to reserve subsurface rights in tribal property, from any sale or division of such property, and to require any corporation trustee or trustees to whom title to tribal property is transferred to retain title to the subsurface rights in such property for not less than 10 years.

In line 17, after the word "removed," to strike out "three" and insert "four"; in line 20, after the word "encumbrances," to insert a colon and "*Provided*, That the provisions of this subsection shall not apply to subsurface rights in such lands, and the Secretary is directed to transfer such subsurface rights to one or more trustees designated by him for management for a period not less than 10 years. The titles to all interests in trust or restricted land acquired by members of the tribe by devise or inheritance 4 years or more after the date of this act shall vest in such members in fee simple, subject to any valid encumbrance."; on page 9, line 9, after the word "unrestricted," to strike out "three" and insert "four"; on page 12 after line 24, to insert:

(d) The Secretary is authorized to adjust, eliminate, or cancel all or any part of reimbursable irrigation operation and maintenance costs and reimbursable irrigation construction costs chargeable against Indian-owned lands that are subject to the provisions of this act, and all or any part of assessments heretofore or hereafter imposed on account of such costs, when he determines that the collection thereof would be inequitable or would result in undue hardship on the Indian owner of the land, or that the administrative costs of collection would probably equal or exceed the amount collected.

On page 13, line 11, to change the subsection letter from "(d)" to "(e)"; in line 15, after the word "members," to insert "and the laws of the State of Oregon with respect to the abandonment of water rights by nonuse shall not apply to the tribe and its members until 10 years after the date of the proclamation issued pursuant to section 18 of this act."; on page 15, line 1, after the word "Indians," to insert "and, except as otherwise provided in this act"; in line 9, after the word "States," to strike out "or shall affect their rights, privileges, immunities, and obligations as such citizens"; in line 25, after the word "tribe," to insert "or payable to the United States by the tribe"; on page 16, line 2, after the word "individual," to insert "or tribe"; in line 8, after the word "lease," to strike out "permit, 1 and insert "permit"; and on page 17, after line 10, to insert:

SEC. 26. Prior to the issuance of a proclamation in accordance with the provisions of section 18 of this act, the Secretary is authorized to undertake, within the limits of available appropriations, a special program of education and training designed to help the members of the tribe to earn a livelihood, to conduct their own affairs, and to assume their responsibilities as citizens without special services because of their status as Indians. Such program may include language training, orientation in non-Indian community customs and living standards, vocational training and related subjects, transportation to the place of training or instruction, and subsistence during the course of training or instruction. For the purposes of such program the Secretary is authorized to enter into contracts or agreements with any Federal, State, or local governmental agency, corporation, association, or person. Nothing in this section shall preclude any Federal agency from undertaking any other program for the education and training of Indians with funds appropriated to it.

So as to make the bill read:

Be it enacted, etc., That the purpose of this act is to provide for the termination of Federal supervision over the trust and restricted property of the Klamath Tribe of Indians consisting of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians, and of the individual members thereof, for the disposition of federally owned property acquired or withdrawn for the administration of the affairs of said Indians, and for a termination of Federal services furnished such Indians because of their status as Indians.

SEC. 2. For the purposes of this act:

(a) "Tribe" means the Klamath Tribe of Indians consisting of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians.

(b) "Secretary" means the Secretary of the Interior.

(c) "Lands" means real property, interests therein, or improvements thereon, and include water rights.

(d) "Tribal property" means any real or personal property, including water rights, or any interest in real or personal property, that belongs to the tribe and either is held by the United States in trust for the tribe or is subject to a restriction against alienation imposed by the United States.

(e) "Adult" means a member of the tribe who has attained the age of 21 years.

SEC. 3. At midnight of the date of enactment of this act the roll of the tribe shall be closed and no child born thereafter shall be eligible for enrollment: *Provided*, That the tribe shall have a period of 6 months from the date of this act in which to prepare and submit to the Secretary a proposed roll of the members of the tribe living on the date of this act, which shall be published in the Federal Register. If the tribe fails to submit such roll within the time specified in this section, the Secretary shall prepare a proposed roll for the tribe, which shall be published in the Federal Register. Any person claiming membership rights in the tribe or an interest in its assets, or a representative of the Secretary on behalf of any such person, may, within 90 days from the date of publication of the proposed roll, file an appeal with the Secretary contesting the inclusion or omission of the name of any person on or from such roll. The Secretary shall review such appeals and his decision thereon shall be final and conclusive. After disposition of all such appeals, the roll of the tribe shall be published in the Federal Register, and such roll shall be final for the purposes of this act.

SEC. 4. Upon publication in the Federal Register of the final roll as provided in section 3 of this act, the rights or beneficial interests in tribal property of each person whose name appears on the roll shall constitute personal property which may be inherited or bequeathed, but shall not otherwise be subject to alienation or encumbrance before the transfer of title to such tribal property as provided in section 7 of this act without the approval of the Secretary. Any contract made in violation of this section shall be null and void.

SEC. 5. (a) The tribe is authorized to select and retain the services of qualified management specialists, including tax consultants, for the purpose of studying reservation resources on the Klamath Reservation and making such reports or recommendations, including appraisals of Klamath tribal property, as may be desired by the tribe, and to make other studies and reports as may be deemed necessary and desirable by the tribe in connection with the termination of Federal supervision as provided for hereafter. Such reports should include, but not be limited, to, the feasibility of a continuation of the practice of sustained yield management of the Klamath Indian Forest, and shall be completed not later than 2 years from the date of enactment of this act. Such specialists are to be retained under contracts entered into between them and authorized representatives of the tribe, subject to approval of the Secretary. Such amounts of Klamath tribal funds as may be required for this purpose shall be made available by the Secretary.

(b) The tribe shall have a period not to exceed 3 years from the date of this act to prepare and submit to the Secretary a plan for future control of the tribal property when title is transferred as provided in section 7 of this act. The Secretary is authorized to provide such assistance as may be available and as may be requested by officials of the tribe in the formulation of such plan or plans, including necessary consultations with representatives of Federal departments and agencies, officials of the State of Oregon and political subdivisions thereof, and members of the tribe.

SEC. 6. The Secretary is authorized and directed, as soon as practicable after the passage of this act, to pay from such funds as are deposited to the credit of the tribe in the Treasury of the United States, $250 to each member of the tribe on the rolls of the tribe on the date of this act. Any other person whose application for enrollment on the rolls of the tribe is subsequently approved, pursuant to the terms of section 3 hereof, shall, after enrollment, be paid a like sum of $250: *Provided*, That such payments shall be made first from the capital reserve fund created by the act of August 28, 1937 (25 U. S. C., Sec. 530).

SEC. 7. (a) Upon request of the tribe, approved by a majority of the adult members thereof voting in a referendum called by the Secretary, the Secretary is authorized to transfer within 4 years from the date of this act to a corporation or other legal entity organized by the tribe in a form satisfactory to the Secretary title to all or any part of the tribal property, real and personal, or to transfer to one or more trustees designated by the tribe and approved by the Secretary title to all or any part of such property to be held in trust for management or liquidation purposes under such terms and conditions as may be specified by the tribe and approved by the Secretary.

(b) Title to any tribal property that is not transferred in accordance with the provisions of subsection (a) of this section shall be transferred by the Secretary to one or more trustees designated by him for the liquidation and distribution of assets among the members of the tribe under such terms and conditions as the Secretary may prescribe: *Provided*, That the trust agreement shall provide for the termination of the trust not more than 3 years from the date of such transfer unless the term of the trust is extended by order of a judge of a court of record designated in the trust agreement: *Provided further*, That the trust agreement shall provide that at any time before the sale of tribal property by the trustees the tribe may notify the trustees that it elects to retain such property and to transfer title thereto to a corporation, other legal entity, or trustee in accordance with the provisions of subsection (a) of this section, and that the trustees shall transfer title to such property in accordance with the notice from the tribe if it is approved by the Secretary.

(c) The Secretary shall not approve any form of organization pursuant to subsection (a) of this section that provides for the transfer of stock or an undivided share in corporate assets as compensation for the services of agents or attorneys unless such transfer is based upon an appraisal of tribal assets that is satisfactory to the Secretary.

(d) When approving or disapproving the selection of trustees in accordance with the provisions of subsection (a) of this section, and when designating trustees pursuant to subsection (b) of this section, the Secretary shall give due regard to the laws of the State of Oregon that relate to the selection of trustees, and shall require such trustees to provide a performance bond.

(e) Notwithstanding any other provision of this section, the Secretary is directed to reserve subsurface rights in tribal property, from any sale or division of such property, and to require any corporation trustee or trustees to whom title to tribal property is transferred to retain title to the subsurface rights in such property for not less than 10 years.

SEC. 8. (a) The Secretary is authorized and directed to transfer within 4 years from the date of this act to each member of the tribe unrestricted control of funds or other personal property held in trust for such member by the United States.

(b) All restrictions on the sale or encumbrance of trust or restricted land owned by members of the tribe (including allottees, heirs, and devisees, either adult or minor) are hereby removed 4 years after the date of this act, and the patents or deeds under which titles are then held shall pass the titles in fee simple, subject to any valid encumbrances: *Provided*, That the provisions of this subsection shall not apply to subsurface rights in such lands, and the Secretary is directed to transfer such subsurface rights to one or more trustees designated by him for management for a period not less than 10 years. The titles to all interests in trust or restricted land acquired by members of the tribe by devise or inheritance 4 years or more after the date of act shall vest in such members in fee simple, subject to any valid encumbrance.

(c) Prior to the time provided in subsection (b) of this section for the removal of restrictions on land owned by more than one member of a tribe, the Secretary may—

(1) upon request of any of the owners, partition the land and issue to each owner a patent or deed for his individual share that shall become unrestricted four years from the date of this act;

(2) upon request of any of the owners, and a finding by the Secretary that partition of all or any part of the land is not practicable, cause all or any part of the land to be sold at not less than the appraised value thereof and distribute the proceeds of sale to the owners: *Provided*, That any one or more of the owners may elect before a sale to purchase the other interests in the land at not less than the appraised value thereof, and the purchaser shall receive an unrestricted patent or deed to the land; and

(3) if the whereabouts of none of the owners can be ascertained, cause such lands to be sold and deposit the proceeds of sale in the Treasury of the United States for safekeeping.

(d) The Secretary is hereby authorized to approve—

(1) the exchange of trust or restricted land between the tribe and any of its members;

(2) the sale by the tribe of tribal property to individual members of the tribe; and

(3) the exchange of tribal property for real property in fee status. Title to all real property included in any sale or exchange as provided in this subsection shall be conveyed in fee simple.

SEC. 9. (a) The act of June 25, 1910 (36 Stat. 855), the act of February 14, 1913 (37 Stat. 678), and other acts amendatory thereto shall not apply to the probate of the trust and restricted property of the members of the tribe who die six months or more after the date of this act.

(b) The laws of the several States, Territories, possessions, and the District of Columbia with respect to the probate of wills, the determination of heirs, and the administration of decedents' estates shall apply to the individual property of members of the tribe who die six months or more after the date of this act.

(c) Section 5 of the act of June 1, 1938 (52 Stat. 605), is hereby repealed.

SEC. 10. The Secretary is authorized, in his discretion, to transfer to the tribe or any member or group of members thereof any federally owned property acquired, withdrawn, or used for the administration of the affairs of the tribe which he deems necessary for Indian use, or to transfer to a public or nonprofit body any such property which he deems necessary for public use and from which members of the tribe will derive benefit.

SEC. 11. No property distributed under the provisions of this act shall at the time of distribution be subject to Federal or State income tax. Following any distribution of property made under the provisions of this act, such property and any income derived therefrom by the individual, corporation, or other legal entity shall be subject to the same taxes, State and Federal, as in the case of non-Indians: *Provided*, That for the purpose of capital gains or losses the base value of the property shall be the value of the property when distributed to the individual, corporation or other legal entity.

SEC. 12. Sections 2, 3, 4, 5, and 6 of the act of August 28, 1937 (50 Stat. 872, 873), and section 2 (a) of the act of August 7, 1939 (53 Stat. 1253), are repealed effective on the date of this act. All loans made from the reimbursable loan fund established by section 2 of the act of August 28, 1937 (50 Stat. 872), and all other loans made from Klamath tribal funds, including loans of livestock made by the tribes repayable in kind, are hereby transferred to the tribe for collection in accordance with the terms thereof.

SEC. 13. (a) That part of section 5 of the act of August 13, 1914 (35 Stat. 687; 43 U. S. C. 499), which relates to the transfer of the care, operation, and maintenance of reclamation works to water users associations or irrigation districts shall be applicable to the irrigation works on the Klamath Reservation.

(b) Effective on the first day of the calendar year beginning after the date of the proclamation provided for in section 18 of this act, the deferment of the assessment and collection of construction costs provided for in the first proviso of the act of July 1, 1932 (47 Stat. 564; 25 U. C. S. 386a), shall terminate with respect to any lands within irrigation projects on the Klamath Reservation. The Secretary shall cause the first lien against such lands created by the act

of March 7, 1928 (45 Stat. 200, 210), to be filed of record in the appropriate county office.

(c) There is hereby authorized to be appropriated out of any funds in the Treasury not otherwise appropriated the sum of $89,212 for payment to the Klamath Tribe with interest at 4 percent annually as reimbursement for tribal funds used for irrigation, construction, operation, and maintenance benefiting nontribal lands on the Klamath Reservation, such interest being computed from the dates of disbursement of such funds from the United States Treasury.

(d) The Secretary is authorized to adjust, eliminate, or cancel all or any part of reimbursable irrigation operation and maintenance costs and reimbursable irrigation construction costs chargeable against Indian-owned lands that are subject to the provisions of this act, and all or any part of assessments heretofore or hereafter imposed on account of such costs, when he determines that the collection thereof would be inequitable or would result in undue hardship on the Indian owner of the land, or that the administrative costs of collection would probably equal or exceed the amount collected.

(e) Nothing contained in any other section of this act shall affect in any way the laws applicable to irrigation projects on the Klamath Reservation.

SEC. 14. (a) Nothing in this act shall abrogate any water rights of the tribe and its members, and the laws of the State of Oregon with respect to the abandonment of water rights by nonuse shall not apply to the tribe and its members until 10 years after the date of the proclamation issued pursuant to section 18 of this act.

(b) Nothing in this act shall abrogate any fishing rights or privileges of the tribe or the members thereof enjoyed under Federal treaty.

SEC. 15. Prior to the transfer of title to, or the removal of restrictions from, property in accordance with the provisions of this act, the Secretary shall protect the rights of members of the tribe who are minors, non compos mentis, or in the opinion of the Secretary in need of assistance in conducting their affairs, by causing the appointment of guardians for such members in courts of competent jurisdiction, or by such other means as he may deem adequate.

SEC. 16. Pending the completion of the property dispositions provided for in this act, the funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the tribe shall be available for advance to the tribe, or for expenditure, for such purposes as may be designated by the governing body of the tribe and approved by the Secretary.

SEC. 17. The Secretary shall have authority to execute such patents, deeds, assignments, releases, certificates, contracts, and other instruments as may be necessary or appropriate to carry out the provisions of this act, or to establish a marketable and recordable title to any property disposed of pursuant to this act.

SEC. 18. (a) Upon removal of Federal restrictions on the property of the tribe and individual members thereof, the Secretary shall publish in the Federal Register a proclamation declaring that the Federal trust relationship to the affairs of the tribe and its members has terminated. Thereafter individual members of the tribe shall not be entitled to any of the services performed by the United States for Indians because of their status as Indians and, except as otherwise provided in this act, all statutes of the United States which affect Indians because of their status as Indians shall no longer be applicable to the members of the tribe, and the laws of the several States shall apply to the tribe and its members in the same manner as they apply to other citizens or persons within their jurisdiction.

(b) Nothing in this act shall affect the status of the members of the tribe as citizens of the United States.

SEC. 19. Effective on the date of the proclamation provided for in section 18 of this act, all powers of the Secretary or other officer of the United States to take, review, or approve any action under the constitution and bylaws of the tribe are hereby terminated. Any powers conferred upon the tribe by such constitution which are inconsistent with the provisions of this act are hereby terminated. Such termination shall not affect the power of the tribe to take any action under its constitution and bylaws that is consistent with this act without the participation of the Secretary or other officer of the United States.

SEC. 20. The Secretary is authorized to set off against any indebtedness payable to the tribe or to the United States by an individual member of the tribe or payable to the United States by the tribe, any funds payable to such individual or tribe, under this act and to deposit the amounts set off to the credit of the tribe or the United States as the case may be.

SEC. 21. Nothing in this act shall affect any claim heretofore filed against the United States by the tribe.

SEC. 22. Nothing in this act shall abrogate any valid lease, permit, license, right-of-way, lien, or other contract heretofore approved. Whenever any such instrument places in or reserves to the Secretary any powers, duties, or other functions with respect to the property subject thereto, the Secretary may transfer such functions, in whole or in part, to any Federal agency with the consent of such agency and may transfer such functions, in whole or in part to a State agency with the consent of such agency and the other party or parties to such instrument.

SEC. 23. The Secretary is authorized to issue rules or regulations necessary to effectuate the purposes of this act, and may in his discretion provide for tribal referenda on matters pertaining to management or disposition of tribal assets.

SEC. 24. All acts or parts of acts inconsistent with this act are hereby repealed insofar as they affect the tribe or its members. Effective on the first day of the fiscal year beginning after the date of the proclamation provided for in section 18 of this act, section 2 of the act of August 19, 1949 (63 Stat. 621, ch. 468) shall become inapplicable to the unrecouped balance of funds expended in cooperation with the school board of Klamath County, Oreg., pursuant to said act.

SEC. 25. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 26. Prior to the issuance of a proclamation in accordance with the provisions of section 18 of this act, the Secretary is authorized to undertake, within the limits of available appropriations, a special program of education and training designed to help the members of the tribe to earn a livelihood, to conduct their own affairs, and to assume their responsibilities as citizens without special services because of their status as Indians. Such program may include language training, orientation in non-Indian community customs and living standards, vocational training and related subjects, transportation to the place of training or instruction, and subsistence during the course of training or instruction. For the purposes of such program the Secretary is authorized to enter into contracts or agreements with any Federal, State, or local governmental agency, corporation, association, or person. Nothing in this section shall preclude any Federal agency from undertaking any other program for the education and training of Indians with funds appropriated to it.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PARTITION AND DISTRIBUTION OF THE ASSETS OF THE UTE INDIAN TRIBE IN UTAH

The Senate proceeded to consider the bill (S. 3532) to provide for the partition and distribution of the assets of the Ute Indian Tribe of the Uintah and Ouray Reservation in Utah, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 2, line 4, after the word "property", to strike out "and persons"; in line 9, after the word "possesses", to insert "more than"; in the same line, after the word "degree", to strike out "or more"; in line 13, after the word "possesses", to strike out "less than"; in the same line, after the word "degree", to insert "or less"; after line 22, to insert:

(g) "Adult" means a member of the tribe who has attained the age of 21 years.

On page 3, line 2, after the word "the", where it occurs the first time, to strike out "Ute Indian"; in the same line, after the word "Tribe", to strike out "of the Uintah and Ouray Reservation,"; after line 4, to strike out:

SEC. 4. Any member of the tribe possessing one-half degree or more of Ute Indian blood may apply to the Superintendent to become identified with and a part of the mixed-blood group: *Provided*, That such application is made within 30 days subsequent to the final determination of the rolls, as provided in section 8 hereof: *And provided further*, That before the Superintendent shall make such transfer upon the official rolls the Secretary shall first certify that, in his opinion, such change in status is not detrimental to the best interest of the person seeking such change.

After line 14, to strike out:

SEC. 5. Full-blood members of the tribe shall continue to be subject to the corporate charter, constitution, and bylaws of the Ute Indian Tribe of the Uintah and Ouray Reservation, except as otherwise provided herein.

After line 18, to insert:

SEC. 4. Any member of the tribe whose name appears on the proposed roll of full-blood members as provided in section 8 hereof and any person whose name is added to such proposed roll as the result of an appeal to the Secretary may apply to the superintendent to become identified with and a part of the mixed-blood group: *Provided*, That such application is made within 30 days subsequent to the publication of such proposed roll or in the event of an appeal within 30 days subsequent to notification of the decision on said appeal: *And provided further*, That before such transfer is made upon the official rolls the Secretary shall first certify that, in his opinion, such change in status is not detrimental to the best interest of the person seeking such change.

On page 4, after line 6, to insert:

SEC. 5. Effective on the date of publication of the final rolls as provided in section 8 hereof the tribe shall thereafter consist ex-

clusively of full-blood members. Mixed-blood members shall have no interest therein except as otherwise provided in this act.

In line 18, after the word "Secretary", to strike out "of the Interior"; in line 19, after the word "prescribe", to strike out "Until Federal supervision over said mixed blood Indians has been terminated, said organization shall have all the rights, privileges, and immunities afforded to other Indian organizations organized by the act of June 18, 1934 (48 Stat. 984), as amended by the act of June 15, 1935 (49 Stat. 378)" and insert "Such constitution may provide for the selection of authorized representatives who shall have power to take any action that is required by this act to be taken by the mixed-blood members as a group"; on page 5, line 3, after the word *"Provided"*, to strike out *"however"*; in line 7, after the word "the", to insert "adult"; in line 10, after the word "Secretary", to strike out "of the Interior"; in line 22, after the word "the", to insert "effective"; in the same line, after the word "of", to insert "enactment of"; on page 6, line 1, at the beginning of the line, to strike out "effective"; in the same line, after the word "of", to insert "enactment of"; in line 4, after the word "Said", to insert "proposed"; in line 15, after the word "such", to insert "proposed"; in line 16, after the word "his", to strike out "decision" and insert "decisions"; in line 18, after the word "Secretary", to insert "and after all transfers have been made pursuant to section 4 hereof"; in line 22, after the word "Act", to strike out the comma and "except that tribal members may be transferred from the full-blood roll to the mixed-blood roll during the time and in the manner as provided in section 4 hereof"; on page 7, line 1, after the word "and", to strike out "in conjunction with"; in line 2, after the word "authorized", to strike out "agents" and insert "representatives"; in line 3, after the word "tribe", to strike out "is" and insert "acting jointly, are"; at the beginning of line 5, to strike out "of the Interior, or his authorized representative"; on page 11, at the beginning of line 1, to strike out "Title shall be conveyed by issuance of patent in fee."; in line 17, after the word "Secretary", to strike out "of the Interior"; on page 12, line 1, after the word "Secretary", to strike out "of the Interior"; in line 2, after the word "be", to strike out "made directly proportionate to the" and insert "based upon the relative"; in line 4, after the word "group", to strike out "after all transfers as provided herein"; in line 5, after the word "division", to strike out "and the establishment of the final membership roll of the mixed-blood group, including all transfers as provided herein,"; in line 9, after the word "constitute", to strike out "personal" and insert "an undivided interest in and to such"; in line 15, after the word "of", to strike out "six" and insert "twelve"; at the beginning of line 18, to strike out "of the Interior"; in line 20, after the word "groups.", to insert "Such partition shall give rise to no cause of action against the United States and the costs of such partition shall be paid by the tribe."; on page 13, line 2, after the word "and", to insert "arranging for"; at the beginning of line 11, to insert "subject to such supervision by the Secretary as is otherwise required by law"; in line 12, after the word "therefrom", to insert "after deducting the costs chargeable to such management"; in line 16, after the word "group", to strike out "after all transfers as provided here,"; in line 23, after the word "thereof", to strike out "may be expended or advanced by the respective groups" and insert "shall be available for advance to the tribe or the respective groups, or for expenditure"; on page 14, line 6, after the word *"Provided"*, to strike out *"however,"*; in line 16, after "Sec. 12.", to strike out "All per capita payments to any individual mixed-blood member made pursuant to any division or distribution hereunder shall have deducted therefrom any sum or sums of money owed by such member to the tribe, whether due or to become due" and insert "Fifty percent of all per capita payments to any individual mixed-blood member made pursuant to any division or distribution hereunder shall have deducted therefrom any sum or sums of money owed by such member to the tribe, whether due or to become due, unless in the opinion of the Secretary said debts are not adequately secured in which event the entire per capita payment shall be subject to such offset"; on page 15, line 14, after the word "prepared", to insert "and ratified by a majority of said group"; in line 19, after the word "and", to insert "arranging for"; on page 16, line 3, to change the subsection letter from "(a)" to "(i)"; in line 6, after the word "incurred", to strike out "in the formation of any livestock, range, or irrigation corporations deemed essential in the necessary distribution hereunder" and insert "under sections 13 and 14 of this act"; in line 100, to change the subsection letter from "(b)" to "(ii)"; in line 24, after the word "parties", to strike out "as the same shall be determined by agreement between them,"; on page 18, line 20, after the word "group", to insert "subject to the approval of the Secretary"; in line 22, after the word "granted", to insert "to the authorized representatives of said group"; on page 19, line 1, after the word "best", to strike out "interest" and insert "interests"; in line 4, after the word "group", to strike out "and the Secretary is authorized to deduct, in his discretion," and insert "after deducting"; in line 6, after the word "distribution.", to strike out "Title shall be conveyed by issuance of patent in fee with the reservations as provided in this act."; in line 18, after the word "group", to insert "or convey such assets to a trustee for liquidation and distribution of the net proceeds, or convey such assets to the persons entitled thereto as tenants in common."; on page 20, line 1, after the word "the", to strike out "effective"; in the same line, after the word "date", to insert "of enactment"; in line 100, after the word "patent", to insert "or deed"; in line 11, after "Sec. 16.", to insert "(a)"; on page 21, after line 4, to insert:

(b) Prior to the removal of restrictions in accordance with the provisions of subsection (a) hereof on land owned by more than one person, the Secretary may—

(1) upon request of any of the owners, partition the land and issue to each owner an unrestricted patent or deed for his individual share, unless such owner is a full-blood member of the tribe or other Indian who owns trust or restricted property, in which event a trust patent or restricted deed shall be issued and such trust may be terminated or such restrictions may be removed when the Secretary determines that the need therefor no longer exists;

(2) upon request of any of the owners and a finding by the Secretary that partition of all or any part of the land is not practicable, cause all or any part of the land to be sold at not less than the appraised value thereof and distribute the proceeds of sale to the owners: *Provided*, That before a sale any one or more of the owners may elect to purchase the other interests in the land, or the tribe may elect to purchase the entire interest in the land, at not less than the appraised value thereof.

On page 22, line 1, after "SEC. 17.", to strike out "No property distributed under the provisions of this act shall, at the time of distribution, be subject to Federal or State income tax. Property distributed to the mixed-blood group pursuant to the terms of this act shall be exempt from property taxes for a period of 7 years from the effective date of this act, unless the original distributee parts with title thereto, either by deed, descent, succession, foreclosure of mortgage, sheriff's sale, or other conveyance: *Provided, however*, That the mortgaging, hypothecation, granting of a right of way, or other similar encumbrance of said property shall not be construed as a conveyance subjecting said property to taxation under the provisions of this section. After 7 years from the effective date of this act, all property distributed to the mixed-blood members of the tribe under the provisions of this act, and all income derived therefrom by the individual, corporation, or other legal entity, shall be subject to the same taxes, State and Federal, as in the case of non-Indians: *Provided*, That for the purpose of capital gains or losses the base value of the property shall be the value of the property when distributed to the individual, corporation, or other legal entity" and insert "No distribution of the assets made under the provisions of this act shall be subject to any Federal or State income tax: *Provided*, That so much of any cash distribution made hereunder as consists of a share of any interest earned on funds deposited in the Treasury of the United States shall not by virtue of this act be exempt from individual income tax in the hands of the recipients for the year in which paid. Property distributed to the mixed-blood group pursuant to the terms of this act shall be exempt from property taxes for a period of 7 years from the date of enactment of this act, unless the original distributee parts with title thereto, either by deed, descent, succession, foreclosure of mortgage, sheriff's sale, or other conveyance: *Provided*, That the mortgaging, hypothecation, granting of a right-of-way, or other similar encumbrance of said property shall not be construed as a conveyance subjecting said property to taxation under the provisions of this section. After 7 years from

the date of enactment of this act, all property distributed to the mixed-blood members of the tribe under the provisions of this act, and all income derived therefrom by the individual, corporation, or other legal entity, shall be subject to the same taxes, State and Federal, as in the case of non-Indians; except that any valuation for purposes of Federal income tax on gains or losses shall take as the basis of the particular taxpayer the value of the property on the date title is transferred by the United States pursuant to this act."

On page 24, line 4, after the word "which", to strike out "they" and insert "such mixed-blood members"; in line 24, after the word "the", to insert "Federal"; in the same line, after the word "relationship", to strike out "of" and insert "to"; on page 25, line 8, after the word "the", to strike out "effective"; on page 26, after line 11, to insert:

SEC. 28. Whenever any action pursuant to the provisions of this act requires the agreement of the mixed-blood and full-blood groups and such agreement cannot be reached, the Secretary is authorized to proceed in any manner deemed by him to be in the best interests of both groups.

In line 17, to change the section number from "28" to "29", and in line 20, to change the section number from "29" to "30"; so as to make the bill read:

Be it enacted, etc., That the purpose of this act is to provide for the partition and distribution of the assets of the Ute Indian Tribe of the Uintah and Ouray Reservation in Utah between the mixed-blood and full-blood members thereof; for the termination of Federal supervision over the trust, and restricted property, of the mixed-blood members of said tribe; and for a development program for the full-blood members thereof, to assist them in preparing for termination of Federal supervision over their property.

SEC. 2. For the purposes of this act—

(a) "Tribe" means the Ute Indian Tribe of the Uintah and Ouray Reservation, Utah.

(b) "Full-blood" means a member of the tribe who possesses more than one-half degree of Ute Indian blood, excepting those who become mixed-bloods by choice under the provisions of section 4 hereof.

(c) "Mixed-blood" means a member of the tribe who possesses one-half degree or less of Ute Indian blood, and those who become mixed-bloods by choice under the provisions of section 4 hereof.

(d) "Secretary" means Secretary of the Interior.

(e) "Superintendent" means the Superintendent of the Uintah and Ouray Reservation, Utah.

(f) "Asset" means any property of the tribe, real, personal or mixed, whether held by the tribe or by the United States in trust for the tribe, or subject to a restriction against alienation imposed by the United States.

(g) "Adult" means a member of the tribe who has attained the age of 21 years.

SEC. 3. For the purposes of this act Ute Indian blood shall be determined in accordance with the constitution and bylaws of the tribe and all tribal ordinances in force and effect on the effective date of this act.

SEC. 4. Any member of the tribe whose name appears on the proposed roll of full-blood members as provided in section 8 hereof and any person whose name is added to such proposed roll as the result of an appeal to the Secretary may apply to the Superintendent to become identified with and a part of the mixed-blood group: *Provided*, That such application is made within 30 days subsequent to the publication of such proposed roll or in the event of an appeal within 30 days subsequent to notification of the decision on said appeal: *And provided further*, That before such transfer is made upon the official rolls the Secretary shall first certify that, in his opinion, such change in status is not detrimental to the best interest of the person seeking such change.

SEC. 5. Effective on the date of publication of the final rolls as provided in section 8 hereof the tribe shall thereafter consist exclusively of full-blood members. Mixed-blood members shall have no interest therein except as otherwise provided in this act.

SEC. 6. The mixed-blood members of the tribe, including those residing on and off the reservation, shall have the right to organize for their common welfare, and may adopt an appropriate constitution and bylaws which shall become effective when ratified by a majority vote of the adult mixed-blood members of the tribe at a special election authorized and called by the Secretary under such rules and regulations as he may prescribe. Such constitution may provide for the selection of authorized representatives who shall have power to take any action that is required by this act to be taken by the mixed-blood members as a group: *Provided*, That nothing herein contained shall be construed as requiring said mixed-blood Indians to so organize if such organization is by them deemed unnecessary. In the event no such approved organization is effected, any action taken by the adult mixed-blood members, by majority vote, whether in public meeting or by referendum, but in either event, after such notice as may be prescribed by the Secretary, shall be binding upon said mixed-blood members of the tribe for the purposes of this act.

SEC. 7. The mixed-blood members of the tribe as a group may employ legal counsel to accomplish the legal work required on behalf of said group under the terms of this act, and for any other purpose by them deemed necessary or desirable; the choice of counsel and fixing of fees to be subject to the approval of the Secretary until Federal supervision over all of the members of said group and their property is terminated in the manner provided in section 16 of this act.

SEC. 8. The tribe shall have a period of 30 days from the date of enactment of this act in which to prepare and submit to the Secretary a proposed roll of the full-blood members of the tribe, and a proposed roll of the mixed-blood members of the tribe, living on the date of enactment of this act. If the tribe fails to submit such proposed rolls within the time specified in this act, the Secretary shall prepare such proposed rolls for the tribe. Said proposed rolls shall be published in the Federal Register, and in a newspaper of general circulation in each of the counties of Uintah and Duchesne in the State of Utah. Any person claiming membership rights in the tribe, or an interest in its assets, or a representative of the Secretary on behalf of any such person, within 60 days from the date of publication in the Federal Register, or in either of the papers of general circulation, as hereinbefore provided, whichever publication date is last, may file an appeal with the Secretary contesting the inclusion or omission of the name of any person on or from either of such proposed rolls. The Secretary shall review such appeals and his decisions thereon shall be final and conclusive. After disposition of all such appeals to the Secretary, and after all transfers have been made pursuant to section 4 hereof the roll of the full-blood members of the tribe, and the roll of the mixed-blood members of the tribe, shall be published in the Federal Register, and such rolls shall be final for the purposes of this act.

SEC. 9. The business committee of the tribe for and on behalf of the full-blood members of said tribe, and the duly authorized representatives for the mixed-blood members of said tribe, acting jointly, are hereby authorized, subject to the approval of the Secretary, to sell, exchange, dispose of, and convey to any purchaser deemed satisfactory to said committee and representatives, any or all of the lands of said tribe described as follows, to wit:

Description	Section	Acres
Township 1 North, Range 1 East:		
NW/4 SW/4	35	40.00
Township 1 North, Range 1 West:		
W/2 NE/4	20	80.00
SE/4 SW/4	21	40.00
NE/4 NW/4; N/2 SW/4	28	120.00
Total		240.00
Township 2 North, Range 1 West:		
E/2 SW/4 NE/4	35	20.00
Township 1 South, Range 1 West:		
NW/4 SE/4	6	40.00
Lot 3	7	40.51
S/2 NE/4; NE/4 SE/4; W/2 SW/4 NW/4; W/2 NW/4 SW/4	16	160.00
E/2 SE/4	17	80.00
E/2 NE/4	20	80.00
SE/4 SE/4	29	40.00
Lot 2	30	40.26
SW/4 NW/4; SW/4 SE/4	35	80.00
SW/4 NE/4	36	40.00
Total		600.77

Description	Section	Acres
Township 1 South, Range 2 West:		
NW/4 SW/4	12	40.00
S/2 NE/4; N/2 SE/4	14	160.00
Total		200.00
Township 1 South, Range 3 West:		
SW/4 SE/4	8	40.00
NW/4 NW/4	16	40.00
Total		80.00
Township 1 South, Range 8 West:		
W/2 SW/4	3	80.00
NE/4 SE/4	4	40.00
All	5	721.00
All	6	695.40
NE/4 NW/4	10	40.00
NE/4 SW/4	12	40.00
SW/4 NW/4	14	40.00
Total		1,656.40
Township 2 South, Range 1 West:		
S/2 SW/4; SE/4 SE/4	1	120.00
Lot 3; SE/4 NW/4	4	81.28

Description	Section	Acres
Township 2 South, Range 1 West—Continued		
Lots 1 & 2; E/2 NW/4; W/2 NE/4	7	237.78
NW/4 NW/4	12	40.00
SE/4 NE/4	13	40.00
Total		519.06
Township 2 South, Range 1 East:		
Lot 2; SE/4 NW/4	18	79.71
Township 2 South, Range 2 West:		
S/2 S/2	2	160.00
N/2	12	320.00
Total		480.00
Township 2 South, Range 3 West:		
E/2 NE/4	17	80.00
NE/4 SW/4; S/2 SE/4	19	120.00
NW/4 SW/4	29	40.00
Lots 1 & 2; E/2 NW/4; NE/4	30	316.36
Lot 2; SE/4 NW/4	31	78.40
Total		634.76
Township 2 South Range 4 West:		
SW/4 SW/4	1	40.00
SE/4 SW/4; SW/4 SE/4	9	80.00
W/2 NE/4	16	80.00
NE/4	28	160.00
N/2 SE/4	32	80.00
Lots 3 & 4; N/2 SW/4	33	167.31
NE/4 SW/4; N/2 SE/4; Lots 1 & 2	36	200.46
Total		807.77
Township 2 South Range 5 West:		
NW/4	10	160.00
NE/4 NE/4	29	40.00
N/2 NE/4; SE/4 NE/4	33	120.00
W/2 NW/4; SE/4 NW/4; N/2 SW/4; SE/4 SW/4; S/2 SE/4	34	320.00
NW/4 SE/4	36	40.00
Total		680.00
Township 2 South Range 7 West:		
NE/4 SE/4; SW/4 SW/4	13	80.00
NE/4 NE/4; SW/4 NW/4; N/2 SW/4; SE/4 SW/4; W/2 SE/4; SE/4 SE/4	14	320.00
W/2 NE/4; SE/4 NE/4	15	120.00
N/2 NE/4	23	80.00
N/2 N/2; SE/4 NE/4	24	200.00
Total		800.00
Township 2 South Range 8 West:		
SE/4 SW/4	31	40.00
Township 3 South Range 1 East:		
Lot 2; SE/4 NW/4; S/2 NE/4	7	158.12
N/2 SW/4; SW/4 NE/4; NW/4 SE/4	16	160.00
Lots 1, 2 & 3; NE/4 SW/4	18	155.35
E/2 NE/4	30	80.00
Total		553.47
Township 3 South Range 2 East:		
Lot 8	6	35.49
SW/4 SW/4	25	40.00
SE/4 NW/4; E/2 SW/4	36	120.00
Total		195.49
Township 3 South Range 1 West:		
N/2 SE/4	3	80.00
Lots 1–8, Incl	22	331.46
Lots 1–4, Incl; S/2 N/2	23	338.28
Lots 1–4, Incl; S/2 N/2	24	341.20
W/2 SE/4	25	80.00
Total		1,170.94
Township 3 South Range 2 West:		
S/2 S/2	9	160.00
S/2 SE/4	7	80.00
SW/4 SW/4	8	40.00
W/2 SW/4	15	80.00
NE/4 SW/4; NW/4; SE/4	16	360.00
SW/4 SW/4	17	40.00
NE/4 NE/4	18	40.00
N/2 NE/4	21	80.00
N/2 NW/4	24	80.00
W/2 SW/4	33	80.00
Total		1,040.00
Township 3 South Range 3 West:		
S/2 NW/4; NE/4 SW/4; N/2 SE/4	2	200.00
NW/4 SE/4; N/2 SW/4	17	120.00
All (Lots 1–4, Incl., E/2 W/2; E/2)	19	633.87
SW/4 SW/4	20	40.00
E/2 SW/4	21	80.00
N/2 NW/4; S/2 NE/4; NE/4 SE/4	29	200.00
W/2 NE/4; NE/4 NW/4; Lot 1	30	158.66
Total		1,432.53
Township 3 South Range 4 West:		
SW/4 NW/4	11	40.00
S/2 SE/4; SE/4 SW/4; N/2 S/2	13	280.00
NE/4; NE/4 NW/4	24	200.00
SE/4 NE/4; W/2 NE/4; E/2 NW/4	26	200.00
E/2 NE/4	30	80.00
Total		800.00
Township 3 South Range 5 West:		
Lots 1 & 2; SE/4 NE/4	3	118.86
Lot 4; SW/4 NW/4; W/2 SW/4; SE/4 SW/4	2	199.58
S/2 NE/4; N/2 SE/4	5	160.00
NW/4; W/2 NE/4 NE/4 SW/4; NW/4 SE/4	11	320.00
W/2 E/2	12	160.00
W/2 E/2	13	160.00
SW/4 NW/4; N/2 SW/4; SW/4 SW/4	21	160.00
E/2 NE/4	34	80.00
Total		1,358.44
Township 3 South Range 7 West:		
Lots 3 & 4	7	66.55
S/2	13	320.00
NW/4 SW/4	16	40.00
E/2 SE/4; SW/4 SE/4; W/2 NW/4	17	200.00
E/2 NE/4; Lots 1 & 2	18	147.16
Total		773.71
Township 3 South Range 8 West:		
E/2; NW/R; E/2 SW/4	35	560.00
S/2 S/2	1	160.00
SW/4	2	160.00
W/2 SE/4	3	80.00
Lot 3; SE/4 NW/4; NE/4 SW/4	6	120.04
SE/4	9	160.00
NE/4	10	160.00
S/2 NW/4	11	80.00
NW/4; SE/4	12	320.00
N/2 NE/4; SE/4 NE/4; SE/4; NE/4 NW/4	13	320.00
NE/4; S/2	14	480.00
S/2	15	320.00
W/2 NE/4; S/2 NW/4	27	160.00
Total		3,080.04
Township 3 South Range 9 West:		
SW/4 NW/4; NW/4 SW/4	27	80.00
Township 4 South Range 2 West:		
Lot 3; NE/4 SW/4; N/2 SE/4	7	159.70
E/2 NE/4; SW/4 NE/4	12	120.00
E/2 NW/4; SW/4 NW/4	16	120.00
SE/4 NE/4; NW/4; NW/4 SW/4; N/2 SE/4	17	320.00
Lot 1	18	39.91
SE/4; S/2 NE/4; S/2 SW/4	21	320.00
S/2	22	320.00
W/2 SW/4	23	80.00
Lot 4	26	6.89
Lots 1–4, Incl	27	26.59
Lots 1–4, Incl	28	126.64
Lots 1–6, Incl.; NE/4; E/2 NW/4	30	475.16
Total		2,114.89
Township 4 South, Range 3 West:		
Lot 10	2	40.90
E/2 NE/4; NE/4 SE/4	13	120.00
Lots 1 & 2; N/2 SE/4; SW/4; N/2	25	622.29
All	26	640.00
Lots 1–6, Incl.; NW/4 NW/4	35	237.96
Lot 1	36	25.75
Total		1,686.90
Township 4 South, Range 4 West:		
S/2	25	320.00
Township 4 South, Range 8 West:		
N/2	29	320.00
Township 4 South, Range 9 West:		
S/2	9	320.00
All	10	640.00
All	11	640.00
S/2	12	320.00
N/2; N/2 S/2; SE/4 SE/4	13	520.00
N/2	14	320.00
N/2	15	320.00
N/2	16	320.00
N/2	17	320.00
Lots 3 & 4; E/2 SW/4; SE/4	18	319.09
Lots 1 & 2; E/2 NW/4; NE/4	19	319.37
Total		4,358.46
Township 4 South Range 10 West:		
S/2	13	320.00
SE/4 NW/4; E/2 SW/4	17	120.00
NE/4 NW/4	20	40.00
Total		480.00
Township 5 South Range 7 West:		
S/2 SW/4	35	80.00

Description	Section	Acres
Township 5 South Range 9 West:		
SE/4 NW/4; S/2 NE/4	34	120.00
SW/4 NW/4	35	40.00
Total		160.00
Township 6 South Range 9 West:		
SW/4 SE/4	5	40.00
W/2 NE/4; NW/4 SE/4	8	120.00
Total		160.00
Grand total		27,043.34

All such sales, exchanges, or other dispositions shall be made upon such terms as said committee and said authorized representatives shall deem satisfactory and may be made pursuant to bids or at private sale, and all funds or other property derived from such sales, exchanges, or other dispositions shall be subject to the terms of this act. Consent by the tribal business committee and said authorized representatives to the sale, exchange, or other disposal of the lands herein described shall relieve the United States of any liability resulting from such sale, exchange, or other disposition. The tribal business committee and said authorized representatives are further authorized to sell or dispose of tribal assigned lands to the assignees thereof under such terms and conditions as may be agreed upon by the said tribal business committee and said authorized representatives with the assignees, subject, however, to the approval of the Secretary.

SEC. 10. The tribal business committee representing the full-blood group, and the authorized representatives of the mixed-blood group, within 60 days after the publication of the final membership roll, as provided in section 8 hereof, shall commence a division of the assets of the tribe that are then susceptible to equitable and practicable distribution. Such division shall be by agreement between them subject to the approval of the Secretary. Said division shall be based upon the relative number of persons comprising the final membership roll of each group. After such division the rights or beneficial interests in tribal property of each mixed-blood person whose name appears on the roll shall constitute an undivided interest in and to such property which may be inherited or bequeathed, but shall be subject to alienation or encumbrance before the transfer of title to such tribal property only as provided herein. Any contract made in violation of this section shall be null and void. If said groups are unable to agree upon said division within a period of 12 months from the date of such commencement, or any authorized extension of said period granted within the discretion of the Secretary, the Secretary is authorized to partition the assets of the tribe in such manner as in his opinion will be equitable and fair to both groups. Such partition shall give rise to no cause of action against the United States and the costs of such partition shall be paid by the tribe. The Secretary is authorized to provide such reasonable assistance as may be requested by both groups, or by either group, in formulation and execution of a plan for the division of said assets, including necessary technical services of Government employees at Fort Duchesne, Utah, and arranging for necessary consultations with representatives of Federal departments and agencies, officials of the State of Utah, and political subdivisions thereof, and members of the tribe. All unadjudicated or unliquidated claims against the United States, all gas, oil, and mineral rights of every kind, and all other assets not susceptible to equitable and practicable distribution shall be managed jointly by the tribal business committee and the authorized representatives of the mixed-blood group, subject to such supervision by the Secretary as is otherwise required by law, and the net proceeds therefrom after deducting the costs chargeable to such management shall first be divided between the full-blood and mixed-blood groups in direct proportion to the number of persons comprising the final membership roll of each group and without regard to the number of persons comprising each group at the time of the division of such proceeds.

SEC. 11. Notwithstanding any other provision of existing law, the tribal funds now on deposit or hereafter deposited in the United States Treasury to the credit of the tribe or either group thereof, shall be available for advance to the tribe or the respective groups, or for expenditure, for such purposes, including per capita payments, as may be designated by the Tribal Business Committee for the full-blood members, and by the authorized agents of the mixed-blood members, and in either event subject to the approval of the Secretary: *Provided*, That the aggregate amount of the expenditures and advances authorized by this section for the mixed-blood group shall not exceed 50 percent of the total funds of said mixed-blood group after such division, until said mixed-blood group has adopted a plan approved by the Secretary for termination of Federal supervision of said mixed-blood group, as required under section 13 hereof. After such termination of Federal supervision, per capita payments to the mixed-blood group shall not be subject to approval of the Secretary.

SEC. 12. Fifty percent of all per capita payments to any individual mixed-blood member made pursuant to any division or distribution hereunder shall have deducted therefrom any sum or sums of money owed by such member to the tribe, whether due or to become due, unless in the opinion of the Secretary said debts are not adequately secured in which event the entire per capita payment shall be subject to such offset. Any other division, partition or distribution of property to any individual mixed-blood member made pursuant to this act shall be subject to a mortgage to be made in favor of the tribe securing the payment of all sums of money owed by him to the tribe on the date of such division, partition or distribution to such individual mixed-blood member. The Secretary shall require the execution of any mortgage required hereunder as a condition to any such division, partition or distribution.

SEC. 13. After the adoption of a plan for the division of the assets between the two groups, a plan for distribution of the assets of the mixed-blood group to the individual members thereof shall be prepared and ratified by a majority of said group, within the period of 6 months from such adoption and presented to the Secretary for approval. The Secretary is authorized to provide such reasonable assistance, including necessary technical service of Government employees at Fort Duchesne, Utah, and arranging for necsssary consultations with representatives of Federal departments and agencies, officials of the State of Utah and political subdivisions thereof, as may be required by the mixed-blood group in the preparation of such plan.

The plan for division of the assets among the members of the mixed-blood group may include:

(1) Complete disposition of all cash assets of said group, reserving, however, sufficient funds to cover—

(i) the proportionate share of said mixed-blood group in and to all expenses incurred in effecting the purposes of this act, including, but not limited to, the necessary expense incurred under sections 13 and 14 of this act;

(ii) the just and proportionate share of the mixed-bloods in the expense incurred in the prosecution of the claims of the tribe, or the bands thereof, against the United States; and

(iii) the determinable and estimated administrative costs and expenses of any mixed-blood organization authorized by this act, including lawful and reasonable salaries and fees of authorized agents, officers and employees of said mixed-blood group.

(2) Partition of the lands of the mixed-blood group, excepting all gas, oil, and mineral rights, to corporations, partnerships, or other legal entities, and to trustees, and the individual members of said groups, quality and quantity relatively considered, according to the respective rights and interests of the parties, located so as to embrace, as far as practicable, any improvements lawfully made by the person or persons receiving such land. The value of the improvements made, under a valid lease or assignment from the tribe, shall be excluded from the valuation in making allotments to the lessee or assignee, and the land must be valued without regard to such improvements unless the lease or assignment, under which said improvements were made, provided that such improvements should become the property of the tribe. In the making of any partition due consideration shall be given to all of the rights and interests of the person or persons receiving the property, and all of the rights and interests of the other members of the tribe. Two or more of the members of said mixed-blood group may obtain their share of property as tenants in common, as joint tenants, or in any other lawful manner when such members agree among themselves as to the manner in which they desire to receive such title. When it appears that an equitable partition cannot be made among the members of said mixed-blood group without prejudice to the rights and interests of some of them, and yet a partition is directed by the group, the members of said group may voluntarily determine compensation to be made by one party to another on account of the inequity. In all cases where equity is agreed upon by the members of said mixed-blood group, such compensatory adjustment among the parties, according to the principles of equity, must be approved by the Secretary. In the event of a failure to agree upon an equitable compensatory adjustment among the parties the Secretary shall make such adjustment and his decision shall be final.

(3) Organization of corporations for the grazing of livestock, handling of water and water rights, and the shares therein may be issued to the members of said group in proportion to their interests in the assets of such corporations. When, in the opinion of said mixed-blood group, it is to the best interest of said group to transfer a portion of the assets of said group to a corporation or other legal entity for any purpose, the Secretary is authorized to make such transfer.

(4) A transfer of assets to one or more trustees designated by said group who shall hold title to all or any part of the property of said group for management or liquidation purposes under terms and conditions prescribed by said mixed-blood group. The Secretary is authorized to make such transfer,

and approve the trustees, and the terms and conditions of the trust.

(5) Sale of any portion of the assets of said group subject to the approval of the Secretary. In addition to the sales herein otherwise authorized, authority is granted to the authorized representatives of said group to sell any property of said group when, in the opinion of the majority of said mixed-blood group, a practicable partition cannot be made, or for any other reason it is deemed to the best interests of the group, and the proceeds of such sales shall be distributed equitably among the members of said mixed-blood group; after deducting reasonable cost of sale and distribution.

SEC. 14. In the event all the tribal assets, susceptible to equitable and practicable distribution, distributed to the mixed-blood group under the provisions of section 10 hereof, are not, within 7 years from the effective date of this act, distributed to the individual mixed-blood members as contemplated in the plan to be adopted in accordance with the provisions of section 13 hereof, so as to effectively terminate Federal supervision over said assets, then the Secretary shall proceed to make such distribution in a manner, in his discretion, deemed fair and equitable to all members of said group, or convey such assets to a trustee for liquidation and distribution of the net proceeds, or convey such assets to the persons entitled thereto as tenants in common.

SEC. 15. Any member of the mixed-blood group may dispose of his interest in the tribal assets prior to termination of Federal supervision, subject to the approval of the Secretary. In the event a member of the mixed-blood group determines to dispose of his interest in any of said real property at any time within 10 years from the date of enactment of this act, he shall first offer it to the members of the tribe, and no sale of any interest, prior to termination of Federal supervision, shall be authorized without such offer to said members of the tribe in such form as may be approved by the Secretary. After termination of Federal supervision the requirement of such offer, in form to be approved by the Secretary, shall be a covenant to run with the land for said 10-year period, and shall be expressly provided in any patent or deed issued prior to the expiration of said period.

SEC. 16. (a) When any mixed-blood member of the tribe has received his distributive share of the tribal assets distributed to the mixed-blood group under the provisions of section 10 hereof, whether such distribution is made in part or in whole to a corporation, partnership, or trusteeship in which he is interested, or otherwise, the Secretary is authorized and directed to immediately transfer to him unrestricted control of all other property held in trust for such mixed-blood member by the United States, and shall further remove all restrictions on the sale or encumbrance of trust or restricted property owned by such member of the tribe, and Federal supervision of such member and his property shall thereby be terminated, except as to his remaining interest in tribal property in the form of any unadjudicated or unliquidated claims against the United States, all gas, oil, and mineral rights of every kind, and all other tribal assets not susceptible to equitable and practicable distribution, all of which shall remain subject to the terms of this act, notwithstanding anything herein contained to the contrary.

(b) Prior to the removal of restrictions in accordance with the provisions of subsection (a) hereof on land owned by more than one person, the Secretary may—

(1) upon request of any of the owners, partition the land and issue to each owner an unrestricted patent or deed for his individual share, unless such owner is a full-blood member of the tribe or other Indian who owns trust or restricted property, in which event a trust patent or restricted deed shall be issued and such trust may be terminated or such restrictions may be removed when the Secretary determines that the need therefor no longer exists;

(2) upon request of any of the owners and a finding by the Secretary that partition of all or any part of the land is not practicable, cause all or any part of the land to be sold at not less than the appraised value thereof and distribute the proceeds of sale to the owners: *Provided*, That before a sale any one or more of the owners may elect to purchase the other interests in the land, or the tribe may elect to purchase the entire interest in the land, at not less than the appraised value thereof.

SEC. 17. No distribution of the assets made under the provisions of this act shall be subject to any Federal or State income tax: *Provided*, That so much of any cash distribution made hereunder as consists of a share of any interest earned on funds deposited in the Treasury of the United States shall not by virtue of this act be exempt from individual income tax in the hands of the recipients for the year in which paid. Property distributed to the mixed-blood group pursuant to the terms of this act shall be exempt from property taxes for a period of 7 years from the date of enactment of this act, unless the original distributee parts with title thereto, either by deed, descent, succession, foreclosure of mortgage, sheriff's sale or other conveyance: *Provided*, That the mortgaging, hypothecation, granting of a right-of-way, or other similar encumbrance of said property shall not be construed as a conveyance subjecting said property to taxation under the provisions of this section. After 7 years from the date of enactment of this act, all property distributed to the mixed-blood members of the tribe under the provisions of this act, and all income derived therefrom by the individual, corporation, or other legal entity, shall be subject to the same taxes, State and Federal, as in the case of non-Indians; except that any valuation for purposes of Federal income tax on gains or losses shall take as the basis of the particular taxpayer the value of the property on the date title is transferred by the United States pursuant to this act.

SEC. 18. The laws of the United States with respect to probate of wills, determination of heirship, and the administration of estates shall apply to the individual trust property of mixed-blood members of the tribe until Federal supervision is terminated. Thereafter, the laws of the several States, Territories, possessions, and the District of Columbia within which such mixed-blood members reside at the time of their death shall apply.

SEC. 19. Nothing in this act shall affect any claim heretofore filed against the United States by the tribe, or the individual bands comprising the tribe.

SEC. 20. Nothing in this act shall abrogate any valid lease, permit, license, right-of-way, lien, or other contract heretofore approved.

SEC. 21. Nothing in this act shall abrogate any water rights of the tribe or its members.

SEC. 22. For the purposes of this act, the Secretary shall protect the rights of members of the tribe who are minors, non compos mentis, or, in the opinion of the Secretary, in need of assistance in conducting their affairs, by such means as he may deem adequate, but appointment of guardians pursuant to State laws, in any case, shall not be required until Federal supervision has terminated.

SEC. 23. Upon removal of Federal restrictions on the property of each individual mixed-blood member of the tribe, the Secretary shall publish in the Federal Register a proclamation declaring that the Federal trust relationship to such individual is terminated. Thereafter, such individual shall not be entitled to any of the services performed for Indians because of his status as an Indian. All statutes of the United States which affect Indians because of their status as Indians shall no longer be applicable to such member over which supervision has been terminated, and the laws of the several States shall apply to such member in the same manner as they apply to other citizens within their jurisdiction.

SEC. 24. Within 3 months after the date of enactment of this act, the business committee of the tribe representing the full-blood group thereof shall present to the Secretary a development program calculated to assist in making the tribe and the members thereof self-supporting, without any special Government assistance, with a view of eventually terminating all Federal supervision of the tribe and its members. The tribal business committee, representing the full-blood group shall, through the Secretary of the Interior, make a full and complete annual progress report to the Congress of its activities, and of the expenditures authorized under this act.

SEC. 25. Nothing in this act shall affect the status of the members of the tribe as citizens of the United States, or shall affect their rights, privileges, immunities, and obligations as such citizens.

SEC. 26. The Secretary shall have authority to execute such patents, deeds, assignments, release, certificates, contracts, and other instruments, as may be necessary or appropriate to carry out the provisions of this act, or to establish a marketable and recordable title to any property disposed of pursuant to this act.

SEC. 27. The Secretary is authorized to issue rules and regulations necessary to effectuate the purposes of this act, and may, in his discretion, provide for tribal or group referendums on matters pertaining to management or disposition of tribal or group assets.

SEC. 28. Whenever any action pursuant to the provisions of this act requires the agreement of the mixed-blood and full-blood groups and such agreement cannot be reached, the Secretary is authorized to proceed in any manner deemed by him to be in the best interests of both groups.

SEC. 29. All acts, or parts of acts, inconsistent with this act are hereby repealed insofar as they affect the tribe or its members.

SEC. 30. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the partition and distribution of the assets of the Ute Indian Tribe of the Uintah and Ouray Reservation in Utah between the mixed-blood and full-blood members thereof; and for the termination of Federal supervision over the property of the mixed-blood members of said tribe; to provide a development program for the full-blood members of said tribe; and for other purposes."

AMENDMENT OF FEDERAL FOOD, DRUG, AND COSMETIC ACT

The bill (H. R. 7125) to amend the Federal Food, Drug, and Cosmetic Act, with respect to residues of pesticides and chemicals in or on raw agricultural commodities was announced as next in order.

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

Mr. HENDRICKSON. Mr. President, reserving the right to object—and I shall not object, because I think this bill proposes very good legislation—I think it is so important that there should be an explanation for the purpose of the RECORD.

The PRESIDING OFFICER. An explanation is requested.

Mr. PURTELL. Mr. President, I am very happy to give a brief explanation of the bill.

The primary purpose of the bill is to assure greater protection of the public health by improving, simplifying, and speeding up the procedure under the Federal Food, Drug, and Cosmetic Act, for regulating the amount of residue which may remain on raw agricultural commodities after use of pesticide chemicals.

Pesticide chemicals are substances such as insecticides, fungicides, and weedkillers used in the production, storage, and transportation of food for the purpose of controlling insects, plant diseases, weeds, and other pests.

A primary objective in drafting the bill was to develop legislation that would provide for prompt administrative action to permit effective use of pesticide chemicals without hazard to the public health; legislation that would be safe for consumers and practical for producers.

The committee knows of no opposition to the bill. All interested parties are agreed as to the need for the bill.

We held hearings, and everyone who appeared at the hearings was very much interested in the passage of the bill.

The committee added an amendment to the House bill. The amendment was adopted at the request of the Department of Health, Education, and Welfare.

The committee amendment, adopted at the request of the Department of Health, Education, and Welfare, authorizes the Secretary to establish a schedule of fees, to be charged applicants requesting establishment of tolerances or exemptions from tolerances. The Secretary would have discretion in fixing the fees so as to make the service provided under this legislation as nearly self-supporting as possible.

I think it is fair to say that when that subject was discussed some of the witnesses who appeared stated that they did not object to the idea of fees so long as it was not centered in this particular field, if that was the policy of the Department.

I point out that testimony before the committee on this matter indicated that authorization for collecting fees presently is in effect in the Food and Drug Administration in the case of services rendered in connection with the certification of certain antibiotic drugs, in the case of all charcoal colors intended for use in food, in the case of all preparations of insulin, and in the case of seafood service. Accordingly, the committee amendment would merely extend a precedent which already has been established.

Mr. MORSE. Mr. President, the title of the bill shows that it belongs under the head of protecting the health of the American people with respect to food and drugs which they consume. I wish that members of the committee would have the staff of the committee look into information which was given to me the other day, and which I find very disturbing, if true. I do not verify it, although I am inclined to think that there is probably great cause for concern about it.

The representation was made to me the other day that the American people are not being protected to the extent they have a right to expect to be protected, from the standpoint of the inspection of poultry which is placed on the market. It is said that the same protection is not provided by the inspection of poultry as is provided in the case of other meats. If that be true, I think remedial action should be taken at once. The particular individual to whom I refer, who knows what he is talking about so far as his knowledge of the industry is concerned, claims that the American people do not have the protection from diseased poultry which might be placed on the market that they should have.

I therefore recommend that some investigation be made at once by the professional staff of the appropriate committee to inform us as to what shortcomings, if any, there may be in regard to the inspection of slaughtered poultry placed on the market for human consumption.

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

Mr. HOLLAND. Mr. President, I think this is an excellent bill, but I think the RECORD should contain the showing, which I believe is a good showing, contained in the committee report on the bill, indicating the improvements over existing law. I ask that that part of the report, including all of page 4 and down through the second paragraph on page 5, under the heading "Improvements Over Existing Law" be printed in the RECORD at this point as a part of my remarks.

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

IMPROVEMENTS OVER EXISTING LAW

The principal respects in which this bill would change and improve existing law are—

1. A specific method for controlling the residue of pesticide chemicals which may remain in or on raw agricultural commodities is set up which is distinct from that controlling other poisonous or deleterious substances which are used in, or remain in, processed, fabricated, and manufactured food. In this way, recognition is given to the peculiar economic, agricultural, and public health problems which are important in the regulation of pesticide chemicals. Unlike many other chemicals, pesticide chemicals are necessary instruments of agriculture in producing and expanding our food supply and are comprehensively regulated by the Department of Agriculture under the Federal Insecticide, Fungicide, and Rodenticide Act.

2. The determination of questions of agricultural usefulness and probable residue levels involved in the establishment of tolerances, is made a function of the Department of Agriculture; while the determination of questions of a public health nature remains a function of the Department of Health, Education, and Welfare. In this way, a more logical grouping of governmental functions is effected than under existing law which casts the responsibility for determining agricultural questions as well as public health questions upon the Department of Health, Education, and Welfare.

3. Before any pesticide-chemical residue may remain in or on a raw agricultural commodity, scientific data must be presented to show that the pesticide-chemical residue is safe from the standpoint of the food consumer. The burden is on the person proposing the tolerance or exemption to establish the safety of such pesticide-chemical residue.

4. Specific time limits for informal administrative action in establishing tolerances are prescribed to avoid the adverse consequences of inaction and protracted delay. Promptness is vital in this area of regulation to all concerned.

5. Provision is made for the appointment of independent committees of scientific experts selected by the National Academy of Sciences to study proposed regulations establishing tolerances for pesticide chemicals and to make recommendations thereon to the Department of Health, Education, and Welfare.

6. The procedure prescribed for establishing tolerances emphasizes informal proceedings rather than the formal public hearing type of proceedings. This is accomplished in two ways: First, the bill sets up a procedure whereby the manufacturer or formulator most directly concerned with the establishment of a tolerance for a particular pesticide chemical has the right to initiate the proceedings for a tolerance on that chemical by filing a petition. Second, the bill provides for the initial setting of tolerances without a formal public hearing, limiting such hearings to issues which may remain in dispute at the conclusion of the informal proceedings. Existing law requires a formal public hearing before any tolerance can be established and such a proceeding can be initiated only upon the request of a substantial segment of the industry or upon the initiative of the Government.

7. Where the informal procedures do not produce a satisfactory tolerance or exemption the rights of all concerned to a full and fair hearing on the disputed issues are preserved.

8. Enforcement of the adulteration provisions relating to raw agricultural commodities bearing pesticide chemicals is simplified and made more effective, since, under the bill, authority to establish tolerances extends to pesticide chemicals not generally recognized among experts qualified by scientific training and experience to evaluate the safety of pesticide chemicals, as safe for use, as well as pesticide chemicals which are known to be poisonous or deleterious.

9. Provision is made for the exemption of pesticide chemicals from the requirements of a tolerance in cases where tolerances are not necessary to protect the public health and for the establishment of temporary tolerances for those pesticide chemicals which are used in or on raw agricultural commodities under experimental permits issued by the Department of Agriculture.

Mr. HENDRICKSON. Mr. President, I thank the distinguished Senator from Connecticut for his able and enlightening explanation. I think he has made a fine record for the bill.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with an

amendment, on page 18, after line 19, to insert:

(o) The Secretary of Health, Education, and Welfare shall by regulation require the payment of such fees as will in the aggregate, in the judgment of the Secretary, be sufficient over a reasonable term to provide, equip, and maintain an adequate service for the performance of the Secretary's functions under this section. Under such regulations, the performance of the Secretary's services or other functions pursuant to this section, including any one or more of the following, may be conditioned upon the payment of such fees: (1) The acceptance of filing of a petition submitted under subsection (d); (2) the promulgation of a regulation establishing a tolerance, or an exemption from the necessity of a tolerance, under this section, or the amendment or repeal of such a regulation; (3) the referral of a petition or proposal under this section to an advisory committee; (4) the acceptance for filing of objections under subsection (d) (5); or (5) the certification and filing in court of a transcript of the proceedings and the record under subsection (i) (2). Such regulations may further provide for waiver or refund of fees in whole or in part when in the judgment of the Secretary such waiver or refund is equitable and not contrary to the purposes of this subsection.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CONVEYANCE BY THE TENNESSEE VALLEY AUTHORITY OF CERTAIN PUBLIC-USE TERMINAL PROPERTIES

The joint resolution (S. J. Res. 170) to approve the conveyance by the Tennessee Valley Authority of certain public-use terminal properties now owned by the United States was announced as next in order.

The PRESIDING OFFICER (Mr. BUTLER in the chair). Is there objection to the present consideration of the joint resolution?

Mr. MORSE. Mr. President, although there was a satisfactory explanation given in the Public Works Committee, nevertheless I think it would be helpful to have an explanation of the joint resolution in the RECORD at this point.

Mr. GORE. Mr. President, from the beginning, the Tennessee Valley Authority has undertaken to develop navigation on the Tennessee River. In pursuit of this objective the TVA has constructed on the Tennessee River certain dock facilities which for the most part are operated under contract by private persons. As navigation has developed, the business at certain of these docks has been built up to the point that the dock facilities can now be operated by private enterprise. The bill gives authority to the Tenneessee Valley Authority to sell these properties at the depreciated book value thereof.

The joint resolution has been approved by the TVA and by the Bureau of the Budget, and has been unanimously reported by the Public Works Committee.

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

There being no objection, the joint resolution (S. J. Res. 170) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Congress, pursuant to section 4 (k) (b) of the Tennessee Valley Authority Act of 1933, as amended (55 Stat. 599–600; 16 U. S. C. 831c (k) (b)), hereby approves the conveyance by the Tennessee Valley Authority in the name of the United States, by deed, lease, or otherwise, for the purposes of said section 4 (k) (b) and on the basis of the fair sale or rental value determined by the Tennessee Valley Authority, of the public-use terminal properties now owned by the United States and in the custody of the Tennessee Valley Authority at Knoxville, Chattanooga, and Harriman, Tenn., and Decatur and Guntersville, Ala.

CONVEYANCE BY QUITCLAIM DEED OF CERTAIN LAND TO THE STATE OF TEXAS

The bill (H. R. 7913) to convey by quitclaim deed certain land to the State of Texas was announced as next in order.

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

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement in explanation of the bill.

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

STATEMENT BY SENATOR JOHNSON OF TEXAS

This bill authorizes the Federal Government to sell to the State of Texas a tract of land which the Government does not need and which Texas wants to use for a State park, designated as Atlanta State Park.

The land involved, not to exceed 200 acres, was originally acquired by the Federal Government for use in connection with the operation of Texarkana dam and reservoir project. The bill permitting its conveyance by quitclaim deed to the State of Texas has been considered by the Department of the Army, which has no objection to its enactment.

The rights of the Federal Government are fully protected under terms of the bill.

The land would be sold at a fair market value as determined by the Secretary of the Army. In no case would the selling price be less than the Government paid for it.

Title would revert to the United States if the State should not start construction within 5 years or if the property should cease to be used for park and recreational purposes for 2 successive years.

Title to the subsurface lands and the rights to the mineral and other resources contained therein would continue to be vested in the United States Government.

This is an ideal site for the public park and recreational facilities which the State of Texas proposes to build. Those facilities are needed in the area of the Texarkana dam and reservoir.

I urge favorable consideration of this bill in order that the State can proceed with plans for financing the proposed development.

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

There being no objection, the bill (H. R. 7913) to convey by quitclaim deed certain land to the State of Texas was considered ordered to a third reading, read the third time, and passed.

DEPOSIT OF SAVINGS OF ENLISTED MEMBERS OF THE ARMED FORCES

The bill (S. 3284) to provide for the deposit of savings of enlisted members of the Army, Navy, Air Force, and Marine Corps, and for other purposes, was amended as next in order.

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

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that a statement which I have prepared in relation to the bill be incorporated in the RECORD at this point.

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

STATEMENT BY SENATOR HENDRICKSON

The purpose of S. 3284 is to provide uniform authority for the deposits of savings by enlisted members of the Army, Navy, Air Force, and Marine Corps.

With the exception of one provision, this bill constitutes a reenactment of the existing permanent law on savings deposits. And that one provision has already been extended to the Army and Air Force in the form of temporary legislation which has been in effect since December 18, 1942. This temporary authority expires July 1, 1954.

The change in the permanent law concerns the time when the deposits may be withdrawn by the enlisted man. Under the permanent law the deposits may be withdrawn only upon final discharge. The temporary law for the Army and Air Force has provided that the service secretaries may determine the time when the deposits can be withdrawn. The bill extends such authority to all the services in the form of permanent law.

It is desirable that the secretaries have the permanent authority to prescribe the time for holding the deposits, since enlisted men are more likely to make use of the program if they know the funds may be withdrawn in the event of personal emergency.

Basically the bill provides that enlisted men may deposit sums of at least $5 with designated officers of the military services, and will receive interest at the rate of 4 percent per year for sums deposited for a period of 6 months or longer. The deposits will accrue simple and not compound interest. The secretaries will permit the interest to be withdrawn only when the deposit itself is withdrawn. Such has been the practice for some time under existing law. The deposits and interest would be exempt from liability for the enlisted man's debts, and would not be subject to forfeiture for sentence of a court-martial. The deposits would be held for such periods as prescribed by the service secretaries.

This legislation is desirable as a means of encouraging thrift among the enlisted personnel of the services.

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

There being no objection, the bill (S. 3284) to provide for the deposit of savings of enlisted members of the Army, Navy, Air Force, and Marine Corps, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any enlisted member of the Army, Navy, Air Force, or Marine Corps, may deposit his savings, in sums not less than $5, with any branch, office, or officer of that armed force designated by the

Secretary of the military department concerned which shall furnish him a deposit book in which shall be entered the name of the officer receiving such deposit and of the enlisted member and the amount, date, and place of such deposit. Any amount heretofore or hereafter deposited shall be held during such period of his service as may be prescribed by the Secretary of the department concerned; shall be accounted for in the same manner as other public funds; shall be deposited in the Treasury of the United States and kept as separate funds known respectively as "Pay of the Army, Deposit Fund"; "Pay of the Navy, Deposit Fund"; "Pay of the Air Force, Deposit Fund"; and "Pay of the Marine Corps, Deposit Fund"; repayment of which to the enlisted member, or to his heirs or representatives, shall be made out of the respective funds created by said deposits.

SEC. 2. For any sums not less than $5 so deposited for a period of 6 months, or longer, the enlisted member, upon final discharge or at such time or times prior thereto as may be prescribed by the Secretary of the department concerned, shall be paid interest at the rate of 4 percent per annum.

SEC. 3. Deposits and interest thereon shall be exempt from liability for such enlisted member's debts, including any indebtedness to the United States or to any of its instrumentalities, and shall not be subject to forfeiture by sentence of court-martial.

SEC. 4. The following are hereby repealed: Section 1305, Revised Statutes, as amended; section 1306, Revised Statutes, as amended; the act of December 18, 1942 (ch. 765; 56 Stat. 1057, 1058), as amended; the act of February 9, 1889 (ch. 119; 25 Stat. 657); the act of June 29, 1906 (ch. 3590; 34 Stat. 579); the act of February 28, 1931 (ch. 326; 46 Stat. 1448); and the act of July 17, 1953 (ch. 219; 67 Stat. 176).

COMPUTATION OF REENLISTMENT BONUSES FOR MEMBERS OF THE UNIFORMED SERVICES

The bill (S. 3539) to further amend title II of the Career Compensation Act of 1949, as amended, to provide for the computation of reenlistment bonuses for members of the uniformed services was announced as next in order.

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

Mr. HENDRICKSON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an explanation of the bill.

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

STATEMENT BY SENATOR HENDRICKSON

Members of the Congress have for many months expressed concern over the difficulty being encountered in all our military services concerning reenlistments.

The loss of trained men seriously affects the day-to-day competence of our forces. Also, it creates a major training problem. And finally it costs the Government great sums of money which could be saved if the thousands of trained men who annually leave the services could be induced to remain on a career basis.

At the present time reenlistment bonuses are paid according to a flat scale, dependent upon the number of years of the new contract. For example, a 2-year reenlistment receives a $40 bonus, whereas a 6-year reenlistment receives $360. The present scales do not provide for any selectivity in the payment of the bonus in that the private draws the same dollar bonus as the master sergeant, or chief petty officer.

What the bill proposes to do is to alter the scale and the timing of these payments. Instead of the present flat scale the bonus will be computed according to the pay grade of the individual as well as to the number of years for which he signs up. In principle, the highest proportional scale is paid for the first reenlistment and is graduated down through succeeding reenlistments until 20 years have been served.

Under existing law the cumulative amount of reenlistment bonus payments is $1,440. Under the bill this maximum is extended to $2,000.

As to the cost of the bill, the evidence quite clearly showed that if the projected reenlistment total for next year remains at 244,000 persons it will cost approximately $68 million more to pay the bonus according to the new scale than it would cost to pay the bonus to the same number under the old scale. However, if the reenlistment rate can be increased by approximately 4.5 percent the amount saved in retraining of replacements would compensate for the increased bonus and from that point on a potential saving would accrue to the Government.

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

There being no objection, the bill (S. 3539) to further amend title II of the Career Compensation Act of 1049, as amended, to provide for the computation of reenlistment bonuses for members of the uniformed services was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That section 207 of the Career Compensation Act of 1949 (ch. 681, 63 Stat. 811), as amended (37 U. S. C. 238), is further amended by designating subsection "(e)" as subsection "(f)" and by inserting a new subsection (e), as follows:

"(e) This section does not apply to—

"(1) any person who originally enlists in a uniformed service after the date of enactment of this amendatory act;

"(2) any member of a uniformed service in active Federal service on the date of enactment of this amendatory act who elects to be covered by section 208 of this act and who is otherwise eligible for the benefits of that section;

"(3) any person who—

"(A) was discharged or released from active duty from a uniformed service not more than 90 days before the date of enactment of this amendatory act,

"(B) reenlists in that service within 90 days after the date of his discharge or release from active duty,

"(C) elects to be covered by section 208 of this act, and

"(D) is otherwise eligible for the benefits of that section; or

"(4) any person covered by clause (2) or (3) who at any time elects, or has elected, to be covered by section 208 of this act."

SEC. 2. The Career Compensation Act of 1949, as amended, is further amended by inserting the following new section at the end of title II:

"SEC. 208. (a) Subject to subsections (b) and (c) of this section, a member of a uniformed service who reenlists in the regular component of the service concerned within 90 days after the date of his discharge or release from active duty, and who is not covered by section 207 of this act, is entitled to a bonus computed according to the following table:

Reenlistment involved [1]	(Column 1) Take	(Column 2) Multiply by
First	Monthly basic pay to which the member was entitled at the time of discharge.[2]	Number of years specified in reenlistment contract, or six, if none specified.[3]
Second	Two-thirds of the monthly basic pay to which the member was entitled at the time of discharge.[4]	Number of years specified in reenlistment contract, or six, if none specified.[3]
Third	One-third of the monthly basic pay to which the member was entitled at the time of discharge.[5]	Number of years specified in reenlistment contract, or six, if none specified.[3]
Fourth (and subsequent)	One-sixth of the monthly basic pay to which the member was entitled at the time of discharge.[5]	Number of years specified in reenlistment contract, or six, if none specified.[3]

[1] Any reenlistment when a bonus was not authorized is not counted.
[2] Two-thirds of the monthly basic pay in the case of a member in pay grade E-1 at the time of discharge.
[3] On the sixth anniversary of an indefinite reenlistment, and on each anniversary thereafter, the member is entitled to a bonus equal to one-third of the monthly basic pay to which he is entitled on that anniversary date.
[4] No bonus may be paid to a member in pay grade E-1 or E-2 at the time of discharge.
[5] No bonus may be paid to a member in pay grade E-1, E-2, or E-3 at the time of discharge.

"(b) No bonus may be paid to a member who reenlists—

"(1) during his prescribed period of basic recruit training; or

"(2) after completing a total of 20 years of active Federal service.

The bonus payable to a member who reenlists before completing a total of 20 years of active Federal service, but who will under that reenlistment complete more than 20 years of such service, is computed by using as a multiplier only that number of years which, when added to his previous service, totals 20 years.

"(c) The cumulative amount which may be paid to a member under this section, or under this section and any other provision of law authorizing reenlistment bonuses, may not exceed $2,000.

"(d) An officer of a uniformed service who reenlists in that service within 90 days after his release from active duty as an officer is entitled to a bonus computed according to the table in subsection (a), if he served in an enlisted status in that service immediately before serving as an officer. For the purpose of this subsection, the monthly basic pay (or appropriate fraction if the member received a bonus for a prior reenlistment) of the grade in which the member is enlisted (computed in accordance with the cumulative years of service of the member) is to be used in column 1 of the table set forth under subsection (a) instead of the monthly basic pay to which he was entitled at the time of his release from active duty as an officer.

"(e) In this section, 'reenlistment' means—

"(1) an enlistment in a regular component of a uniformed service after compulsory or voluntary active duty in that service; or

"(2) a voluntary extension of an enlistment for 2 or more years.

"(f) Under such regulations as may be approved by the Secretary of Defense, or by the Secretary of the Treasury with respect to Coast Guard personnel, a member of a uniformed service who voluntarily, or because of his own misconduct, does not complete the term of enlistment for which he was paid a bonus under this section shall refund that percentage of the bonus that the

unexpired part of his enlistment is of the total enlistment period for which the bonus was paid.

"(g) The Secretary concerned may prescribe regulations for the administration of this section in his department."

BILL PASSED TO NEXT CALL OF CALENDAR

The bill (H. R. 6725) to reenact the authority for the appointment of certain officers of the Regular Navy and Marine Corps was announced as next in order.

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

Mr. MORSE. Mr. President, reserving the right to object—and I shall object—I understand that an amendment to this bill is being prepared for consideration on the next call of the calendar. Therefore, I ask unanimous consent that the bill go over to the next call of the calendar.

The PRESIDING OFFICER. Without objection the bill will be passed to the next call of the calendar.

INDUSTRIAL CONSTRUCTION AND OTHER AUTHORITY FOR THE MILITARY DEPARTMENTS

The bill (H. R. 9005) to continue the effectiveness of the act of July 17, 1953 (67 Stat. 177) was announced as next in order.

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

Mr. HENDRICKSON. Mr. President, the purpose of this bill is to extend for a period, which must terminate not later than July 1, 1955, the act of July 17, 1953. The legislation which this bill extends expires July 1, 1954. It contains the authority of the Secretaries of the Army, Navy, and Air Force to expand and maintain defense productive capacity. This general authority has been in effect since the beginning of World War II.

It is necessary that this authority be extended for several reasons. First, under the conditions of the present emergency world events might necessitate an immediate expansion of defense production. This legislation would provide the necessary authority. Second, the authority is necessary in order that the current program for the expansion of production be maintained. Third, the act of July 17, 1953, is the authority for the storage and maintenance of the facilities and equipment which have been acquired under this legislation. An extension is necessary as authority for continued maintenance and storage.

The committee amended H. R. 9005 by providing that the authority would terminate no later than July 1, 1955. The Senate, last year, adopted a similar amendment with respect to the act of July 17, 1953, which expires July 1, 1954.

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

There being no objection, the Senate proceeded to consider the bill (H. R. 9005) to continue the effectiveness of the Act of July 17, 1953 (67 Stat. 177), which had been reported from the Committee on Armed Services with an amendment, on page 1, line 8, after the word "Congress", to insert "or until July 1, 1955."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CONVEYANCE OF FEDERALLY OWNED LANDS TO THE ARMORY BOARD, STATE OF FLORIDA

The bill (H. R. 9340) to provide for the conveyance of the federally owned lands which are situated within Camp Blanding Military Reservation, Fla., to the Armory Board, State of Florida, was announced as next in order.

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

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that a statement which has been prepared by me with reference to this bill be incorporated in the RECORD at this point.

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

STATEMENT BY SENATOR HENDRICKSON

With the exception of one provision, H. R. 9340 is identical to H. R. 7512 which passed the Senate on April 19th on the call of the calendar. H. R. 7512 contained a provision which provided that the Secretary of the Army, prior to coming into agreement with the State of Florida regarding the management of the natural resources on the Federal lands, would come into agreement with the House and Senate Committees on Armed Services. The President vetoed H. R. 7512 because of the inclusion of the provision requiring prior agreement with the Committees on Armed Services by the Secretary of the Army with respect to the amendment for the management of the resources. H. R. 9340 does not contain the objectionable provision which caused the veto. This is the only difference between the two bills and it is urged that H. R. 9340 be favorably acted upon by the Senate.

As the Senate may recall, the bill authorizes the Secretary of the Army to convey to the State of Florida about 40,000 acres owned by the Federal Government. This acreage, together with about 31,000 acres now owned by the State of Florida, will be preserved for future Federal use as Camp Blanding Military Reservation. The State of Florida will not dispose of the property and will use it for military purposes only. There are considerable timber and some mineral assets on the acreage, and the bill provides that the Secretary of the Army and the State of Florida will reach an agreement regarding the management and division of any residual proceeds of the assets on the Federal lands.

Mr. MORSE. Mr. President, this bill is exactly the same as the one which was previously passed. It was vetoed previously because it was felt at the White House that there would be some interference with executive rights under the bill. The bill was modified so as to meet the objections. It in no way changes the transfer policy and the reason for the transfer policy and the justification for the transfer. I may say, for purpose of reference and for my own protection, that it in no way violates the Morse formula.

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

Mr. HENDRICKSON. With respect to this bill, what the Senator from Oregon has stated is entirely correct.

Mr. HOLLAND. Mr. President, I should like to say that the Senator from Oregon and the Senator from New Jersey, who served as chairman of the subcommittee, are entirely correct in their respective statements that this Camp Blanding bill is changed in no way whatever except for the elimination of a provision which the White House felt was objectionable, the objection being that when the operating agreement for the handling of the natural resources at Camp Blanding was reached between the Defense Department and the military department of the State of Florida, it should be reported back to the Senate and House Committees on Armed Services, so that they might come into the agreement. Instead the negotiation was completed before the passage of this bill and reported to the committees and approved by them. Therefore, instead of putting the cart before the horse, the horse is now before the cart, or vice versa, whichever way any Senator may wish to describe it. The situation is exactly the same as in the case of the former bill.

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

There being no objection, the bill (H. R. 9340) to provide for the conveyance of the federally owned lands which are situated within Camp Blanding Military Reservation, Fla., to the Armory Board, State of Florida was considered, ordered to a third reading, read the third time, and passed.

ADDITIONAL ASSISTANT SECRETARIES OF THE ARMY, NAVY, AND AIR FORCE

The Senate proceeded to consider the bill (S. 3466) to provide for two additional Assistant Secretaries of the Army, Navy, and Air Force, respectively, which had been reported from the Committee on Armed Services, with amendments, on page 1, line 7, after the word "appointed", to insert "from civilian life", and on page 3, line 14, after the word "appointed" to insert "from civilian life", so as to make the bill read:

Be it enacted, etc., That section 102 (a) of the Army Organization Act of 1950 (64 Stat. 264), is hereby amended to read as follows:

"There shall be in the Department of the Army an Under Secretary of the Army and four Assistant Secretaries of the Army, who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and who shall receive the compensation prescribed by law. One of the Assistant Secretaries authorized herein shall be designated Assistant Secretary of the Army for Financial Management, and may also act as Comptroller of the Army, if so designated by the Secretary of the Army."

(b) Subsections (b) and (c) of section 101 of the Army Organization Act of 1950 (64 Stat. 264), are amended by deleting the

word "either", wherever appearing, and inserting in lieu thereof the word "an".

SEC. 2. Two Assistant Secretaries of the Navy may be appointed from civilian life by the President by and with the advice and consent of the Senate. Such Assistant Secretaries shall be in addition to the Assistant Secretary of the Navy authorized under section 1 of the Act of July 11, 1890 (26 Stat. 254), as amended, and the Assistant Secretary of the Navy for Air authorized under section 4 of the Act of June 24, 1926 (44 Stat. 767), as amended, making a total of four Assistant Secretaries. Each such additional Assistant Secretary shall perform such functions as the Secretary of the Navy may from time to time prescribe and each shall receive compensation at the rate prescribed by law for Assistant Secretaries of military departments. One of the Assistant Secretaries authorized herein shall be designated as the Assistant Secretary of the Navy for Financial Management, and may also act as Comptroller of the Navy, if so designated by the Secretary of the Navy. The Assistant Secretaries of the Navy shall succeed to the Office of the Secretary of the Navy during his temporary absence in the position provided for the Assistant Secretary of the Navy and the Assistant Secretary of the Navy for Air by section 10 of the Act of March 5, 1948 (62 Stat. 66), and the Assistant Secretaries of the Navy shall take order among themselves in the order prescribed by the Secretary of the Navy or if no order is prescribed by the Secretary of the Navy then in the order in which the several Assistant Secretaries of the Navy took office as such.

SEC. 3. (a) Subsection (a) of section 102 of the Air Force Organization Act of 1951 (65 Stat. 327), is hereby amended to read as follows:

"There shall be in the Department of the Air Force an Under Secretary of the Air Force and four Assistant Secretaries of the Air Force, who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and who shall receive the compensation prescribed by law. One of the Assistant Secretaries authorized herein shall be designated Assistant Secretary of the Air Force for Financial Management, and may also act as Comptroller of the Air Force, if so designated by the Secretary of the Air Force."

(b) Subsection (d) of section 207 of the National Security Act of 1947 (61 Stat. 495), is hereby amended by deleting the word "two" and inserting in lieu thereof the word "four."

(c) Subsections (b) and (c) of section 101 of the Air Force Organization Act of 1951 (65 Stat. 327), are amended by deleting the words "either", wherever appearing, and inserting in lieu thereof the word "an".

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. HENDRICKSON. Mr. President, I ask unanimous consent to have incorporated in the RECORD, immediately following the passage of Senate bill 3466 a statement explaining the bill.

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

STATEMENT BY SENATOR HENDRICKSON

ADDITIONAL ASSISTANT SECRETARIES

This bill proposes to authorize for the Departments of the Army, Navy, and Air Force two additional Assistant Secretaries each.

One of these Assistant Secretaries is to be designated as the Assistant Secretary for Financial Management. No fixed designation is prescribed for the second.

The Army, Navy, and Air Force are at least comparable in size and the complexity of their operations to the largest of the executive departments. However, these military departments have only two civilian officials of the rank of Assistant Secretary, rather than the customary four. Evidence presented to the Committee clearly indicates that under this method of staffing, the civilian heads are so heavily burdened with operating responsibilities that they cannot effectively perform their functions.

If this bill is enacted, each military department will be staffed by a Secretary and Under Secretary and four Assistant Secretaries. This conforms quite well to the pattern established by the other major Government departments and will assure a more effective and clear-cut civilian control throughout our military establishment.

PROGRAM FOR MODERNIZING AND IMPROVING CERTAIN MERCHANT VESSELS—BILL PASSED OVER

The bill (S. 3546) to provide an immediate program for the modernization and improvement of such merchant-type vessels in the reserve fleet as are necessary for national defense, was announced as next in order.

Mr. GORE. Mr. President, may we have an explanation of the bill?

Mr. HENDRICKSON. Mr. President, I ask that the bill go over.

Mr. GORE. I withdraw my request for an explanation, then, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

Mr. MAGNUSON. Mr. President, I understand that the Senator from New Jersey has requested that Senate bill 3546 go over?

Mr. HENDRICKSON. Yes, by request.

Mr. MAGNUSON. May I ask who requested that action?

Mr. HENDRICKSON. The Senator from Delaware [Mr. WILLIAMS].

Mr. GORE. Mr. President, reserving the right to object, and directing my remarks to the Senator from Washington [Mr. MAGNUSON], I wonder if he would join with me in urging the majority leader to schedule for early discussion and action thereon Senate bill 3546?

Mr. MAGNUSON. I shall be glad to do so, because both the present occupant of the chair and I think it is a very important piece of proposed legislation.

The PRESIDING OFFICER. The Chair would state for the information of the Senate that the majority leader has already indicated that he will probably call up the bill as the next order of business.

LIFE PRESERVERS FOR RIVER STEAMERS

The Senate proceeded to consider the bill (S. 1763) to amend section 4482 of the Revised Statutes, as amended (46 U. S. C. 475), relating to life preservers for river steamers, which had been reported from the Committee on Interstate and Foreign Commerce with amendments, on page 1, line 5, after the word "Every", to strike out "such", and in the same line, after the word "vessel", to insert "navigating rivers only", so as to make the bill read:

Be it enacted, etc., That section 4482 of the Revised Statutes, as amended, is amended to read as follows:

"SEC. 4482. Every steam vessel navigating rivers only shall also be provided with an approved life preserver for each and every person allowed to be carried on said vessel by the certificate of inspection, including each member of the crew, which life preservers shall be kept in convenient and accessible places on such vessel in readiness for immediate use in case of accident. In lieu of an approved life preserver for each such person, the head of the Department in which the Coast Guard is operating may permit the use of such proportion of approved floats to the total number of persons carried or authorized to be carried as he may determine."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REVOCATION OR DENIAL OF MERCHANT MARINE DOCUMENTS TO CERTAIN PERSONS—BILL PASSED TO FOOT OF CALENDAR

The bill (H. R. 8538) to provide for the revocation or denial of merchant marine documents to persons involved in certain narcotic violations was announced as next in order.

The PRESIDING OFFICER. The Chair, acting under his right as a Senator, requests that this bill go to the foot of the calendar.

Mr. HENDRICKSON. Mr. President, I shall be glad to have that action taken.

The PRESIDING OFFICER. Without objection, the bill will be passed to the foot of the calendar.

SALE OF CERTAIN WAR-BUILT PASSENGER-CARGO VESSELS—JOINT RESOLUTION PASSED TO NEXT CALENDAR CALL

The joint resolution (S. J. Res. 161) to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, by request, I ask that the joint resolution be passed over.

Mr. MAGNUSON. Mr. President, may I inquire who requested it?

Mr. HENDRICKSON. The Senator from Delaware [Mr. WILLIAMS].

The PRESIDING OFFICER. The joint resolution will be passed over.

Mr. MAGNUSON. Mr. President, I should like to make the request that Calendar No. 1659, Senate Joint Resolution 161, be passed over to the next calendar call.

Mr. HENDRICKSON. Mr. President, I join in that request.

The PRESIDING OFFICER. The joint resolution will be passed over to the next call of the calendar.

EXTENSION TO JUNE 30, 1959, OF PROVISIONS OF ALASKA PUBLIC WORKS ACT

The bill (H. R. 2683) to amend section 12 of the Alaska Public Works Act approved August 24, 1949 (63 Stat. 629) was considered, ordered to a third reading, read the third time, and passed.

SAFETY AND PROTECTION OF THE PUBLIC IN CERTAIN MOTOR-CARRIER TRANSPORTATION

The Senate proceeded to consider the bill (H. R. 7468) to amend certain provisions of part II of the Interstate Commerce Act so as to authorize regulation, for purposes of safety and protection of the public, of certain motor-carrier transportation between points in foreign countries, insofar as such transportation takes place within the United States which had been reported from the Committee on Interstate and Foreign Commerce with an amendment, on page 3, line 1, after the word "operates", to insert "and with the Interstate Commerce Commission."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILLS PASSED OVER

The bill (S. 3190) to amend section 3 of the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce, was announced as next in order.

Mr. HENDRICKSON. Mr. President, by request, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3542) to prohibit transmission of certain gambling information in interstate and foreign commerce by communications facilities, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

GROUP LIFE INSURANCE FOR CIVIL OFFICERS AND EMPLOYEES—BILL PASSED OVER

The bill (S. 3681) to authorize the Civil Service Commission to make available group life insurance for civil officers and employees in the Federal service, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object—and I shall not object—I notice that this bill will cost the United States Government approximately $70 million.

Mr. SMATHERS. Mr. President, if the Senator from New Jersey is not disposed to object, I am in favor of the bill as an individual, but it is not the kind of bill that should be passed on the Unanimous Consent Calendar.

Mr. HENDRICKSON. I am concerned about that question also, but I do not wish to delay passage of the bill.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

Mr. CARLSON. Mr. President, I think the Senate has taken the proper action on this bill. In my opinion it should come up for consideration of the Senate when the calendar is not being called.

BILL PASSED OVER

The bill (S. 3435) to amend the act relating to the administration of the Washington National Airport to incorporate the Washington National Airport Corporation, and for other purposes, was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill will be passed over.

FINALITY OF CONTRACTS BETWEEN THE GOVERNMENT AND COMMON CARRIERS

The bill (S. 906) to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object—and I shall not object—I should like to request an explanation of the bill.

Mr. SCHOEPPEL. Mr. President, this bill amends section 22 of the Interstate Commerce Act so as to enable the United States and the carriers to bargain as to rates on a firm and dependable basis. Our committee favorably reported this bill in the 82d Congress, 2d session, under bill S. 2355.

Section 22 of the act at present provides "that nothing in this part shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States." Under this provision the railroads and other carriers from time to time have established many such reduced rates at the request of Government agencies, commonly referred to as "section 22 quotations or agreements." During World War II the railroads alone issued 740 such quotations.

At one time arrangements of this sort were regarded as contracts binding on both the carriers and the Government, but in recent years the Government has taken the position that by utilizing the rates so established it was not barred from later undertaking to obtain still lower charges as a result of orders of the Interstate Commerce Commission entered after the filing and hearing of complaints by the Government. At present there are pending before the Commission a number of these complaints, commonly known as the Government reparation cases.

The purpose of this bill is to prevent the Government, by complaint to the Commission, from assailing the rates established. Accordingly, it is proposed that after the quotation or contract has been accepted or agreed to by the Secretary of Defense or the Administrator of the General Services Administration, or by any official or employee of the United States to whom they may delegate such authority, the rate so established shall be conclusively presumed to be just, reasonable, and otherwise lawful and shall not be subject to attack, or reparation, after the date of such acceptance or agreement upon any grounds whatsoever except for actual fraud or deceit or clerical mistake.

The bill would also prevent consideration of the reduced rates as evidence of unreasonableness of other rates. It also provides that its passage shall not affect transactions other than those carried out under its terms. In other words, it is not retroactive.

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

Mr. SCHOEPPEL. I yield.

Mr. MAGNUSON. I am certain that the Senator from Kansas will agree to an amendment which I shall propose on page 1, line 10. At present the language is as follows: "any common carrier, or freight forwarder, subject to part I, II, or IV, of this act."

My amendment is to delete the words, "or freight forwarder," because, by Public Law 881, of the 81st Congress, enacted in 1950, freight forwarders were declared to be common carriers.

It was necessary to pass the bill at the time because of the confusion which arose with respect to freight forwarders. In other instances, freight forwarders have been eliminated from similar bills, because freight forwarders now are common carriers.

The PRESIDING OFFICER. Before considering the amendment offered by the Senator from Washington, the Chair inquires if there is objection to the present consideration of the bill.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment on page 2, line 9, after the word "reparation", to insert "after 180 days", so as to make the bill read:

Be it enacted, etc., That section 22 of the Interstate Commerce Act (49 U. S. C., sec. 22) is amended (1) by inserting after the section designation the letter "(a)", and (2) by adding at the end thereof the following:

"(b) Notwithstanding any other provision of law, any rates, fares, and charges, and rules, regulations, and practices with respect to the transportation of persons or property for or on behalf of the United States by any common carrier or freight forwarder subject to part I, II, III, or IV of this act, offered, negotiated, or established under the provisions hereof by quotation or contract when accepted or agreed to by the Secretary of Defense, the Secretary of Agriculture, or the Administrator of the General Services Administration, or by any official or employee of the United States to whom either of them may delegate such authority, shall be conclusively presumed to be just, reasonable, and otherwise lawful, and shall not be subject to attack, or reparation, after 180 days after the date of such acceptance or agreement upon any grounds whatsoever except for actual fraud or deceit, or clerical mistake. Such rates, fares, or charges, and rules, regulations, or practices, may be canceled or terminated upon not less than 90 days' written notice by the United States or by any of the other parties thereto.

"(c) Any such rates, fares, or charges, rules, regulations, or practices so made and accepted under the provisions hereof shall not be considered to have any bearing upon, or otherwise affect, the justness, reasonableness, or lawfulness of any rates, fares, or charges, or of any rules, regulations, or practices with respect to transportation services theretofore performed for, or on behalf of, the United States, nor shall the provisions of this section be construed as any indication that similar rates, fares, or charges or similar, rules, regulations, or practices theretofore effective were or were not binding upon or enforceable against the United States."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I now submit an amendment, on page 1, line 10, to eliminate three words: "or freight forwarder."

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 1, line 10, it is proposed to strike out "or freight forwarder."

Mr. MAGNUSON. Mr. President, I desire to have printed at this point in the RECORD an explanation of the necessity for the amendment.

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

STATEMENT BY SENATOR MAGNUSON

Bill S. 906 contains a defect of language, of a technical nature, which could have serious consequences unless the language is corrected. It is not necessary to discuss the merits of the bill in order to illustrate this defect.

Beginning with line 10, page 1, of the bill, the following language appears: "* * * any common carrier, or freight forwarder, subject to part I, II, III, or IV of this act."

The words "or freight forwarder" are unnecessary, because freight forwarders, subject to part IV of the act, are common carriers. They were so declared by an act of Congress enacted in 1950, Public Law 881, 81st Congress.

To use the words "or freight forwarder," in addition to the words "any common carrier," has the effect, at least by implication, of distinguishing freight forwarders from common carriers. This might lead to the same administrative defects which caused Congress to clarify the status of freight forwarders as common carriers in 1950.

It is accordingly suggested that the words "or freight forwarder" be stricken from the bill.

The precedent for such action is found in H. R. 116, passed by the Senate on May 18, 1954. The words "or freight forwarder" were stricken from that bill for the reason stated.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

The amendment was agreed to.

Mr. SMATHERS. Mr. President, I offer an amendment, which I ask to have read.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Florida.

The LEGISLATIVE CLERK. On page 2, line 10, after the word "days", in the committee amendment, it is proposed to insert a comma and "or 2 years in the case of contracts entered into during a national emergency declared by Congress."

Mr. MORSE. Mr. President, may we have an explanation with respect to the effect of the amendment?

Mr. SMATHERS. I think the language of the amendment is necessary to protect the Federal Government. Under the bill, whenever a carrier has entered into a contract with the Federal Government, the Federal Government cannot thereafter ask for a renegotiation of the contract. The contract will be final.

I believe that in times of emergency, particularly when the emergency has been declared by Congress, and the Federal Government has entered into a contract with a carrier, the Government should have the right, within 2 years, to have the contract reexamined and renegotiated, if it appears that the contract which had been made was improper in any respect. For that reason, I have offered the amendment.

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

Mr. SMATHERS. I am happy to yield.

Mr. SCHOEPPEL. Will the Senator kindly explain what is meant by the "2 years"? From what specific date or act?

Mr. SMATHERS. Two years from the date on which a contract has been entered into between a carrier and the Federal Government. In other words, it is the same provision as that which is contained in contracts between ordinary shippers and carriers. They have 2 years in which to reexamine and renegotiate, if they so desire.

Mr. SCHOEPPEL. Is it the proposal of the Senator from Florida to limit the provision only to periods of war?

Mr. SMATHERS. It is proposed to limit the provision to periods which Congress has declared to be emergencies. It would not include a time which the President has declared to be an emergency, but only a period which Congress has declared to be an emergency. At such a time I believe it can be presumed there may be great confusion. The Federal Government, for example, would be seeking to transport troops and ammunition under contracts made quickly with carriers.

Therefore, by virtue of the contracts having been made during an emergency, there should be a period of 2 years in which the Government could renegotiate contracts with carriers, if that should be desired. The amendment is designed simply to protect the Federal Government.

Mr. SCHOEPPEL. As the distinguished Senator from Florida knows, bills similar to this have been before Congress many times, seeking to do what the bill now before the Senate proposes to accomplish. There has been a feeling that Congress might find itself confronted with the same situation as now confronts us.

Mr. SMATHERS. I agree with the general purposes of the bill. As the Senator knows, we discussed in the committee the question of an amendment similar to this.

Mr. SCHOEPPEL. That is correct.

Mr. SMATHERS. I do not believe there should be a recurrence of the situation which exists today, under which, some 12 years after a contract has been entered into, the Government is still enabled to renegotiate contracts, and the carriers, whether they be the Pennsylvania Railroad or any other carrier, do not know actually how they stand. The carriers do not know what the Government finally will pay them. I think that condition should be rectified.

On the other hand, I believe that in times of national emergency, when great confusion exists incident to the emergency, Congress should provide that whenever the Government enters into a contract, for whatever the contract may be for, the Government will have to pay the bill within a reasonable time.

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

Mr. SMATHERS. I yield.

Mr. MORSE. Let us consider the amendment in terms of a hypothetical situation. That will help me to understand it.

Let us suppose that Congress passes the bill with the Senator's amendment. Let us then suppose that on September 1, 1954, the Federal Government enters into a contract with a carrier. Let us assume further that on November 1, 1954, the Nation finds itself involved in a great national emergency or a war declared by Congress. As a result, the Government floods the carrier with business beyond all anticipation, so far as the contract is concerned.

The Senator from Florida says, as I understand him, that the Government should be allowed to renegotiate the contract, with respect to the business which now accrues to the carrier, as a result of the emergency, because, if that is not done, the carrier might make exorbitant profits at the expense of the taxpayers, which it could not possibly accept in the normal operations of the trade of the country.

Mr. SMATHERS. That is correct. The Senator from Oregon understands the purpose of the amendment correctly. I agree that there should be a reasonable limitation. That is why I have made it 2 years. I do not believe negotiations should be carried on for 10 or 12 years. I think the Government should renegotiate with carriers, as is being done today, but I believe there should be a reasonable period of time in which the Government should be permitted to reexamine its contracts which have been made in times of national emergency declared by Congress.

Mr. SCHOEPPEL. I agree that the Senator from Florida has made a very valid point. The inclusion of a 2-year limitation would certainly give protection, and should prevent some of the disastrous results and unbusinesslike approaches which have occurred when 10 or 12 years have elapsed before contracts have been renegotiated, causing untold expense.

Mr. SMATHERS. I hope the Senator from Kansas will be willing to accept my amendment.

Mr. SCHOEPPEL. I am glad to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. SMATHERS].

The amendment was agreed to.

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

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DEVELOPMENT OF THE PRIEST RAPIDS SITE ON THE COLUMBIA RIVER, WASH.—BILL PASSED OVER

The bill (H. R. 7664) to provide for the development of the Priest Rapids site on the Columbia River, Wash., under a license issued pursuant to the Federal

Power Act was announced as next in order.

Mr. MORSE. Mr. President, reserving the right to object—and I shall object—I wish to make a very brief statement for the RECORD. I opposed the bill in the Committee on Public Works. It had a very interesting life history in the committee. At one time it was adopted with certain amendments; then, because of a parliamentary situation which developed, the bill was adopted without amendments.

I am opposed to the bill with or without amendments; nevertheless, I am frank to say that the bill would be less objectionable with the amendments than without them, although I would still speak on the floor against the bill with the amendments. But the matter, in my judgment, is of such major importance with respect to the development of the entire power resources of the country that it ought to be scheduled for full debate in the Senate.

Mr. MAGNUSON. Mr. President, will the Senator withhold his objection?

Mr. MORSE. I withhold my objection.

Mr. MAGNUSON. I believe the Senator from Oregon will agree with me and with my colleague, who is unavoidably detained today, that there should be immediate action on the bill, which is a House bill. We should like to be able to have the bill taken to conference, and to have ironed out some of the points on which the Senator from Oregon and I are somewhat in agreement.

I was hopeful that the bill could be passed today, but I am certain the Senator from Oregon will join with me in the hope that the bill will be brought before the Senate very soon.

I shall again submit my amendment relating to the so-called preference clause, but I hope the bill will not be unconscionably delayed in any manner, because it is necessary to proceed with the development of the site.

Mr. MORSE. Although the Senator from Washington and I usually agree, I do not intend to put on the other half of the double harness in connection with the bill. I do not have any doubt that the Senator from Washington will be able to have the bill called up on the floor of the Senate, but he is not going to have the bill called up without my pulling on the traces, or the whiffle tree, either, let me assure him, because I do not think this bill, or any other bill relating to the power subject should come up on the floor of the Senate until there can be full debate on the entire question of the administration's power policy, to which I am unalterably opposed.

The PRESIDING OFFICER. On objection, the bill will be passed over.

PATENT IN FEE TO JOHN McMEEL NO. 1

The bill (H. R. 7146) authorizing the Secretary of the Interior to issue a patent in fee to John McMeel No. 1 was considered, ordered to a third reading, read the third time, and passed.

SUNDAY PRAYER FOR ENSLAVED PEOPLE BEHIND THE IRON CURTAIN

The joint resolution (S. J. Res. 169) authorizing the President of the United States of America to proclaim the first Sunday of each month for a period of 12 months for prayer for people enslaved behind the Iron Curtain was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President of the United States is authorized and directed to issue a proclamation inviting the people of the United States to pause on the first Sunday of each month during the course of a period of 12 months for prayer on behalf of the millions of fellow human beings who are enslaved behind the Iron Curtain.

PAYMENT TO THE SHOSHONE IRRIGATION DISTRICT OF SHARE OF NET REVENUES FROM SHOSHONE POWERPLANT

The Senate proceeded to consider the bill (H. R. 6893) to provide for a payment to the Shoshone Irrigation District of a share of the net revenues from the Shoshone powerplant, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 1, after line 6, to strike out:

(a) the United States shall pay to the district the sum of $426,000, which sum shall be expended by the district only for purposes of construction and maintenance and to meet yearly current expenses, all as part of its annual budgets as adjudicated by the appropriate court of the State of Wyoming in the manner provided by the applicable laws of that State.

And in lieu thereof to insert:

(a) the United States shall credit the district with the sum of $426,000 which sum shall be applied toward the payment of the annual construction payments of the district under its contract with the United States dated November 4, 1926, or any amendment thereof, as the same become due for the year 1954 and subsequent years until such credit is exhausted. Until such credit is exhausted the United States consents to the expenditure by the district of money collected by the district, as part of the district's 1954 and subsequent budgets for the purpose of defraying annual construction payments to the United States, for such purposes of construction, reconstruction, rehabilitation, and operation and maintenance as may be approved by the appropriate State court in the manner provided by the applicable laws of the State of Wyoming.

On page 5, after line 22, to strike out:

SEC. 5. There is authorized to be appropriated, out of the reclamation fund, the sum of $426,000 for the purpose of making payment to the Shoshone Irrigation District in accordance with the provisions of the contract authorized by subsections (a), (b), and (d) of section 1 of this act.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An act to credit the Shoshone Irrigation District with a share of the net revenues from the Shoshone powerplant, and for other purposes."

REMOVAL OF CLOUDS ON TITLES OF CERTAIN LANDS IN COLORADO

The bill (H. R. 5620) to remove clouds on the titles of certain lands in Colorado was considered, ordered to a third reading, read the third time, and passed.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 92) favoring the suspension of deportation in the case of certain aliens was considered and agreed to.

(For the text of above concurrent resolution, see CONGRESSIONAL RECORD, Tuesday, June 29, 1954, p. 8751.)

MARIA BUSA

The bill (S. 738) for the relief of Maria Busa was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of section 203 (a) (3) of the Immigration and Nationality Act, Maria Busa shall be held and considered to be the minor child of Giovanni Busa, an alien lawfully admitted to the United States for permanent residence.

GEORGE SCHEER, MAGDA SCHEER, MARIE SCHEER, THOMAS SCHEER, AND JUDITH SCHEER

The bill (S. 2287) for the relief of George Scheer, Magda Scheer, Marie Scheer, Thomas Scheer, and Judith Scheer was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, George Scheer, Magda Scheer, Marie Scheer, Thomas Scheer, and Judith Scheer shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

MADALINE MARGARET SMITH

The bill (S. 2338) for the relief of Madaline Margaret Smith was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Madaline Margaret Smith shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

DR. MIEN FA TCHOU AND HIS WIFE, LI HOEI MING TCHOU

The bill (S. 2363) for the relief of Dr. Mien Fa Tchou and his wife, Li Hoei Ming Tchou, was considered, ordered to

be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dr. Mien Fa Tchou and his wife, Li Hoei Ming Tchou, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

FAUSTINO ACHAVAL ALDECOA AND HIS WIFE, CARMEN ACHAVAL (NEE CORTABITARTE)

The bill (S. 2607) for the relief of Faustino Achaval Aldecoa and his wife, Carmen Achaval (nee Cortabitarte), was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Faustino Achaval Aldecoa and his wife, Carmen Achaval (nee Cortabitarte), shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

BONITA LEE SIMPSON

The bill (S. 3145) for the relief of Bonita Lee Simpson was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Bonita Lee Simpson shall be held and considered to be the natural-born alien child of Mr. and Mrs. Lester A. Simpson.

ANDREJA GLUSIC

The bill (S. 3433) for the relief of Andreja Glusic was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 203 (a) (3) and 205 of the Immigration and Nationality Act, Andreja Glusic shall be held and considered to be the minor child of her parents Andrej Glusic and Marica Penca Glusic.

MRS. OVEIDA MOHRKE AND HER SON, GERARD MOHRKE

The bill (S. 3514) for the relief of Mrs. Oveida Mohrke and her son, Gerard Mohrke, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Naturalization Act, Mrs. Oveida Mohrke and her son, Gerard Mohrke, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

MRS. FUNG HWA LIU LEE

The bill (H. R. 1948) for the relief of Mrs. Fung Hwa Liu Lee was considered, ordered to a third reading, read the third time, and passed.

TIBOR HORANYI

The bill (H. R. 2404) for the relief of Tibor Horanyi was considered, ordered a third reading, read the third time, and passed.

ANDOR GELLERT

The bill (H. R. 2406) for the relief of Andor Gellert was considered, ordered to a third reading, read the third time, and passed.

ANNIE LITKE

The bill (H. R. 2427) for the relief of Annie Litke was considered, ordered to a third reading, read the third time, and passed.

DR. JAMES K-THONG YU

The bill (H. R. 2875) for the relief of Dr. James K-Thong Yu was considered, ordered to a third reading, read the third time, and passed.

ELIZABETH JUST MAYER

The bill (H. R. 2907) for the relief of Elizabeth Just Mayer was considered, ordered to a third reading, read the third time, and passed.

SISTER IOLANDA SITA AND OTHERS

The bill (H. R. 3903) for the relief of Sister Iolanda Sita, Sister Guerrina Brioli, Sister Pasqualina Coppari, Sister Anna Urbinati, Sister Ida Raschi, and Sister Elvira P. Mencarelli was considered, ordered to a third reading, read the third time, and passed.

MRS. HELEN KON

The bill (H. R. 4510) for the relief of Mrs. Helen Kon was considered, ordered to a third reading, read the third time, and passed.

GIO BATTA PODESTA

The bill (H. R. 4747) for the relief of Gio Batta Podesta was considered, ordered to a third reading, read the third time, and passed.

MARGARETE HOHMANN SPRINGER

The bill (H. R. 5265) for the relief of Margarete Hohmann Springer was considered, ordered to a third reading, read the third time, and passed.

EVA GYORI

The bill (H. R. 5355) for the relief of Eva Gyori was considered, ordered to a third reading, read the third time, and passed.

WALTER KUZNICKI

The bill (H. R. 5684) for the relief of Walter Kuznicki was considered, ordered to a third reading, read the third time, and passed.

MICHAEL K. KAPRIELYAN

The bill (H. R. 5820) for the relief of Michael K. Kaprielyan was considered, ordered to a third reading, read the third time, and passed.

VIKTOR R. KANDLIN

The bill (H. R. 5842) for the relief of Viktor R. Kandlin was considered, ordered to a third reading, read the third time, and passed.

NICK JOSEPH BENI, JR.

The bill (H. R. 6478) for the relief of Nick Joseph Beni, Jr., was considered, ordered to a third reading, read the third time, and passed.

GREGORY HARRY BEZENAR

The bill (H. R. 6636) for the relief of Gregory Harry Bezenar was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 7012) for the relief of Nicole Goldman was announced as next in order.

Mr. SMATHERS. Over.

The PRESIDING OFFICER (Mr. CAPEHART in the chair). The bill will be passed over.

CELEBRATION OF 200TH ANNIVERSARY OF THE BIRTH OF ALEXANDER HAMILTON

The Senate proceeded to consider the joint resolution (S. J. Res. 140) to establish a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton.

Mr. HENDRICKSON. Mr. President, I send an amendment to the desk, to be incorporated at the appropriate place.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 13, it is proposed to strike the period and insert the words "through the State Department."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey [Mr. HENDRICKSON].

The amendment was agreed to.

The PRESIDING OFFICER. Is there any further amendment to be offered?

Mr. SMATHERS. Mr. President, I offer an amendment on page 2, line 16, to strike out the words, "without regard

to the civil service laws or the Classification Act of 1949."

Mr. BUTLER. Mr. President, will the Senator please restate the proposed amendment?

Mr. SMATHERS. The amendment is merely to strike out the language on page 2, in line 16, "without regard to the civil service laws or the Classification Act of 1949."

Mr. BUTLER. Where does that language appear?

Mr. SMATHERS. The language appears on page 2, in line 16.

Mr. BUTLER. May I ask that the joint resolution go to the foot of the calendar.

The PRESIDING OFFICER. The joint resolution will go to the foot of the calendar.

JOHN MARSHALL BICENTENNIAL MONTH

The joint resolution (S. J. Res. 149) designating the month of September 1955 as John Marshall Bicentennial Month, and creating a commission to supervise and direct the observance of such month was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas September 24, 1955, will mark the 200th anniversary of the birth of John Marshall, who has been rightly called "the Great Chief Justice"; and

Whereas the work of John Marshall in expounding constitutional principles has been one of the most important factors in developing and maintaining the liberties of the people of the United States; and

Whereas a wider public knowledge and appreciation of the achievements of the great Chief Justice, John Marshall, is highly desirable in order to strengthen the moral, social, and political structure of our Nation, and as a means of helping to preserve and protect the lives, liberties, and property of all our people: Therefore be it

Resolved, etc., That the month of September 1955 is hereby set aside and designated as "John Marshall Bicentennial Month," in commemoration of the 200th anniversary of the birth of John Marshall, and in recognition of the vital part which he played in the development of our Nation. The President is requested to issue a proclamation calling upon appropriate agencies and organizations throughout the United States to unite in observing such bicentennial month with suitable activities and ceremonies, and inviting all the people of the United States to join therein.

SEC. 2. There is hereby established a commission to be known as the United States Commission for the Celebration of the 200th Anniversary of the Birth of John Marshall (hereinafter referred to as the "Commission"), and to be composed of 19 members as follows:

(1) The President of the United States, the President pro tempore of the Senate, and the Speaker of the House of Representatives, ex officio;

(2) Eight persons to be appointed by the President of the United States;

(3) Four Members of the Senate to be appointed by the President pro tempore of the Senate; and

(4) Four Members of the House of Representatives to be appointed by the Speaker of the House of Representatives.

SEC. 3. The Commission shall have the duty of supervising and directing the observance of John Marshall Bicentennial Month, and shall prepare appropriate plans and programs for the celebration of such month, giving due consideration to any proposed plans and programs which may be submitted to it. The Commission shall receive and coordinate any plans which may be prepared by State and local agencies, and by representative civic bodies, in connection with the celebration of such month. The Commission shall submit to the Congress at the earliest practicable time a full report of its activities together with a detailed statement of the plans and programs to be used in such celebration.

SEC. 4. (a) The Commission shall select a chairman and a vice chairman from among its members. Members of the Commission shall receive no compensation for their services as such, but shall be reimbursed for expenses necessarily incurred in the discharge of their duties under this joint resolution.

(b) The Commission may employ such administrative personnel, advisers, and clerical and other assistants as may be necessary to carry out its duties under this joint resolution.

SEC. 5. The Commission shall expire on December 31, 1955.

SEC. 6. There are hereby authorized to be appropriated such sums as may be necessary to carry out this joint resolution.

ISAAC GLICKMAN, REGHINA GLICKMAN, ALFRED CISMARU, AND ANNA CISMARU

The Senate proceeded to consider the bill (S. 1074) for the relief of Isaac Glickman, Reghina Glickman, Alfred Cismaru, and Anna Cismaru, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 9, after the word "fees", to strike out "and head taxes. Upon the granting of permanent residence to each such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct four numbers from the number of displaced persons who shall be granted the status of permanent residence pursuant to section 4 of the Displaced Persons Act, as amended (62 Stat. 1011; 84 Stat. 219; 50 U. S. C. App. 1953)." and insert "Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota for the first year that such quota is available.", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Isaac Glickman, his wife, Reghina Glickman, and his wife's children, Alfred Cismaru and Anna Cismaru, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon the payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

IRMA MUELLER KOEHLER COBBAN

The Senate proceeded to consider the bill (S. 2295) for the relief of Irma Mueller Koehler Cobban which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "act," to insert a colon and *"Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act," so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Irma Mueller Koehler Cobban may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRANTISEK VYBORNY

The Senate proceeded to consider the bill (S. 2448) for the relief of Frantisek Vyborny which had been reported from the Committee on the Judiciary with an amendment, on page 1, at the beginning of line 7, to strike out "upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available", and insert a colon and *"Provided,* That a suitable bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Frantisek Vyborny shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act: *Provided,* That a suitable bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HATSUKO KUNIYOSHI DILLON

The Senate proceeded to consider the bill (H. R. 5578) for the relief of Hatsuko Kuniyoshi Dillon, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 10, after the word "act", to strike out "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF FOREIGN AGENTS REGISTRATION ACT OF 1938, AS AMENDED

The Senate proceeded to consider the bill (S. 37) to amend section 3 (a) of the Foreign Agents Registration Act of 1938, as amended, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That section 1 (b) of the Foreign Agents Registration Act of 1938, as amended (56 Stat. 248; 22 U. S. C. 611), is amended by adding thereto a new clause (6) to read as follows:

"(6) A domestic partnership, association, corporation, organization, or other combination of individuals, supervised, directed, controlled, or financed, in whole or in substantial part, by any foreign government or foreign political party;".

SEC. 2. Section 3 (a) of such act is amended to read as follows:

"(a) A duly accredited diplomatic or consular officer of a foreign government who is so recognized by the Department of State, while said officer is engaged exclusively in activities which are recognized by the Department of State as being within the scope of the functions of such officer, except that no person engaged in service as a public relations counsel, publicity agent, or information-service employee, or who is engaged in the preparation or dissemination of political propaganda shall be so recognized;".

SEC. 3. Section 3 (d) of such act is amended to read as follows:

"(d) Any person engaging or agreeing to engage only in private and nonpolitical financial or mercantile activities in furtherance of the bona fide trade or commerce of such foreign principal or in the soliciting and collecting of funds and contributions within the United States to be used only for medical aid and assistance, or for food and clothing to relieve human suffering, if such solicitation or collection of funds and contributions is in accordance with and subject to the provisions of the act of November 4, 1939, as amended (54 Stat. 48), and such rules and regulations as may be prescribed thereunder, except any person who is an agent of a foreign principal by virtue of clause (5) of section 1 (c) of this act;".

SEC. 4. Section 3 (e) of such act is amended to read as follows:

"(e) Any person engaging or agreeing to engage only in activities in furtherance of bona fide religious, scholastic, academic, or scientific pursuits or of the fine arts, except any person who is an agent of a foreign principal by virtue of clause (5) of section 1 (c) of this act;".

SEC. 5. Section 4 (a) of such act is amended to read as follows:

"(a) Every person within the United States who is an agent of a foreign principal and required to register under the provisions of this act and who transmits or causes to be transmitted in the United States mails or by any means or instrumentality of interstate or foreign commerce any political propaganda shall, not later than 48 hours after the beginning of the transmittal thereof, send to the Librarian of Congress 2 copies thereof and file with the Attorney General 1 copy thereof and a statement, duly signed by or on behalf of such agent, setting forth full information as to the places, times, and extent of such transmittal."

SEC. 6. Section 4 (b) of such act is amended to read as follows:

"(b) It shall be unlawful for any person within the United States who is an agent of a foreign principal and required to register under the provisions of this act to transmit or cause to be transmitted in the United States mails or by any means or instrumentality of interstate or foreign commerce any political propaganda unless such political propaganda is conspicuously marked at its beginning with, or prefaced or accompanied by, a true and accurate statement in the language or languages used in such political propaganda, setting forth that the person transmitting such political propaganda or causing it to be transmitted is registered under this act with the Department of Justice, Washington, District of Columbia, as an agent of a foreign principal, together with the name and address of such agent of a foreign principal and of each of his foreign principals; that, as required by this act, his registration statement is available for inspection at and copies of such political propaganda are being filed with the Department of Justice; and that registration of agents of foreign principals required by the act does not indicate approval by the United States Government of the contents of their political propaganda. The Attorney General, having due regard for the national security and the public interest, may by regulation prescribe the language or languages and the manner and form in which such statement shall be made and require the inclusion of such other information contained in the registration statement identifying such agent of a foreign principal and such political propaganda and its sources as may be appropriate."

SEC. 7. Section 4 of such act is amended by adding thereto a new subsection (e) to read as follows:

"(e) Any person not within the United States who uses the United States mails or any means or instrumentality of interstate or foreign commerce within the United States to circulate or disseminate any political propaganda shall be regarded as acting within the United States and as subject to the provisions of this act."

SEC. 8. Section 6 of such act is amended by adding the following sentence of the end thereof:

"The Attorney General, in his discretion, having due regard for the national security and the public interest, may withdraw from public examination and inspection any registration statement and other statements filed by a person who is an agent of a foreign principal by virtue of clause (5) of section 1 (c) of this act."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to amend the Foreign Agents Registration Act of 1938, as amended."

Mr. SMATHERS. Mr. President, I should like to ask whether or not the Secretary of State or the Department of State has given its approval to the bill.

Mr. WATKINS. Mr. President, I can answer that question. I think the State Department has not given its approval.

Mr. SMATHERS. The State Department has not given its approval.

Mr. WATKINS. The bill, however, was reported by the Judiciary Committee, I think unanimously.

Mr. SMATHERS. I thank the Senator.

ESTHER CORNELIUS

The Senate proceeded to consider the bill (S. 1512) for the relief of Esther Cornelius which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause, and insert:

That, for the purposes of the Immigration and Nationality Act, Esther Cornelius, Arthur Alexander Cornelius, and Frank Thomas Cornelius shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Esther Cornelius, Arthur Alexander Cornelius, and Frank Thomas Cornelius."

ESTABLISHMENT OF WOODROW WILSON CENTENNIAL CELEBRATION COMMISSION—JOINT RESOLUTION PASSED TO FOOT OF CALENDAR

The Senate proceeded to consider the joint resolution (S. J. Res. 147) to establish the Woodrow Wilson Centennial Celebration Commission, and for other purposes, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 6, after the word "of", to strike out "nine" and insert "eleven"; on page 2, line 7, after "(4)", to strike out "five" and insert "seven"; at the beginning of line 10, to strike out "and"; in line 12, after the word "Incorporated", to insert "and two members shall be appointed upon the recommendation of the Woodrow Wilson Foundation", and on page 3, line 3, after the name "Wilson", to insert "and to invite all the people of the United States to join therein", so as to make the joint resolution read:

Resolved, etc., That (a) there is hereby established a Commission to be known as the "Woodrow Wilson Centennial Celebration Commission" (hereinafter referred to as the "Commission") which shall be composed of 11 members as follows:

(1) two members who shall be Members of the Senate, to be appointed by the President of the Senate;

(2) one member who shall be a Member of the House of Representatives, to be appointed by the Speaker of the House of Representatives;

(3) one member from the Department of the Interior who shall be the Director of the National Park Service, or his representative, and who shall serve as executive officer of the Commission; and

(4) seven members to be appointed by the President, of whom 3 members shall be appointed upon the recommendation of the Governor of Virginia, 2 members shall be appointed upon the recommendation of the Woodrow Wilson Birthplace Foundation, Incorporated, and 2 members shall be appointed upon the recommendation of the Woodrow Wilson Foundation.

(b) The President shall, at the time of appointment, designate one of the members appointed by him to serve as chairman. The members of the Commission shall receive no salary but shall be reimbursed for their actual and necessary traveling and subsistence expenses incurred in the discharge of their duties.

SEC. 2. The functions of the Commission shall be to develop and to execute suitable plans for the celebration, in 1956, of the 100th anniversary of the birth of Woodrow Wilson in Staunton, Va. In carrying out

these functions the Commission is authorized to cooperate with and to assist the Commission established by the State of Virginia to plan a centennial celebration, in 1956, of the birth of Woodrow Wilson, and to invite all the people of the United States to join therein.

SEC. 3. The Commission may employ, without regard to civil-service laws or the Classification Act of 1949, such employees as may be necessary in carrying out its functions.

SEC. 4. (a) The Commission is authorized to accept donations of money, property, or personal services; to cooperate with patriotic and historical societies and with institutions of learning; and to call upon other Federal departments or agencies for their advice and assistance in carrying out the purposes of this resolution. The Commission, to such extent as it finds to be necessary, may, without regard to the laws and procedures applicable to Federal agencies, procure supplies, services, and property and make contracts, and may exercise those powers that are necessary to enable it to carry out efficiently and in the public interest the purposes of this resolution.

(b) Expenditures of the Commission shall be paid by the executive officer of the Commission, who shall keep complete records of such expenditures and who shall account also for all funds received by the Commission. A report of the activities of the Commission, including and accounting of funds received and expended, shall be furnished by the Commission to the Congress within 1 year following the celebration as prescribed by this resolution. The Commission shall terminate upon submission of its report to the Congress.

(c) Any property acquired by the Commission remaining upon termination of the celebration may be used by the Secretary of the Interior for purposes of the National Park System or may be disposed of as surplus property. The net revenues, after payment of Commission expenses, derived from Commission activities, shall be deposited in the Treasury of the United States.

SEC. 5. There is hereby authorized to be appropriated not to exceed $10,000 for travel expenses of the members of the Commission and for other expenses that may be incurred in developing suitable plans provided for herein, and there are authorized to be appropriated such sums as may be necessary to carry out the purposes of this resolution in accordance with such plans.

The amendments were agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment.

Mr. SMATHERS. Mr. President, I offer three amendments which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendments submitted by the Senator from Florida will be stated.

The LEGISLATIVE CLERK. On page 3, in line 5, in section 3, it is proposed to delete the comma and everything thereafter on line 5 and the words on line 6, to and including the comma.

In section 4 (a), after the word "may", in line 14, it is proposed to strike out down to and including the word "agencies" in line 16.

On page 4, following line 17, it is proposed to add a new section as follows:

SEC. 6. The Commission shall expire on June 30, 1957.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments of the Senator from Florida. Without objection——

Mr. BUTLER. Mr. President, reserving the right to object, let me ask the Senator from Florida whether the Senator from Virginia has been apprised of the amendments and agrees with them.

Mr. SMATHERS. In a similar measure (S. J. Res. 149) regarding John Marshall, the Senator from Virginia [Mr. BYRD], who introduced the joint resolution, did not have included in it the same language that now appears in this measure. That joint resolution was passed by the Senate earlier today.

The first amendment I have submitted would strike out, on page 3, the words "without regard to civil-service laws or the Classification Act of 1949."

The second amendment is similar to the first one; and the third amendment provides that the Commission shall expire on June 30, 1957.

However, we have not taken up the amendments with the Senator from Virginia, although I think they will be satisfactory.

Mr. BUTLER. Mr. President, will the Senator from Florida agree to have the joint resolution go the foot of the calendar?

Mr. SMATHERS. I will not agree that it should go to the foot of the calendar, but if the Senator from Maryland requests that the joint resolution go to the foot of the calendar, I will agree that that be done.

Mr. BUTLER. I held hearings on the joint resolution; and the Senator from Virginia is very much interested in it.

Mr. SMATHERS. Very well.

Mr. BUTLER. Then, Mr. President, I ask that the joint resolution go to the foot of the calendar.

The PRESIDING OFFICER. Without objection, the joint resolution will go to the foot of the calendar.

JOINT RESOLUTION INDEFINITELY POSTPONED

The joint resolution (S. J. Res. 152) to provide for the proper participation by the United States Government in a national celebration of the 200th anniversary of the Battle of Fort Necessity, Pennsylvania, on July 3 and 4, 1954, was announced as next in order.

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

Mr. HENDRICKSON. Mr. President, reserving the right to object, let me state that the event to which this measure addresses itself is now a matter of history. Therefore, enactment of this joint resolution is no longer necessary. Accordingly, I ask unanimous consent that the joint resolution be indefinitely postponed.

The PRESIDING OFFICER. Without objection, the joint resolution is indefinitely postponed.

CONSTRUCTION OF HAYSTACK RESERVOIR ON THE DESCHUTES FEDERAL RECLAMATION PROJECT

The Senate proceeded to consider the bill (S. 2864) to approve an amendatory repayment contract negotiated with the North Unit Irrigation District, to authorize construction of Haystack Reservoir on the Deschutes Federal reclamation project, and for other purposes, which had been reported from the Committee and Insular Affairs with an amendment, on page 2, after line 11, to strike out:

SEC. 3. This act is declared to be a part of the Federal reclamation laws, as these are defined in section 2 of the Reclamation Project Act of 1939.

So as to make the bill read:

Be it enacted, etc., That the contract with the North Unit irrigation district in form substantially similar to that approved by the district directors on July 31, 1953, which has been negotiated by the Secretary of the Interior pursuant to section 7, subsection (a), of the Reclamation Project Act of 1939 (53 Stat. 1187, 1192; 43 U. S. C., 1946 edition, sec. 485), is approved and the Secretary of the Interior is authorized to execute it on behalf of the United States.

SEC. 2. The Secretary is authorized to construct the Haystack Dam and equalizing reservoir and related works as a feature of the Deschutes Federal reclamation project at a cost not in excess of an amount which, together with other project costs reimbursable and returnable to the United States pursuant to the terms and provisions of the contract approved by section 1 of this act, does not exceed the maximum construction charge obligation of the North Unit irrigation district.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, was announced as next in order.

Mr. GORE. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

ELIGIBILITY OF CERTAIN VETERANS TO DENTAL CARE

The Senate proceeded to consider the bill (H. R. 6412) to preserve the eligibility of certain veterans to dental outpatient care and dental appliances, which had been reported from the Committee on Labor and Public Welfare with an amendment, on page 1, at the beginning of line 11, to strike out "1954.", and insert "1954, or in the first provision under the same heading in the Independent Offices Appropriation Act, 1955 (Public Law 428, 83d Cong., 2d sess.)."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RESTORATION OF U. S. S. "CONSTITUTION" AND DISPOSITION OF CERTAIN NAVAL VESSELS—BILL PASSED TO FOOT OF CALENDAR

The bill (H. R. 8247) to provide for the restoration and maintenance of the U. S. S. *Constitution* and to authorize the disposition of the U. S. S *Hartford,*

U. S. S. *Olympia*, and the U. S. S. *Oregon*, and for other purposes, was announced as next in order.

Mr. MAGNUSON. Mr. President, may we have an explanation of the bill?

Mr. BUTLER. Mr. President, I move that the committee amendments be agreed to en bloc.

Mr. MAGNUSON. What are the amendments, Mr. President? Will the Senator from Maryland explain the bill and the amendments?

Mr. BUTLER. The amendments are set forth on the first page of the report, under the title "Amendments to the Bill."

Would the Senator from Washington like me to read the amendments? They are merely perfecting amendments.

Mr. HENDRICKSON. Mr. President, I may say that the amendments were unanimously approved by the Armed Services Committee.

Mr. MAGNUSON. I am not familiar with the bill. Is the proposal to restore and maintain the *Constitution*, but to dispose of the *Olympia* and *Oregon*? What is the reason for this proposal?

Mr. BUTLER. There is a great deal of difference between those ships.

Mr. MAGNUSON. Let me say that I am not opposed to having the *Constitution* restored and maintained. I understand that under the bill, the *Constitution* will be restored; but the proposal is to have the *Constellation*, the *Hartford*, the *Olympia*, and the *Oregon* disposed of.

Mr. HENDRICKSON. I should like to give a brief explanation of the bill.

This bill seeks to provide for ultimate disposition of five famous Naval ships which have participated in some of the most historic of our Naval operations.

First, the bill authorizes the renovation at Government expense of the *Constitution*, so as to continue her as a Naval museum.

Second, the bill authorizes the Navy Department to move the *Constellation* to the port of Baltimore, and the *Hartford* to the port of Mobile, where these historic vessels will be taken over by local nonprofit organizations for renovation, at private expense, as Naval museums.

Third, the bill authorizes the Navy to retain for a period of 6 months the *Olympia* and the *Oregon*, during which period of time any nonprofit organization interested in assuming custody of these vessels may make application to the Department.

The committee had a very distinguished panel of witnesses testify in favor of this bill, and was impressed by the patriotic interest the retention of these ships has aroused.

The only provision which will involve subsequent appropriation is in the case of the *Constitution*. Her renovation will cost approximately $900,000, and her annual upkeep, approximately $46,000. All expense involved in the other provisions of the bill can be absorbed out of current operating expenses of the Navy, and will not be recurring.

Mr. MAGNUSON. Let me ask a question of the Senator from New Jersey: On page 4 of the report, near the bottom of the page, I observe the following:

> Section 6 provides that if there are no requests for donation of the U. S. S. *Olympia* and the U. S. S. *Oregon* within 1 year, the Secretary of the Navy is authorized to dispose of the vessels—

But the Senator from New Jersey just said the period would be 6 months.

Mr. HENDRICKSON. That was one of the amendments.

Mr. MAGNUSON. Why cannot we provide for 1 year?

Mr. HENDRICKSON. I have no objection.

Mr. MAGNUSON. I do not know how the people of the Pacific Northwest may feel about doing in the case of the other vessels what the people of Baltimore wish to do in the case of the *Constitution*.

Mr. HENDRICKSON. Or what the people of Philadelphia may wish to do with respect to the *Olympia*.

Mr. MAGNUSON. It may be they might wish to do something about these vessels, and I think it would be well to give them 1 year in which to take action.

Mr. HENDRICKSON. I gladly accept such an amendment.

The PRESIDING OFFICER. Will the Senator from Washington send the amendment to the desk?

Mr. MAGNUSON. I believe the proper course would be simply to reject the committee amendment, so as to leave the provision for 1 year.

Mr. HENDRICKSON. I agree.

The PRESIDING OFFICER. The Chair suggests that the bill go to the foot of the calendar, so that a written amendment may be submitted.

Mr. MAGNUSON. I so request, Mr. President.

The PRESIDING OFFICER. Without objection, the bill will go to the foot of the calendar; and the Senator from Washington will submit a written amendment.

INVESTIGATION OF EMPLOYEE WELFARE AND PENSION FUNDS UNDER COLLECTIVE-BARGAINING AGREEMENTS—RESOLUTION REFERRED TO COMMITTEE ON RULES AND ADMINISTRATION

The resolution (S. Res. 270) to amend Senate Resolution 225 of the 83d Congress, relative to investigation of employee welfare and pension funds under collective-bargaining agreements, by increasing funds therefor, was announced as next in order.

Mr. KNOWLAND. Mr. President, reserving the right to object, I have discussed this subject with the minority leader [Mr. JOHNSON of Texas]. This is a resolution which, by request of the Senator from New York [Mr. IVES] and in conformity with our practice, should be referred to the Committee on Rules and Administration. I ask that the resolution be referred to the Committee on Rules and Administration.

The PRESIDING OFFICER. Without objection, the resolution will be referred to the Committee on Rules and Administration.

BILL PASSED OVER

The bill (H. R. 9242) to authorize certain construction at military and naval installations and for the Alaska communications system, and for other purposes, was announced as next in order.

Mr. SMATHERS. Let the bill go over.

Mr. HENDRICKSON. Mr. President, this is clearly not calendar business and should be called up on motion.

The PRESIDING OFFICER. The bill will be passed over.

The clerk will proceed to state the orders of business passed to the foot of the calendar.

REVOCATION OR DENIAL OF MERCHANT MARINE DOCUMENTS TO CERTAIN PERSONS

The bill (H. R. 8538) to provide for the revocation or denial of merchant marine documents to persons involved in certain narcotic violations was announced as next in order.

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

There being no objection, the Senate proceeded to consider the bill.

Mr. HENDRICKSON. Mr. President, I should like to ask the Senator from Maryland [Mr. BUTLER] one question. On page 2 of the bill, line 4, section 2, the language is:

> The Secretary may—

My question is, does the word "May" as used therein mean "may" or does it mean "shall"? Or can it mean "shall"?

Mr. BUTLER. I answer the Senator's question by saying that "may" is used in its colloquial sense. The Secretary "may." He is not required to do so.

Mr. HENDRICKSON. I was merely trying to make a proper legislative history.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an explanation of the bill, showing an expression of support from the Conference of Maritime Unions, the American Legion, and the National Women's Christian Temperance Unions.

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

> The purpose of H. R. 8538 is to provide authority to the Coast Guard to deny issuance of a seaman's document to any person who, within 10 years prior to the date of the application therefor, has been convicted in a court of record of a violation of the narcotic drug laws of the United States, the District of Columbia, or any State or Territory, which conviction has become final; or to any person who, unless cured, has ever been a user of or addicted to the use of a narcotic drug.
>
> Likewise, it would provide authority to the Coast Guard to take action to revoke the document of any seaman who, subsequent to effective date of the act, and within 10 years prior to the institution of the action,

has been convicted as noted above; or who, unless cured, has been a user of or addicted to the use of a narcotic drug subsequent to the effective date of the act.

The action to revoke shall be based on a hearing before a Coast Guard examiner, under hearing procedures prescribed by the Administrative Procedure Act, as amended.

Testimony presented at the subcommittee hearing by the representative of the Coast Guard was to the effect that "in the last few years it has become evident that a large number of convicted addicts and/or traffickers are now able to serve in the United States Merchant Marine to the detriment of shipboard safety, morale and discipline because (presently) we are unable to proceed against them for narcotics offenses ashore."

The interest of the Bureau of Narcotics in the bill, its witness stated, is the prevention of the smuggling of narcotics drugs into the country. Most of this smuggling, he testified, is done by merchant seamen of all nations. "Narcotics offenders are notorious as repeaters," he declared. "A person who has been convicted of a narcotics offense or who has been addicted to narcotics drugs is a definite hazard insofar as the smuggling of narcotics is concerned."

Support of this legislation was expressed by the Conference of American Maritime Unions, the American Legion, and the National Women's Christian Temperance Unions.

CELEBRATION OF THE 200TH ANNIVERSARY OF THE BIRTH OF ALEXANDER HAMILTON

The Senate resumed the consideration of the joint resolution (S. J. Res. 140) to establish a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Florida [Mr. SMATHERS].

Mr. SMATHERS. Mr. President, I withdraw the amendment which I offered to page 2, line 16, but insist on the amendment on page 3, changing the date from 1959 to 1958.

Mr. MUNDT. That is perfectly satisfactory, and I appreciate it.

Mr. HENDRICKSON. Mr. President, was the amendment which I offered agreed to?

The PRESIDING OFFICER. It was.

The question is on agreeing to the amendment offered by the Senator from Florida [Mr. SMATHERS], on page 3, line 7, to change "1959" to "1958."

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there is hereby established a commission to be known as the "Alexander Hamilton Bicentennial Commission" (hereinafter referred to as the "Commission") which shall be composed of 19 Commissioners as follows: The President of the United States, the President of the Senate, and the Speaker of the House of Representatives, all ex officio; and 8 persons to be appointed by the President of the United States, 4 Senators to be appointed by the President of the Senate, and 4 Representatives to be appointed by the Speaker of the House of Representatives.

SEC. 2. It shall be the duty of the Commission to prepare plans and a program for signalizing the 200th anniversary of the birth of Alexander Hamilton. In preparing such plans and program the Commission shall give due consideration to any plan or plans which may be submitted to it, and to take such steps as may be necessary to coordinate and correlate its plans with those prepared by State or civic bodies. If the participation of other nations in the commemoration is deemed advisable, the Commission may communicate to that end with the governments of such nations through the State Department.

SEC. 3. The Commission shall select a Chairman and a Vice Chairman from among its members, and may employ, without regard to the civil-service laws or the Classification Act of 1949, such employees as may be necessary in carrying out its functions.

SEC. 4. The Commissioners shall serve without compensation, but may be reimbursed for expenses incurred by them in carrying out the duties of the Commission.

SEC. 5. When the Commission has approved a plan of celebration, it shall submit it, insofar as it relates to the fine arts, to the Commission of Fine Arts for its approval.

SEC. 6. The Commission shall, on or before March 1, 1955, make a report to the Congress in order that further enabling legislation may be enacted.

SEC. 7. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this joint resolution.

SEC. 8. The Commission shall expire upon the completion of its duties, but in no event later than January 11, 1958.

WOODROW WILSON CENTENNIAL CELEBRATION COMMISSION

The Senate resumed the consideration of the joint resolution (S. J. Res. 147) to establish the Woodrow Wilson Centennial Celebration Commission, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Florida [Mr. SMATHERS].

Mr. SMATHERS. Mr. President, I withdraw the amendment on page 3, lines 5 and 6, but insist on the amendment on page 3, lines 14 through 16, and the amendment on page 4.

The PRESIDING OFFICER. The first amendment of the Senator from Florida is withdrawn. The remaining amendments will be stated.

The LEGISLATIVE CLERK. In section 4 (a), after the word "may", in line 14, it is proposed to strike out down to and including the word "agencies", in line 16, and on page 4, following line 17, it is proposed to add a new section, as follows:

SEC. 6. The Commission shall expire on June 30, 1957.

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

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That (a) there is hereby established a Commission to be known as the "Woodrow Wilson Centennial Celebration Commission" (hereinafter referred to as the "Commission") which shall be composed of 11 members as follows:

(1) two members who shall be Members of the Senate, to be appointed by the President of the Senate;

(2) one member who shall be a Member of the House of Representatives, to be appointed by the Speaker of the House of Representatives;

(3) one member from the Department of the Interior who shall be the Director of the National Park Service, or his representative, and who shall serve as executive officer of the Commission; and

(4) seven members to be appointed by the President, of whom three members shall be appointed upon the recommendation of the Governor of Virginia, two members shall be appointed upon the recommendation of the Woodrow Wilson Birthplace Foundation, Incorporated, and two members shall be appointed upon the recommendation of the Woodrow Wilson Foundation.

(b) The President shall, at the time of appointment, designate one of the members appointed by him to serve as chairman. The members of the Commission shall receive no salary but shall be reimbursed for their actual and necessary traveling and subsistence expenses incurred in the discharge of their duties.

SEC. 2. The functions of the Commission shall be to develop and to execute suitable plans for the celebration, in 1956, of the 100th anniversary of the birth of Woodrow Wilson in Staunton, Va. In carrying out these functions the Commission is authorized to cooperate with and to assist the Commission established by the State of Virginia to plan a centennial celebration in 1956, of the birth of Woodrow Wilson, and to invite all the people of the United States to join therein.

SEC. 3. The Commission may employ, without regard to civil-service laws or the Classification Act of 1949, such employees as may be necessary in carrying out its functions.

SEC. 4. (a) The Commission is authorized to accept donations of money, property, or personal services; to cooperate with patriotic and historical societies and with institutions of learning; and to call upon other Federal departments or agencies for their advice and assistance in carrying out the purposes of this resolution. The Commission, to such extent as it finds to be necessary, may procure supplies, services, and property and make contracts, and may exercise those powers that are necessary to enable it to carry out efficiently and in the public interest the purposes of this resolution.

(b) Expenditures of the Commission shall be paid by the executive officer of the Commission, who shall keep complete records of such expenditures and who shall account also for all funds received by the Commission. A report of the activities of the Commission, including an accounting of funds received and expended, shall be furnished by the Commission to the Congress within 1 year following the celebration as prescribed by this resolution. The Commission shall terminate upon submission of its report to the Congress.

(c) Any property acquired by the Commission remaining upon termination of the celebration may be used by the Secretary of the Interior for purposes of the National Park System or may be disposed of as surplus property. The net revenues, after payment of Commission expenses, derived from Commission activities, shall be deposited in the Treasury of the United States.

SEC. 5. There is hereby authorized to be appropriated not to exceed $10,000 for travel expenses of the members of the Commission and for other expenses that may be incurred in developing suitable plans provided for herein, and there are authorized to be appropriated such sums as may be necessary to carry out the purposes of this resolution in accordance with such plans.

SEC. 6. The Commission shall expire on June 30, 1957.

Mr. HENDRICKSON. Mr. President, does the Senator from Maryland have a copy of the joint resolution before him?

Mr. BUTLER. I have.

Mr. HENDRICKSON. This language is used, beginning in line 13, on page 3:

The Commission, to such extent as it finds to be necessary, may, without regard to the laws and procedures applicable to Federal agencies, procure supplies, services, and property and make contracts, and may exercise those powers that are necessary to enable it to carry out efficiently and in the public interest the purposes of this resolution.

Is not this language inconsistent with the laws concerning procurements through General Services Administration?

Mr. BUTLER. Let me first ask the Senator from Florida [Mr. SMATHERS] a question. Did the amendment of the Senator from Florida affect the wording now referred to by the Senator from New Jersey?

Mr. SMATHERS. I withdrew my amendment on page 3, lines 5 and 6. The amendment I first offered would have stricken out the words "without regard to civil-service laws or the Classification Act of 1949." I withdrew the amendment, so that language is still in the joint resolution.

Mr. BUTLER. That is correct.

Mr. HENDRICKSON. How about section 4?

Mr. SMATHERS. I insisted upon my amendment on page 3, lines 14 to 16, striking out the language "without regard to the laws and procedures applicable to Federal agencies."

Mr. BUTLER. That answers the Senator's question.

Mr. HENDRICKSON. I thank the Senator very much.

RESTORATION OF U. S. S. "CONSTITUTION" AND DISPOSITION OF CERTAIN NAVAL VESSELS

The bill (H. R. 8247) to provide for the restoration and maintenance of the U. S. S. *Constitution* and to authorize the disposition of the U. S. S. *Constellation*, U. S. S. *Hartford*, U. S. S. *Olympia*, and U. S. S. *Oregon*, and for other purposes, was announced as next in order.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with amendments, on page 3, line 5, after the word "in", to strike out "subsection" and insert "subsections 2 (c) and 3 (c)"; in line 18, after the word "vessel", to strike out "and the Secretary of the Navy may dispose of it in the manner he would if the application had not been received"; on page 5, line 8, after the word "specified", to strike out "in subsection 4 (a) and"; in line 10, after the word "hereof", to strike out "in his discretion, by sale or by scrapping,"; in line 12, after the word "Secretary.", to insert "Any such vessel may be disposed of by sale or by scrapping, in the discretion of the Secretary", and at the beginning of line 22, to strike out "*Constellation, Hartford, Olympia,*" and insert "*Olympia.*"

Mr. HENDRICKSON. Mr. President, I will say to the distinguished Senator from Washington [Mr. MAGNUSON] that if he will permit the bill to pass as reported by the Senate committee, it will accomplish his purpose.

Mr. BUTLER. Mr. President, I am very much interested in this bill. I appeared before the House committee and recommended passage of the bill. The *Constellation*, as Senators know, was built in the port of Baltimore. It was launched in 1797, I believe. Her first crew was recruited from Baltimore City, and our city will be extremely proud to get her back.

Mr. HENDRICKSON. It was because of the *Constellation*, and the fact that she is being returned to her home city of Baltimore, that the junior Senator from New Jersey supported the bill wholeheartedly in the committee, and now supports it on the floor. That was one of the reasons.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. MORSE subsequently said: Mr. President, while I was called off the floor this afternoon for an interview with a constituent in the reception hall, Calendar No. 1717 (H. R. 8247) to provide for the restoration and maintenance of the U. S. S. *Constitution* and to authorize the disposition of the U. S. S. *Hartford*, U. S. S. *Olympia*, and the U. S. S. *Oregon*, and for other purposes, was called.

I ask unanimous consent that there be printed in the body of the RECORD at this point in the discussion a brief statement I had prepared for presentation at that time.

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

STATEMENT BY SENATOR MORSE ON THE BILL TO PROVIDE FOR RESTORATION AND MAINTENANCE OF THE U. S. S. "CONSTITUTION" AND TO AUTHORIZE THE DISPOSITION OF THE U. S. S. "CONSTELLATION," U. S. S. "HARTFORD," U. S. S. "OLYMPIA," AND THE U. S. S. "OREGON"

FACTS ABOUT U. S. S. "OREGON"

1. Battleship—built at San Francisco—placed in commission in 1896.

2. After commission served in Pacific and with the North Atlantic Squadron in operations against Spanish in Santiago Harbor.

3. Cooperated with Army during Philippine Insurrection.

4. Marines from U. S. S. *Oregon* joined relief force sent to Peking during the Boxer Rebellion in 1900.

5. Last duty was as the reviewing ship for President Woodrow Wilson during the arrival of the Pacific Fleet at Seattle after World War I.

6. Is presently located at Guam, stripped of superstructure.

Bill directs Navy Department to retain title and custody of, and to maintain ship for a period of 6 months, during which period State or other political subdivision, or nonprofitmaking associations may apply for donation of ship as restoration as a public memorial.

Transfer authorized if Secretary of Navy satisfied transferee will maintain vessel in good condition and at no expense to United States.

If no request for donation within 1 year, Secretary of Navy authorized to dispose of vessel by sale or scrapping. Any parts of historical interest may then be removed (prior to sale) and loaned or donated to historical or educational institutions or sold as relics, souvenirs, or memorials.

The PRESIDING OFFICER. That completes the call of the calendar.

COLLECTION OF CERTAIN INDEBTEDNESS OF MILITARY AND CIVILIAN PERSONNEL

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2728) to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes, which was, on page 3, lines 1 and 2, strike out "Secretary of the Treasury" and insert "Director of the Bureau of the Budget."

Mr. CARLSON. Mr. President, I move that the Senate concur in the House amendment.

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

Mr. CARLSON. I yield.

Mr. KNOWLAND. Is this a bill with respect to which there was an amendment from the House which the Senator from Kansas took up at noon with both the minority leader and myself, the amendment being a change to the Director of the Budget from some other officer of the Government?

Mr. CARLSON. I discussed this bill this morning with the majority leader, the minority leader, and also the Senator from Oklahoma [Mr. MONRONEY], a member of the committee. We agreed upon the change from "Secretary of the Treasury," to "Director of the Bureau of the Budget."

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

The motion was agreed to.

LEGISLATIVE PROGRAM

Mr. HILL obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator from Alabama yield to me, without his losing the right to the floor, in order to permit me to make an announcement regarding the legislative program?

Mr. HILL. I yield with that understanding.

Mr. KNOWLAND. For the information of the Senate, when the distinguished Senator from Alabama has concluded his remarks, the unfinished business before the Senate will be Calendar 166, Senate Joint Resolution 67, to repeal certain World War II laws relating to return of fishing vessels, and for other purposes.

It is proposed to follow action on the joint resolution by consideration of Cal-

endar 1659, Senate Joint Resolution 161, to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes, as to which prior notice has been given.

When action has been completed on House Joint Resolution 161, which it is hoped will be today, it is then proposed, with the approval of the Senate, to make the unfinished business Calendar 1639, Senate bill 2759, to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational rehabilitation services, and for other purposes. That will then be the unfinished business when the Senate convenes tomorrow at noon.

When that bill has been disposed of, it is then expected to move to take up Calendar 1634, House bill 5173, relating to the establishment and maintenance of a $200 million reserve in the Federal Unemployment Account, which has been reported from the Committee on Finance. At the request of a number of Senators, the bill has been held over until this week, and several Senators have asked that it not be taken up prior to Wednesday.

It is also planned to take up Calendar 1637, Senate bill 3589, to provide for the independent management of the Export-Import Bank of Washington.

There are a number of other bills as to which prior notice has been given, which it is proposed to consider, although not necessarily in the order in which I have given them, except for two. One of them is Calendar 1656, Senate bill 3546, to provide for an immediate program for the modernization and improvement of such merchant-type vessels in the reserve fleet as are necessary for national defense.

Another is Calendar 1665, Senate bill 3681, to authorize the Civil Service Commission to make available group life insurance for civilian officers and employees in the Federal service, and for other purposes.

It is also proposed to take up sometime this week, but probably not before Thursday, Calendar 1710, Senate bill 3690, to amend the Atomic Energy Act of 1946, as amended, and for other purposes; also Calendar 1719, H. R. 9242, to authorize certain construction at military and naval installations and for the Alaska Communications System and for other purposes.

Furthermore, there are several other bills as to which prior notice has been given: Calendar 1615, H. R. 2763, to amend the Tariff Act of 1930 so as to modify the duty on the importation of wood dowels, and for other purposes; Calendar 1620, Senate bill 3344, to amend the mineral leasing laws and the mining laws for multiple mineral development of the same tracts for the public lands, and for other purposes; Calendar 1621, Senate bill 2380, to amend section 17 of the Mineral Leasing Act of February 25, 1920, as amended; and Calendar 1622, Senate bill 2381, to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of oil and gas on the public domain.

Parenthetically, I may say that, along with the two bills I have mentioned, which will be taken up today, when the speech of the Senator from Alabama is completed, I had intended to include one bill, Calendar 1632, H. R. 9232, as to which prior notice has been given. This bill is the same as Calendar 1549, Senate bill 3243. It is the Senate companion bill to the House bill.

I think, Mr. President, that this program will pretty well occupy the remainder of the week. Following the meeting of the majority policy committee tomorrow, I expect to make additional announcements to the Senate, after I have had an opportunity to confer with the minority leader. But in conformity with the policy of keeping the Senate as fully advised as possible, as far in advance as possible, I desired to make this announcement.

I wish to thank the distinguished Senator from Alabama for permitting me to make the announcement at this time.

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

Mr. KNOWLAND. I yield.

Mr. WILLIAMS. Did I correctly understand the Senator from California to say that he intended to call up Calendar 1659, Senate Joint Resolution 161, this afternoon?

Mr. KNOWLAND. That is correct.

Mr. WILLIAMS. I had understood that it would go over until tomorrow, in order to permit certain information to be received from the Maritime Commission.

Mr. KNOWLAND. As I told the Senator when he spoke to me, we had agreed that Calendar No. 1656, Senate bill 3546, to provide an immediate program for the modernization and improvement of such merchant-type vessels in the reserve fleet as are necessary for national defense, should go over until tomorrow.

I had expressed the hope that the questions which the Senator from Delaware had about Calendar No. 1659, Senate Joint Resolution 161, to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes, might be answered by the Senator from Maryland.

Mr. WILLIAMS. I have no objection to that, if I can obtain answers to certain questions which have been raised, but I had been given to understand the information could not be obtained until at least some time tomorrow.

Mr. KNOWLAND. I hope that while the Senator from Alabama is making his statement perhaps the Senator from Maryland may be able to secure the information from the maritime authorities so that the question raised by the Senator from Delaware can be answered. The other bill, however, will go over until Wednesday.

So that Senators may have as much advance information on conference reports as possible, certainly on the more important reports, I call to the attention of the acting minority leader [Mr. GORE] that probably on either tomorrow afternoon or Thursday the conference report on H. R. 6342, which is the lease-purchase bill, may be taken up. I do not know how soon the conferees may report on the housing bill, but I hope it will be before the end of the week. If so, I trust the Senate will proceed to consider the report before the end of the week.

THE PERVERSION OF AEC FOR THE DESTRUCTION OF TVA

Mr. HILL. Mr. President, on Thursday, the 17th of June, after 5 months of waiting, the meaning of the President's budget message with respect to TVA became crystal clear. It was revealed in the course of a hearing before the Joint Committee on Atomic Energy, with the reading of a communication from the Director of the Budget, disclosing that the President of the United States had directed the Atomic Energy Commission to enter into a contract with a private-utility combine to build a powerplant in Arkansas to supply the electricity requirements, not of the AEC, but of the TVA power consumers of Memphis, Tenn.

This astonishing proposal has been developed as a consequence of a suggestion in the President's message. All of us recall that no money was requested in the budget to provide new generating capacity on the TVA power system. As an alternative, the message stated that "arrangements are being made to reduce, by the fall of 1957, existing commitments" of the TVA to AEC by 500,000 to 600,000 kilowatts. The plan, as it was generally understood, was for AEC to find a private supplier to take over a portion of the TVA commitment to the AEC at Paducah, Ky., a commitment which now totals 1,205,000 kilowatts, so as to permit TVA to use that much of the capacity of its Shawnee plant at Paducah as a substitute for the new capacity TVA would otherwise require to meet the estimated power load in 1957. It was understood that if satisfactory arrangements for such an additional power supply were not developed, a request for supplemental funds would be submitted at this session of the Congress in time to permit TVA to begin construction of new capacity.

In the same budget message the Congress and the public were advised that the decision that TVA should not begin to build new capacity in fiscal year 1955 was contingent not only upon the success of these arrangements to find another power supplier for AEC at Paducah but also upon the assumption that there would be no increase in the total national-defense demands on the TVA power system. If either assumption proved to be incorrect, it was understood that a request for funds for TVA to start construction of new power capacity would be forthcoming.

The people of the TVA region, the friends of TVA in Congress, responsible opinion everyhere assumed the message was submitted with some understanding of the problems and in good faith. We waited to be advised of the results of the explorations AEC was reported to be making. Some time ago we understood that new defense power requirements had already developed in this critical defense area, specifically that the Oak Ridge facilities of AEC had given notice that more power would be needed

prior to 1957. We waited through February, March, through April and through May to discover what the administration would recommend.

When the appropriation bill for the TVA was pending before the Committee on Appropriations, particularly before the subcommittee considering the Independent Offices bill, we hoped to hear from AEC about the result of its negotiations. Time after time the hearings were postponed. I shall not take the time to review the history of evasion and delay which characterized the hearings.

Until the morning of June 17, when the Independent Offices appropriation bill carrying TVA appropriations was safely through both Houses and the conference report had been agreed to, the proposals made to AEC, the analyses reported to be under way, and the decisions reached were all something of a mystery. But on that morning, in testimony before the Joint Committee on Atomic Energy, the administration's answer became clear.

Neither of the alternatives set forth in the budget message to Congress had been pursued. TVA is not released from supplying a single kilowatt to the AEC. No new capacity is added to the TVA power system. Those were the stated alternatives. New defense requirements have admittedly developed but no new capacity is requested to meet them, although that was a stated condition. Instead, the President has directed AEC to negotiate a preposterous arrangement under which the power to be generated at a site to be selected by the Dixon-Yates private utility combine is to be purchased by AEC, not for its own use but to be fed into the TVA system and resold to TVA consumers.

The site which the Dixon-Yates utility combine is supposed to have in mind is more than 200 miles from Paducah or the nearest AEC installation.

The people of the city of Memphis, by order of the President, are to be forced to rely for power upon the performance of the very utilities they rejected as their power suppliers years ago by a vote of 16 to 1.

These are the same people, in the same city, to whom the President pleaded for votes in 1952, with the same promise that if he were elected "TVA will be operated and maintained at maximum efficiency."

According to the directive from the President, the terms of this contract are to be negotiated by AEC, the Nation's most highly sensitive and vital national defense agency, an agency above all others which should stand apart from, above, and beyond any controversies regarding domestic matters, an agency which should be left entirely free and protected to pursue its all-important, vital work of producing atomic energy.

Of course, the AEC has no responsibility and by no figment of the imagination could there be conjured up the notion that it has any responsibility in any way for the power supply of the Tennessee Valley, and no responsibility in any way for the Tennessee Valley region or the Tennessee Valley Authority. The only function of the AEC in the transaction appears to be to act as an instrumentality for those in the present administration who seem committed to a policy of destroying TVA regardless of the consequences to the area, regardless of the consequences to the Federal Treasury, to the taxpayers, to the national defense, and to the Government's reputation for probity and fair dealing. As the AEC assumes the responsibility of a power broker in this fantastic arrangement, it will begin to drain millions of dollars directly from the Federal Treasury every year to be turned over as a subsidy, as a hand-out, to a favored private utility combine, a combine headed by the very men who have long been identified as leaders in the frenzied campaign directed by the private utility companies to bring about the destruction of TVA.

Mr. MORSE. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I am very happy to yield to my distinguished friend from Oregon.

Mr. MORSE. Mr. President, I am very much pleased to hear the Senator from Alabama make the speech he is making because it is a speech that is so timely today.

I have a few questions to ask of the Senator, if he will permit me to do so.

Mr. HILL. I shall be glad to yield to the Senator for that purpose.

Mr. MORSE. I was greatly disturbed when I read of the President's action in regard to the matter of an agency contract. Somehow, some way, I got the idea that under our system of government the legislative process was a function of the Congress and not of the White House. But I have long since despaired that the administration would show very much understanding of the legislative process and the doctrine of the separation of powers, save and except when, because of the separation-of-powers principle, there is some proposed encroachment upon the Executive. Under this administration too frequently we find that those people at the White House, including the President himself, need to refresh their education in the whole field of the prerogatives of the Congress. I think that is true in connection with the AEC matter, because it looks very much as though the President seems to think that by way of Executive fiat he can proceed in such a way, by giving orders, concerning the contract which is to be entered into, as, in my judgment, really to undermine the whole TVA legislative program, which is one of the great acts of the Congress of the United States.

I wish to commend the Senator from Alabama, and I also wish to commend the Senator from North Dakota [Mr. LANGER] for the grand job he has been doing in recent days in connection with the investigation through a subcommittee of the Judiciary Committee of the whole question of the executive program in connection with AEC.

The question which I should like to put to the Senator from Alabama, among others, is this: Does the Senator share my fear that if we permit the White House to proceed as it has indicated in the press it is going to proceed in connection with the AEC contract program, it would amount to playing into the hands of monopolistic interests which seem to want to take over the control not only of atomic energy but of electric energy also?

Mr. HILL. I agree thoroughly with the Senator. If the President can be permitted to do this by Executive fiat, he can go the whole way and issue Executive orders every day, which would consummate what the Senator has suggested.

Mr. MORSE. And if the Congress should sit idly by and fail to exercise its prerogatives it would mean our becoming a rubber stamp for this administration.

Mr. HILL. That is correct. The Congress would be in default, under the Constitution, if it failed to exercise its powers and to stand up and fight and battle for those powers. It would mean government by Executive fiat, and then the great genius of the Constitution, the check-and-balance system, would be gone.

Mr. MORSE. Does the Senator agree with me that if the President were allowed to continue with the course of action he has proposed in connection with this contract in relation to the AEC it would serve as a precedent for a similar contract with respect to electric power?

Mr. HILL. I agree with the Senator from Oregon completely.

Mr. MORSE. Does the Senator fear that such a precedent might result in a gradual—and, I suspect, not too gradual—return of power development in the Tennessee Valley to private utilities rather than under the great public-power program of the TVA?

Mr. HILL. I say to my distinguished friend from Oregon that I cannot but firmly believe that this is the first step to that very end. It is the first step toward bringing about the destruction of the Tennessee Valley Authority.

Mr. MORSE. Does the Senator further agree with me that the proposal of the President to proceed by way of this singular, and, may I say, very peculiar contract, which he proposes in connection with the development of AEC power by private industry, would weaken the case which needs to be made by the Congress for a requirement that, to the extent private industry is brought into the development of AEC power, it should be required to pay for the great cost to which the taxpayers of the country have been put in the development of the power program in the first place?

Mr. HILL. What the Senator from Oregon is saying is that we should not have another "giveaway" of the great heritage of the people's resources.

Mr. MORSE. This is more than a "giveaway," in my judgment. This is a surrender, it seems to me, of the people's heritage in a great power resource for which the taxpayers of the Nation have already spent a great many billion dollars. I happen to be one Senator who does not propose to sit here in silence when the President of the United States, by what I consider to be a very interesting approach by way of indirection, seeks to have private utilities make a grab bag out of the people's wealth in the whole field of atomic energy.

Mr. HILL. I thoroughly commend the Senator, and I wish to thank him for the very timely and valuable contribution he has made.

Mr. GORE. Mr. President, does the distinguished senior Senator from Alabama see in this performance implications for the future efficient, impartial operation of the Atomic Energy Commission? If the Commission is to be overruled on a question upon which a majority of its members have made a determination, merely by a telephone call by someone from Wall Street, who happens to occupy a position of authority on the White House staff, then what is the need of the Commission? What function does the Commission perform?

Mr. HILL. The Commission then simply would become a puppet or an automaton doing the will of the White House. The Commission would simply be in existence to jump by the direction of the White House whenever the White House pulled the string for them to jump.

Mr. GORE. Does the Senator think the United States Congress had such a commission in mind when it created the Atomic Energy Commission?

Mr. HILL. I may say to the Senator from Tennessee that the next sentence I was about to pronounce was to this effect:

Certainly it was never the intention of Congress that the Atomic Energy Commission should submit to any such prostitution of its great powers. Certainly, when Congress established the AEC by act of Congress, it never, in the remotest degree, contemplated that the Atomic Energy Commission would be merely a body of puppets, stooges, or automatons, who would jump when the White House pulled the strings or who would jump when the White House directed them to jump. The Atomic Energy Commission was to be an independent body, charged with a most sensitive and most vital responsibility.

Mr. GORE. Will the Senator yield for an additional question?

Mr. HILL. I yield.

Mr. GORE. If it could be supported by logic and law that the Atomic Energy Commission could properly enter into such a contract with a private concern to furnish electrical energy to the city of Memphis, could it not be equally supported by logic and law that the Atomic Energy Commission could act in a similar manner on behalf of the city of Chicago?

Mr. HILL. Or for any other city in the United States. No one has disputed the authority of the Atomic Energy Commission to enter into power contracts to serve private facilities. Congress gave the Commission that right. But if in the exercise of that right a subservient minority of the Commission can undertake to assume a public responsibility which Congress has given specifically to a different agency, then I think measures should be taken promptly to deny specifically such authority to the Commission.

It is a frightening prospect if this so-called independent Commission—and the Atomic Energy Commission was established by Congress to be an independent Commission—charged with the performance of duties in one of the most critical areas of responsibility in the world today, can, regardless of the clear intent of the act creating it, be ordered to carry out the destruction of another independent agency created by act of Congress.

Mr. President, no emergency confronts the Nation which would justify the Chief Executive in overriding the judgment of a majority of the Commission. A simple problem was presented. The Government owns a system of power generation and transmission—the TVA. TVA has the responsibiility of power supply for a certain area, just as private power companies do for other areas. The largest single customer of TVA is the Government itself, through AEC. Loads are growing in the area—Government loads and the loads that are made up of the total electricity used on farms, in homes, and in private industry. To meet these new loads TVA needed more capacity. The management of TVA made a recommendation to the owner, the Federal Government, for the investment of more capital, precisely as a private-company management would do. TVA came to the Bureau of the Budget in the regular way last autumn. The Budget refused to transmit the request to Congress, and, as the President's message suggested, undertook instead to explore the possibilities of relieving TVA of a portion of its commitment to AEC. TVA understood, and those of us who were concerned understood, that the decision would be made on the basis of a comparison of the overall cost to the Government of that alternative solution. Yet this bizarre arrangement is ordered in spite of the fact that the cost to the Government will be greater, if this proposal is accepted, than if funds are provided as requested by TVA.

The AEC itself estimates that the excess cost to the Government of accepting this proposal, rather than adding power to the TVA system, will be over $3,600,000 every year for 25 years, a total of $90 million over the life of the contract. TVA estimates that the minimum additional cost to the Government will be more nearly $5,500,000 annually, a total of some $139 million over the contract period. Those figures do not represent the cost of the power, of course. The figures simply represent the excess costs above the costs to the Government of providing the power by additions to the TVA system. These figures simply measure the bonus this administration is willing to pay in order to avoid the continued operation of the TVA power system at maximum efficiency.

This administration is willing to commit the Federal Government to an annual expense of between $3 and $6 million to add to the millions the private companies are ready to spend every year to destroy the TVA. It is willing to pervert the powers of AEC to accomplish the purpose despite the fact, as I have said earlier, the testimony before the Joint Committee on Atomic Energy indicated that three out of five members of the Atomic Energy Commission oppose the plan. The General Accounting Office questions its legality and its wisdom, and refers to the excess costs as a "subsidy" to the power companies.

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

Mr. HILL. I yield to the Senator from Oregon.

Mr. MORSE. Is the Senator aware of the fact that the proposal by the administration is rationalized as a means of promoting private enterprise?

Mr. HILL. The Senator from Alabama is aware of that. If there ever was a wolf in sheep's clothing, it is that proposal. It is simply a proposal to give a handout to a private-power combine, and to take the first step toward the destruction of TVA.

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

Mr. HILL. I yield to the Senator from Oregon.

Mr. MORSE. Will the Senator from Alabama agree with me that it is another bit of proof that the occupant of the White House apparently does not understand the difference between private enterprise and private monopoly?

Mr. HILL. The Senator is absolutely right about that, and I am glad he has raised that point. Some people do not seem to realize that the power business is a monopoly. There is no competition in the power business; it is a monopoly business. Moreover, we know that the power business is a cost-plus operation.

Mr. MORSE. When the Senator from Alabama says "cost plus," of course he has in mind the fact that it is the consumers who pay tribute to the private monopoly?

Mr. HILL. Of course, it is the consumers who pay tribute to the private monopoly, just as would be the case in the proposition I am discussing. It would be the consumers of power in the Tennessee Valley, plus the taxpayers of the United States, who would pay tribute to the private-power monopoly.

Mr. MORSE. Does the Senator from Alabama feel that we cannot emphasize too strongly or too frequently the fact that when the Government develops electric power, as it does by TVA, and by the great multipurpose dams, it really helps private enterprise by providing cheap power for consumers in the areas of the self-liquidating dams? For the President's benefit, I desire to emphasize in the RECORD that we are talking about great public projects which pay back into the Treasury of the United States many times their original cost. After they are paid for, the people own them, and not the private-power monopolies.

Mr. HILL. As the Senator from Oregon has so well said, they make mighty contributions to real, true, private enterprise. In providing reasonable-cost power, they make it possible for private enterprise to grow, expand, and enlarge, all of which means not only growth on the part of private enterprise, but more and more profits for private enterprise.

Mr. MORSE. Mr. President, I hope the Senator from Alabama is perfectly well aware of the damage he probably is doing himself in uttering the words that just flowed from his lips, because they are the words of creeping socialism, I want him to remember; and they will be

dug up by the reactionaries in an attempt to prove that the Senator from Alabama is a creeping Socialist because here on the floor of the Senate he makes a fight for private enterprise, by way of having the Government itself protect the people's interest in their own heritage—for, after all, the sources of this power belong to the people, and are not the inheritance of private monopoly, although the monopolists frequently seem to overlook that point.

Mr. HILL. Of course, Mr. President, the water that God Almighty sends to us, in the form of rain, He sends to all the people. The truth of the matter is that when a private power company builds a dam, it does not buy the water, but simply takes it and makes use of it. That is what happens to a heritage and resource which belongs to all the people, and which God sends as a gift to all the people.

Mr. MORSE. Mr. President, will the Senator from Alabama yield for an observation?

The PRESIDING OFFICER (Mr. CARLSON in the chair). Does the Senator from Alabama yield further to the Senator from Oregon?

Mr. HILL. I yield.

Mr. MORSE. I wish to call attention, on page 17 of today's calendar, to Calendar No. 1710, Senate bill 3690, to amend the Atomic Energy Act of 1946, as amended, and for other purposes, a bill the majority leader announced a few minutes ago would be taken up later this week, or whenever it can be reached. I believe it is the eighth measure, in order, that he announced for Senate consideration.

The Senator from Alabama has made a comment on the Atomic Energy Commission, saying it is really a child of Congress. Does he agree with me that the President's action in connection with the proposed contract for AEC power makes it even more important now, than it was before that action, that we take a good, long look at Senate bill 3690, and see to it that we are in no way weakening the position of the full membership of the Atomic Energy Commission, and that we are doing nothing that will give the Chairman of the Atomic Energy Commission any veto, either direct, or indirect, over a majority of his colleagues on the Commission?

Mr. HILL. The Senator from Oregon is absolutely correct. He will recall that the original draft of that bill contained a provision giving to the chairman of the Commission certain powers and certain authority not shared by the other members of the Commission.

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

Mr. HILL. I yield.

Mr. MORSE. I understand that the bill originally accomplished that result by means, as I understand, of a provision making the Chairman of the Commission the principal officer of the Commission. Let me point out that by virtue of that particular label, there could be developed by the Chairman great administrative power over the other members of the Commission.

Of course, when we give administrative power, we had better watch out that it does not encompass policymaking power or veto power. However, I understand that in the bill, that particular label has now been discarded.

Subject to further study of the bill, let me advise the Senate inasmuch as I have raised this point—that there is strong reason to believe that there has crept into the bill other language which still would result in vesting in the Chairman of the Atomic Energy Commission administrative power which would permit him to interfere with policy decisions by a majority of his colleagues.

The fact that the President of the United States has clearly shown his hand as to what he would do with atomic energy if he did not have the check of Congress upon him, is another good proof of how wise the Founding Fathers were when they set up our constitutional system of government, by means of which the legislative branch has a check on the executive branch, in addition to the check the executive branch has on the legislative branch. In view of that fact, here on the floor of the Senate, we had better put the bill through a series of fine-tooth combs, by way of legislative scrutiny, because I think we had better check the President, so that he cannot interfere with the action of Congress in protecting the people's interest.

Mr. President, I am one who does not propose to turn over to President Eisenhower or to any other President of the United States the right to make policy decisions on atomic power or any other power resource of the Nation, because, in the first place, the authority therein involved is congressional authority; and Congress should, as a matter of right, pass a bill on that subject. Then if the President does not like the bill, he can veto it.

But I do not favor the passage of a bill containing any language which would give to any Chairman of the Commission—and particularly the present Chairman of the Commission who, on the record, should be carefully scrutinized insofar as his policy acts are concerned—the power to veto the decisions of the other members of the Commission.

Mr. GORE. Mr. President, will the Senator from Alabama yield, so that I may address an inquiry to the Senator from Oregon?

Mr. HILL. I yield for that purpose, if I may do so without losing the floor. I ask unanimous consent for that purpose, Mr. President.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GORE. Mr. President, I do not find myself in disagreement with the statement the able Senator from Oregon has made; but I should like to inquire how the situation is greatly modified if we supinely allow an assistant in the Bureau of the Budget, or the Director of the Bureau of the Budget, or the President of the United States himself to overrule, by order, a majority of the Commission. Why is it necessary to protect the Commission from arbitrary action by its Chairman unless we go further and protect the independence and responsibility and integrity of the Commission from the arbitrary action of all?

Mr. MORSE. Of course, we must protect the Commission from any President—not only this one but any President in the future—who will seek to exercise an executive prerogative and thus really undermine the legislative purpose of a law passed by Congress.

Mr. GORE. Mr. President, will the Senator from Alabama yield further to me?

Mr. HILL. I yield.

Mr. GORE. If we are to permit the integrity and responsibility of the Atomic Energy Commission to be destroyed, what is there to prevent the making of such an assault upon the quasi-judicial commissions?

Mr. MORSE. Oh, Mr. President, the Senator from Tennessee has not seen anything yet, I say to him, if once we establish this precedent. If this precedent is established, if we allow those in positions of executive responsibility to get by with this proposal as a precedent, then, by interfering in my judgment, they will go right down the line with every giveaway program, with every commission that, under law, has jurisdiction over the people's heritage in the natural resources of the Nation. At the rate they are going, when they get through they will have made a statesman out of Ulysses S. Grant.

Mr. HILL. In other words, does the Senator from Oregon suggest that the present proposal would simply open the door for one raid after another on the great resources of the country which belong to all the people of the United States, and which Congress has the solemn responsibility and duty of protecting for the people of the United States?

Mr. MORSE. The Senator's figure of speech—"door"—is not acceptable to me, because that is too small an opening. They have already knocked out the whole side of the barn.

Mr. HILL. I will accept the amendment of the Senator from Oregon, and instead of using the usual expression—"opened wide the door"—I will say that they have knocked off the side of the house.

As I understand the proposal, the Dixon-Yates private utility combine proposes to borrow 95 percent of the money to build the plant on the strength of a Government-guaranteed power contract. The other 5 percent will be provided by the utility holding companies represented by Mr. Dixon and Mr. Yates—the Middle South and Southern Co. On this 5 percent they will be given a 9-percent return. The Government will provide this profit. The Government will pay all their taxes, State and local, even their Federal income taxes. No doubt this novel arrangement will be described as a great achievement of free private enterprise. This is nonsense. No doubt, as the Senator from Oregon suggested earlier, this novel arrangement will be described as a great achievement of free private enterprise.

Mr. GORE. What is free about it?

Mr. HILL. There is nothing free about it.

Mr. GORE. Except the profit.

Mr. HILL. It is free pie for the private utility monopoly. There is no competition. There is no risk. There is no

chance of any loss. Uncle Sam, the Government of the United States, stands as the guarantor of all the cost and all the profits. There is no competition involved. The arrangement was tailor-made for the single combine, the Dixon-Yates combine.

Mr. GORE. It was testified that they had not even seen the specifications before being awarded the contract.

Mr. HILL. That is correct. They were called in and told, "Here it is." They had not even seen the specifications, but they had no need to worry about the specifications, because the Government was going to guarantee everything. The only thing that might have concerned them was profits, and the Government guaranteed the profits, so there was nothing to worry about.

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

Mr. HILL. I yield.

Mr. MORSE. I will say to my good friend from Tennessee that I seriously doubt if either he or the Senator from Alabama would refuse a gift horse from me this afternoon if I offered to give either one of them one of my horses, and also offered to pay for its keep. I do not think either Senator would ask me very much about the horse. Either Senator would say, "I will take the horse." It seems to me that, figuratively speaking, that is exactly what this proposal amounts to. The President authorized, through his direction of the contract, the awarding of the contract to a private monopoly, and he told them not to worry about any upkeep cost, because Uncle Sam would pay the upkeep. They will always take that kind of a gift horse, and never look at the teeth in its mouth.

Mr. HILL. It was not necessary to look at the teeth in its mouth. There was a 25-year guaranty. With the Government guaranteeing profits for 25 years, there was no need to look in the mouth.

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

Mr. HILL. I yield.

Mr. GORE. According to press reports, President Eisenhower explained, or undertook to excuse his action the other day on the basis that he did this in order to obtain time to study the problem. Does not the able Senator from Alabama think the President should study the problem before he enters into a 25-year contract; or does he think the contract should be entered into and then studied?

Mr. HILL. Does the Senator from Tennessee know of any businessman or any other man of good common sense who would enter into a contract binding himself for 25 years without first studying the contract and knowing what the contract was before signing it?

Mr. GORE. If the Senator is asking me the question, I will refer him to the majority of the Atomic Energy Commission. The majority of that Commission held that this contract was not in the public interest.

Mr. HILL. Very definitely so.

The Government will pay for the plant whether it is built by TVA or Dixon-Yates. The only difference is that the Government will pay more in the case of Dixon-Yates, and will never own the structure or get the profits. As has already been brought out, the syndicate runs no risk whatsoever and gathers in the profits. Their bonanza is sure. They are being hired as hatchetmen to destroy TVA by the very Government which owns the TVA.

I am not a member of the Joint Committee on Atomic Energy, but from conversations with members of the committee, and a reading of portions of the transcript, it is clear that the Chairman of AEC, who felt compelled to support the Dixon-Yates proposal, went to the length of endeavoring to discredit the record of TVA's performance at Shawnee in comparison with the record of the Joppa plant built by Electric Energy Inc., a private utility combine across the river to serve the same AEC installations at Paducah. Both Admiral Strauss and General Nichols tried to give the joint committee the impression that power from TVA was more costly than power from Joppa. The record would have stayed that way but for the vigilance of members of the joint committee who invited clarification by a member of the staff of TVA who was attending the hearings.

The facts about Joppa are well known. I knew what the facts were. I have visited the great Shawnee plant, I have talked to the men on the job. I have read reports and heard testimony. I knew that EEI and TVA had started building plants in the same Paducah area at the same time. I knew that the Joppa plant was scheduled to come in first, and I knew that the private utilities had widely boasted that the Joppa-Shawnee construction would be a race, that the private utilities would win. But today it is generally known that TVA won the race; that Shawnee was 5 months ahead of Joppa, that TVA completed the first four units under its estimates of cost, but that Joppa costs went $58 million over estimates. The first four units of the Shawnee plant were built at a cost of $145 per kilowatt; Joppa will be something over $195 per kilowatt.

Those who followed the record of the two projects knew that Ebasco, hired by EEI to supervise construction, was fired when the job was half way through because "of the lack of productivity and consequent increased costs characterizing the work so far," according to the president of EEI, as reported in the Paducah Sun Democrat July 31, 1953. Every one knew that. It was in the newspapers.

Yet on June 18, 1954, a few days ago, the second day of the hearing before the joint committee to hear Admiral Strauss and General Nichols, one would have thought that power from Joppa was a bargain compared to power purchased from TVA. The facts came out under questioning. But the hostility to TVA was plain. An attitude as well as a decision appears to have been directed.

Admiral Strauss' spirited defense of the indefensible record of Joppa is all the more surprising in view of the testimony of Commissioner Thomas E. Murray before the joint committee. Now Mr. Murray has never been identified as an advocate of TVA. He is recalled as the man who suggested the idea that a combination of private utilities would be able to deliver power to AEC facilities at Paducah quicker and cheaper than TVA. It was his initiative that created Electric Energy, Inc., which in turn employed Ebasco to supervision construction of the plant at Joppa. Mr. Murray showed honesty and candor and fidelity to his responsibility when he testified before the joint committee.

Mr. Murray opposes this perversion of the function of AEC to destroy TVA and testified as follows about the Joppa experience:

I want the committee to know that, just for background purposes, I was raised in a world of private enterprise, and particularly in an atmosphere of private power operations.

With that background and knowledge, I came to the Atomic Energy Commission convinced that private enterprise was one of the essential elements in preserving our country's free enterprise system. So I have advocated, and still urge, that atomic energy should gradually but eventually be integrated into our private enterprise system.

This does not mean a disappearance of Government from the field of atomic energy, nor does it imply that a major transfer can be properly consummated in less than a decade. But initial steps should be taken that will eventually bring private industry into a position to exercise a major role in the field of atomic energy.

With that introduction, let me direct a few remarks to the EEI operation, and what has been publicly characterized as the "Ebasco Fiasco," and it is quite a slogan. Unhappily it—

The slogan—

was not conceived without some justification.

There is no need here to take time to build up that story. But if I am to take any major credit for the EEI, I should be willing, and I am, to bear some of the brunt of the criticism leveled at the EEI's activities at Joppa. And I also recognize that the EEI structure was new to these private utility companies, and we must understand that the organization was put together in a rush, and that five separate utility systems were pooling part of their resources in an effort to demonstrate that it was possible to bring about a combination of companies, each one in itself not large enough to carry the entire load, but combined capable of meeting the challenge.

By the way, it was a real challenge to private power companies. As you know, it has set a pattern for other similar operations.

But the sad part of this initial venture, at least in my humble opinion, was a failure on the part of those five participating private electric companies to watch the Joppa job with the eye of the proverbial eagle. We all recognize that the Joppa operations ran into labor difficulties and I suppose that that is putting it mildly. A more accurate statement is that EEI encountered a cyclone of disastrous and inexcusable labor stoppages. That, of course, is old hat now, but I think in fairness to EEI it had a great psychological effect on its organization and on the building of the Joppa plant.

However, even bending over backward to be fair to EEI as to the effect of the labor revolts in the Paducah area, not only at Joppa but at our own gaseous diffusion plants, putting everything one can into the balance in favor of EEI, one must admit the bald fact that the EEI operation was found wanting.

A section of private power interests was given a fair opportunity to prove what it could do. All knew, everyone knew that an

almost identical TVA program was underway across the river. Competition was out in the open—competition as to time and competition as to dollars—and no one can escape the fact that TVA won the Paducah power contest.

You might well ask: Has this changed my views about the overall picture of private versus public power? The answer, of course, is no. A breakdown in management such as happened within the EEI is understandable. You notice I do not say "excusable." I am not here to make excuses. * * *

As I view these negotiations, they amount to this: That if the Atomic Energy Commission enters into a contract with the Dixon-Yates group, we would not cancel, at least at the moment—and I just heard General Nichols say so—any TVA contracts, but would be negotiating for a bulk of power that is not needed by our present or projected production facilities. In other words, the Atomic Energy Commission would be used as a vehicle—

That is a gentle word, I will say, and a word that I am sure my distinguished friend from Oregon would not have used—

a vehicle to supply the expanding needs of the Memphis area.

Since our program is not advanced by these negotiations and the subsequent administration of this 25-year contract, I do not believe that it is desirable for the Atomic Energy Commission to perform a function that another agency of Government could perhaps more logically perform.

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

Mr. HILL. I am glad to yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I desire to be clear about this point. I am sure I understand what the Senator has read, but I would appreciate it if the Senator would check my understanding of what he has stated, to see whether I am justified in my view of it. As I understand, the Senator has just read a statement made by a member of the Atomic Energy Commission.

Mr. HILL. That is correct; by Mr. Thomas E. Murray, a Commissioner.

Mr. MORSE. He is Mr. Murray, a Commissioner. That statement ends up with the point, if I understand the quotation correctly, that the block of power which AEC has been negotiating for is power for which the Atomic Energy Commission has no present need, and, says Mr. Murray, no future need in the foreseeable future so far as any project now contemplated is concerned, with the result that the power which would be covered by the project would be used to meet the power needs of the Memphis area, which means the consumer needs of the citizens of the Memphis area. Is that correct?

Mr. HILL. The Senator is correct.

Mr. MORSE. I am aghast.

Mr. HILL. That is the story.

Mr. MORSE. I am aghast.

Mr. HILL. That is the true situation.

Mr. MORSE. It is impossible to read any newspaper story about the President's proposal which does not leave the impression, I submit, that what he is proposing is a contract for the development of power, apparently for the initial need of the Atomic Energy Commission, but now we learn that it will be for the consumer need of the using public. If that is not pulling the carpet, so to speak, right from under the TVA program, or at least attempting to do so, then I do not know political strategy when I see it, even when the principle of indirection, so common with the White House, is adopted.

Mr. HILL. The Senator from Oregon has correctly stated the case, as the record shows the case to be and as the statement of Mr. Murray, a member of the Commission, confirms it.

Mr. MORSE. I am in a very kindly mood after listening to the Senator's remarks about what I think is an unconscionable proposal. I hope the people in the Tennessee Valley, come November 1954, will be aware of the situation.

Mr. HILL. I will say to my friend from Oregon that I do not think they will have to wait until November 1954; I think they are aware of it now, as of this date.

Mr. Murray's forthright and honorable statement raises questions. I should like to know why Chairman Strauss feels it incumbent upon himself to defend the record of Joppa. Is it because Ebasco is once more to undertake the construction of a plant for private utilities? Dixon-Yates proposes to use them. Is his defense of Joppa required because Mr. Dixon is a participant in EEI, as well as a sponsor of the new proposal? And, last summer, Mr. Dixon was the spokesman for the private utilities when they were seeking wider participation in the development of power from nuclear energy.

I do not know the answer to these questions. I only know that I am outraged by the way this whole matter has been handled. Everybody loses except the Dixon-Yates combine. Everybody. Power consumers of the Tennessee Valley lose. AEC loses. The Federal Treasury loses. The taxpayers lose. The national defense loses. The reputation of this Government for integrity and wisdom in the conduct of its affairs is diminished. Whether the extra cost to the Treasury will be $90 million or $150 million, or $200 million, or more, I do not know. What is here revealed is something money cannot measure. What is here revealed is an effort to force upon one Commission, over the disapproval of a majority of its members, an action foreign to their responsibilities in order to accelerate the destruction of another agency—TVA—an agency distinguished for integrity and competence, but regarded with hostility by this administration, hostility so well exemplified by the President calling TVA "creeping socialism."

The pledge implicit in the budget message of the President has not been kept. TVA is not relieved from a kilowatt of its contractual responsibility to provide power for AEC. And defense loads have increased. But no capacity is to be added to the TVA system. The Board of TVA has been advised that in spite of the fact that the requirements of the AEC at Oak Ridge have increased, no new capacity for TVA would be requested of this Congress. If an actual shortage occurred, wrote the Director of the Budget, Mr. Hughes, out of a wealth of ignorance, power could be brought in on an interim basis. Power on an interim basis is costly power. Power on an interim basis is uncertain power. Power on an interim basis puts the customers of TVA, including AEC, at the mercy of the private power companies who have shown a vested interest in the extinction of TVA.

Now the pattern is clear. The President's budget message misled us. If the public conscience is not alerted by the implications of the Dixon-Yates proposal, the companion decision with respect to the Oak Ridge load underscores the consequences. I do not believe that this administration had any intention of recommending new capacity for TVA under any conceivable circumstances. The assurances read into the budget message allayed fears and frustrated opposition. The region and its representatives relied upon good faith, but now both the conditions under which we understood new capacity would be requested have been met. Release of power now committed to AEC has not proved to be a feasible solution, and defense loads have increased. Yet no request is forthcoming from the administration. With callous deliberation a power shortage has been scheduled in the Tennessee Valley.

By contract or by crisis the power consumers of the Tennessee Valley are to be made dependent upon the very private companies they once rejected as power suppliers. And yet we hear pious talk of developing partnerships between local, State, and Federal Government. The people of the TVA power service area entered into a real partnership with their Government. They voted in referenda across the area. The 150 local distributors of TVA power, municipalities and REA co-ops, have an investment of over $400 million in that partnership. They have invested dollars, time, and talent. They have invested faith. Now they face betrayal. Under this administration their wishes are ignored, their future is threatened. Instead they find a new partnership created by the Government they trusted—the Bureau of the Budget, the AEC, and the Dixon-Yates private utility combine joined in a partnership created to destroy them.

Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks an editorial from the St. Louis Post-Dispatch, one from the Knoxville Sentinel, one from the New York Times, and one from today's Washington Post.

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

[From the St. Louis Post-Dispatch of June 21, 1954]

MULTIMILLION STRAW MAN

President Eisenhower's order directing the Atomic Energy Commission to contract with a private syndicate for a new source of electric power runs counter to long-estabished principles of our Federal Government and at least one of his own campaign pledges.

It overrules the decision of an independent agency, the AEC.

Three of the five AEC Commissioners voted against the Mid-South-Southern Utilities Group contract to build a steam generating

plant at West Memphis, Ark., at an estimated cost of $107,250,000.

It rejects the principle of competitive bidding.

AEC is directed by law to advertise for competitive bids in even as sensitive an area as the production of fissionable materials. An exception is permitted if the Commission certifies "that such action is necessary in the interest of the common defense and security or upon a showing that advertising is not reasonably practical." No such exception applies here.

It accepts an offer admittedly higher than a competitive bid would have been, if made.

AEC estimated the private plant would cost $20,569,000 a year to run, compared with $16,884,000 for a TVA-operated plant. TVA estimates that over the 25-year life of the contract it will cost the Government $139 million more than if the contract had been made with TVA.

It establishes a principle of saddling a public power project—TVA—with a subsidy for a relatively inefficient private producer.

The President's order calls upon TVA to pay $1,366,000 a year of the estimated amount by which the syndicate's cost of operation would exceed what the cost would have been in a TVA operation.

It establishes a principle of saddling the AEC with a subsidy for private electric companies supplying it with power.

The presidential order lays $2,319,000 a year of the estimated subsidy upon the AEC.

It requires the electric customers of the Tennessee Valley to pay part of the cost of operation of private power companies which are well able to pay their own bills.

TVA's share of the subsidy would eventually be paid out of the revenue from its customers.

It requires the taxpayers of the Nation to pay the part of the subsidy to the private syndicate that is allotted to AEC.

Where could that subsidy come from but from taxes?

It takes the risk of having to subsidize higher installation costs as well as operating costs.

The only comparable situation was the construction for AEC, in the last few years, of a TVA steam plant near Paducah and a steam plant of a private syndicate, Electric Energies, Inc., at Joppa, Ill. The private syndicate's plant cost 45 percent more than the estimate—at costs of $184 to $198 per kilowatt of capacity. TVA's plant was finished well within its original estimate of $147.50 per kilowatt of capacity.

It runs counter to the campaign pledge of Dwight D. Eisenhower, before election, that he would do nothing to "impair the effective working out of TVA."

Burdening TVA with a subsidy for private enterprise would impair its effective working out about as directly and forcibly as possible.

Why has it been considered desirable to go to such lengths to obtain AEC's further power requirements from private companies instead of from expansion of TVA's generating system?

Lewis L. Strauss, Chairman of AEC, who supports President Eisenhower's decision, says power companies faced with "Government competition" eventually are "forced to the wall." TVA has been operating for 21 years now, yet Admiral Strauss does not name one power company which TVA has "forced to the wall." To the contrary, between 1939 and 1952 the earnings of the nine power companies that were immediate neighbors of TVA increased two and one-half times as much as the earnings of power companies generally throughout the Nation.

Acting Comptroller General Weitzel says the General Accounting Office, "the watchdog of the Treasury," though not consulted, feels there should have been consideration of the feasibility of awarding the contract to the lowest bidder. And opponents of the order in Congress are proposing legislation to block it.

TVA has no vested right to supply the AEC—and the same is true of the private group. The question is, Which can do the job best and cheapest? Is it worth a probable higher cost of installation, and an undoubted higher cost of operation, to dispel the straw man of private-company ruin?

[From the Knoxville News-Sentinel of June 22, 1954]

KEEP AEC OUT OF POWER FIGHT

Last January, the President refused additional funds to the TVA for new electric-power generating facilities. He said "arrangements are being made to reduce, by the fall of 1957, existing commitments of the TVA to the Atomic Energy Commission by 500,000 to 600,000 kilowatts."

"This," he went on, "would reduce the equivalent amount of TVA generating capacity to meet increased load requirements of other consumers in the power system and at the same time eliminate the need for appropriating funds from the Treasury to finance additional generating units."

We weren't exactly enthusiastic about this proposal, but we could see it might be a reasonable way to meet increasing TVA power needs.

Now Mr. Eisenhower has set in motion by a Presidential order, a scheme which some persons are presenting as carrying out the budget message proposal. But, in fact, it does something else instead. What this order does is to involve our greatest national-defense enterprise in the endless fight over public versus private power.

Mr. Eisenhower has ordered the Atomic Energy Commission to sign a contract with Middle South Utilities, Inc., and the Southern Co. for purchase of 650,000 kilowatts of power to be pumped into the TVA grid at Memphis. The new plant of the two private utilities is to be built on "made" land in West Memphis, Ark., an area once inundated by a great Mississippi River flood.

Three of the five members of the Atomic Energy Commission oppose the contract. They point out that the AEC has no power needs either at Memphis or West Memphis. The closest AEC facilities are at Paducah, Ky., where the atomic plant is served by both a private power company and the TVA.

Thomas Murray, the AEC Commissioner chiefly responsible for the fact that a private company is serving AEC with power at Paducah, is one of those who opposes the contract the President has ordered. He told the Joint Congressional Atomic Energy Committee that through the contract AEC is being used as a vehicle to supply expanding power needs of the Memphis area. He said he could not see how this contract is in the interest of the atomic program.

There apparently is no present intention on the part of AEC of canceling its power contract with TVA at Paducah. Thus the new power it is to buy is not intended to reduce TVA's commitments to AEC, as the President promised in January.

In fact, under the Eisenhower order, as shown by Commissioner Murray's testimony, AEC is being used as a "power broker" for TVA. And this over the opposition of a majority of the AEC board.

The Atomic Energy Commission was set up for a very simple and important purpose—important to this country and to all the free world. It was created to produce atomic (and now hydrogen) weapons.

Whatever the legal lights may say, we believe the President—as Commander in Chief—has no right to pitch the AEC into the midst of a bitter controversy over extraneous matters by requiring it to negotiate and sign the contract with the private companies to furnish TVA with electricity.

President Eisenhower, for the good of our national defense which is rooted in what we hope is our atomic superiority, should immediately revoke his order to AEC to buy power at Memphis where it has no need for it.

Let the AEC buy power where it needs it, or not at all.

If other agencies need power, let them get it through some other means than the AEC.

Let the atom-splitters go right on splitting atoms; keep them out of controversies where they have no business.

[From the New York Times of June 19, 1954]

CURTAILING TVA

Whether or not President Eisenhower now regards the Tennessee Valley Authority as creeping socialism he is not eager to expand it any more than he can help. This is clearly shown in his directive to the Atomic Energy Commission to contract with a private utility group to replace the 600,000 kilowatts of power taken from TVA by the AEC. Two members of the AEC including Chairman Strauss and Joseph Campbell, are in favor of the order; the other three, as was testified in Washington on Thursday at a congressional hearing, are opposed to it.

Actually, if not technically, this would be a purchase of private power by the AEC. The practical question is whether the power will come more cheaply from private sources than TVA could deliver it. An answer requires more arithmetic than can be set forth in a brief space. TVA is financed differently from private power companies. It does not pay taxes, but it does pay sums in lieu of taxes. Its books show it to be solvent and profitable, although its opponents contend that it wouldn't be if it were exposed to the full sweep of competition. On the books it appears that TVA could build a steam plant which would provide the necessary additional 600,000 kilowatts at a lower direct cost than the private company will have to charge.

Perhaps of more importance than the difference of a few million dollars a year in the relative cost of the needed power is the question as to whether TVA should be held down or whittled down until it ceases to have unique importance in the power picture. TVA has been for many years a part of a great power grid into which both public and private power flowed, so that at a given moment TVA might be receiving power from private sources and at another given moment be sending out power to private sources. But this is a part of the normal operation of a power system. Normally any such system should be able to balance its energy books at the end of the year, producing and distributing what its market demands.

But a power system that does not grow might be said to be already in the process of decay. The next step might be the regrettable one of liquidating one or more of TVA's existing steam plants. If this were to happen the great experiment in the Tennessee Valley would be nearing an end. But has the TVA experiment fulfilled its mission? That is a question that ought to be fully debated and not settled offhand by even the best-intentioned of Presidential orders.

DOWN THEIR THROATS

[From the Washington Post and Times Herald of July 6, 1954]

There are several ways in which the administration can fail to exert the kind of leadership necessary to obtain support for its program. One is by choosing not to take positive issue with demagogs who distort its program and alienate legislators whose votes are needed. Another is by trying to

ram a questionable measure through by administrative subterfuge, without permitting discussion on its merits.

Surely the attempt of the administration to reintroduce private power into the TVA area by a "quickie" contract must be classed in this latter category. There is a respectable argument, as this newspaper has acknowledged, that the status of the Tennessee Valley Authority ought to be reassessed, and that additions to the Federal budget for new TVA steam plants would not be desirable now. But instead of arguing in this vein the administration sought to make the private contract a fait accompli before congressional committees had a chance to investigate. Now it is disclosed that the utility company favored by the Atomic Energy Commission under the President's order had not even seen specifications for the West Memphis plant when it made its April 10 proposal—a shocking situation. There are indications that another group which held out the possibility of a lower contract price may have been discouraged from bidding.

This is the sort of thing that, had it occurred under a Democratic regime, would have united the Republicans in a roar of righteous outrage. It is producing much the same reaction in the TVA area, and if the administration is looking toward its political fences it can scarcely afford to ignore the protest. If there is merit in the administration position, it would not harm the project to delay it long enough to focus congressional scrutiny. But if the whole affair is the shoddy deal it appears to be, the wisest and most courageous course would be for the administration simply to withdraw it and admit a mistake.

Mr. HILL. Mr. President, also I ask unanimous consent to have printed in the RECORD an editorial entitled "Peddling Private Power Is No Job for AEC," published in the Washington Daily News of today, July 6, 1954.

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

PEDDLING PRIVATE POWER IS NO JOB FOR AEC

The United States Atomic Energy Commission, whose sole job should be to maintain American atomic superiority for the safety of the free world, has been ordered into a ridiculous, costly sideline for the next 25 years.

It has been directed, over its own protest, to contract with private utility companies for a large amount of electric power to be delivered to the Tennessee Valley Authority—200 miles and more away from the closest AEC facility.

President Eisenhower issued the order. Presumably it was to prove what needs no proving: That this administration looks favorably upon private enterprise.

The President has directed that this unnecessary, dangerous, and expensive gesture of friendliness to the private power industry shall be accomplished by AEC's signing a contract with Middle South Utilities, Inc., and the Southern Co. These two companies would form a third company to build a big new steam-electric generating plant at West Memphis, Ark., just across the Mississippi from Memphis, Tenn.

AEC told the Budget Bureau "the Commission did not agree on the wisdom of AEC entering into this type of contract." Three of the five atomic Commissioners opposed it. Among this majority was the outstanding exponent of private enterprise in the AEC, Commissioner Thomas E. Murray, of New York.

Although called an "independent office" of the Government, AEC passed the buck on the final decision to the White House. The President, through his Budget Bureau, decided in favor of the contract.

If this was a delegated decision by Mr. Eisenhower, then some subordinate has put him in an absurd position. If he acted with all the facts before his eyes then he misinterpreted the facts.

He ordered the contract despite the fact that Budget Bureau and AEC figures showed power from the private concerns would cost the Government at least $3,685,000 more a year than power bought from TVA at Paducah, Ky. The chief difference was in the fact that TVA paid no taxes while the private company did, and TVA got its money at a cheaper interest rate than the private company. So, Mr. Eisenhower ordered AEC to pay all the private company's taxes; and the contract, if signed, would constitute a Government guaranty of $100 million in 3.5 percent bonds the private company would issue to finance the plant.

The President's decision means that over the minimum period of the contract, the minimum excess cost to the Government of this power from this private source would be $92,125,000.

The basic fault of this proposed contract is that it forces the Atomic Commission into a field where it has no business being. TVA needs more power at Memphis, not the AEC. But AEC is being used as a reluctant power broker.

The next major fault lies in the waste of more than $92 million in Federal funds over the next 25 years. At the end of that time, the private powerplant, completely paid for with United States tax dollars, will remain the property of the private companies.

The proposed contract would set a precedent which might be used in later years to make AEC a power broker anywhere in the country.

It would mean construction of a big powerplant on a made-land site that could be flooded by the Mississippi River. And it may loose ashes, smoke, and sulfur on the clean city of Memphis.

It would commit the AEC, not the TVA (although TVA gets the power), to pay all the local, State, and Federal taxes of the company that builds and operates the west Memphis plant. This tax bill would make up the bulk of the $92 million excess cost.

AEC has authority to buy power it needs. It should not be forced to prostitute this authority to buy power for TVA.

If TVA is subsidized by the Government, as some claim, then what better beneficiary of this subsidy than our own atomic plants?

If it is decided that TVA shall get no more appropriations from the Treasury to build additional generating plants, then let AEC and TVA each fulfill its own power needs from private power sources at the cheapest possible rate.

The General Accounting Office has suggested that AEC's power needs be met by a contract let on an advertised low bid.

That sounds reasonable to us.

THE FARM SUPPORT PROGRAM

Mr. MANSFIELD. Mr. President, I do not think the flexible price-support program as announced and supported by Secretary of Agriculture Benson or the legislation passed by the House of Representatives last week is the answer to the farm problem. I feel that the farm economy must be preserved, and I am not at all happy about the fact that the farm income in the past 2 years has dropped 16 percent in prices paid to the farmers, while the consumers' price index rose from 112 to 114. I do not feel that the farmers are being given undue consideration at this time, because, as we all know, direct Federal money aid to business exceeds direct aid to agriculture, including the net cost of price supports.

It is my understanding that Secretary Benson, in his attack on the present price-support program before the Senate Committee on Agriculture, submitted as supporting evidence a statistical table showing the cost of the Nation's entire agricultural program from 1932 to 1952 was $16,214,000,000. In other words, the inference was the cost of the price-support program over the past 20 years was approximately $800 million a year. Nothing could be further from the truth.

Secretary Benson's 16-billion figure included the cost of everything even remotely related to agriculture. The lending programs of the REA, Farmers' Home Administration, and rural telephone program are in the figures submitted by the Secretary. These figures represent loans, not expenditures, and, therefore, present an untrue picture made in the statement by the Secretary. In addition to these loan programs, the cost of soil conservation, the Extension Service, school lunches, flood prevention, Forest Service programs, and many others are in Mr. Benson's table. Actually, it would appear the loss on price support on the six basic crops—corn, wheat, cotton, rice, tobacco, and peanuts—totaled $20,720,931 from 1932 to 1953. In other words, the loss on the six basic crops was a little more than $20 million. On the nonbasic crops the losses were $1,089,415,958, for an overall loss of $1,110,136,889. The average annual cost of price supports during the past 20 years, I am informed by the distinguished senior Senator from Alabama [Mr. HILL], who has just addressed the Senate, has been approximately 35 cents per person.

Government subsidies to business in 1954 alone will equal the entire cost of the farm price-support program for the past 20 years. Cost of subsidies to newspapers and magazines, through the loss of handling second-class mail over the past 20 years, amounted to more than 2 times the cost of the farm price supports for the same period. According to a release by Postmaster General Summerfield in January of this year, he pointed out "since 1938 through the fiscal year 1952 the loss on second-class mail, with magazines comprising 68 percent of the total, was $2,127,000,000." Yet many magazines and newspapers, with rare exception, have denounced the farm price-support program in every conceivable manner, while a handful, relatively speaking, representing the publishing industry has received more than twice as much as the entire farm population of the Nation in direct Federal subsidies.

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

Mr. MANSFIELD. I am most happy to yield.

Mr. MORSE. I have not checked the records; in fact, I am having them checked now; therefore, I shall mention neither the Representative nor the magazine. But in a conversation the other night, a Member of the House contended that one national magazine has been receiving what amounts to a sub-

sidy from the United States Government equal in money value to what the entire dairy industry receives annually under the support program.

Mr. MANSFIELD. I should not be at all surprised, because there are many ways in which subsidies are paid to various segments of our economy. But, unfortunately, the farmer seems to be made the goat at the present time.

As has been pointed out many times, though not often enough, business and industry have had a comparatively high protective tariff for 150 years compared to the farmers protection over the last 20 years only. In 1951, airlines received 80 million dollars a year in subsidies. In 1951, construction was underwritten in an amount of approximately 40 million dollars a year. Business was subsidized at the end of World War II at a cost of about $8 billion a year for 7 years. Railroads and other industries have likewise received the protection of subsidies from the Federal Government.

I feel that not only should the price support program be extended at 90 percent of parity but I would like to see it increased to 100 percent. I am glad to note that the President in a message to Congress relative to the wool situation has made the proposal that the grower sell his wool for whatever he can get in the domestic market, and then the grower will be paid the difference out of tariff receipts between what he actually received and 90 percent of parity. I believe the actual figure can reach 110 percent of parity, so far as the wool growers are concerned.

This two-price system resembles the so-called Brannan plan, which was opposed by so many Republicans in the previous administration. I can see no justification for a flexible price program for the basic crops and dairy products, and a 90 or a 110 percent support program for wool. I am in favor of the 90 percent parity program for wool, as I am for other agricultural products.

I have never forgotten the early 1930's in Montana, and I feel that the farm economy must not be allowed to decline too much, or else the rest of the economy will follow suit. I want to see farmers maintain as stabilized a level of income as is possible because their responsibilities are great, and whereas the farmer has to feed four people today, by 1975 he will have to feed five people. There has been an exodus from the farm to the city, and it is my belief that the only way this can be stopped is by assuring more security to the farmer, and thereby more security to the rest of our economy.

To accomplish this, parity must be continued, "and a fair share is not merely 90 percent of parity—it is full parity".

I quote again:

The Republican Party is pledged to sustain 90-percent parity price supports. It is pledged even more than that to help the farmer obtain his full parity, 100 percent of parity, with the guaranty in the price supports of 90 percent.

I cite another quotation:

We are accused of wanting to abolish price supports. Well, some things are so false, you don't know the right words to use—at least in polite society—for condemning them. I went to Kasson, Minn., and on behalf of Republican leaders and with the concurrence of the great men of the party (at least, all that could be reached in time) I stated exactly what we meant to do. And the present 90-percent parity price in the farm program was sustained and supported completely.

Thus spoke the man who is now President of the United States, at Kasson, Minn., on September 6, 1952; at Brookings, S. Dak., on October 4, 1952; and at Fargo, N. Dak., on October 4, 1952.

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

Mr. MANSFIELD. I am delighted to yield.

Mr. MORSE. Those are the statements which were reported in the press at the time when the speeches were made. Is not that true?

Mr. MANSFIELD. That is correct.

Mr. MORSE. Does the Senator know of any newspaper article reporting those speeches which said anything about 90 percent of parity at the market place?

Mr. MANSFIELD. I do not. I may say to the Senator from Oregon that, so far as the newspapers in the Dakotas, Minnesota, and Montana were conconcerned—and I am certain in Oregon, as well—the President's speech was carried in banner headlines, especially in the farming areas. The supposition was that the President had promised definitely a continuation of the 90 percent price-support program, and that, so far as he individually was concerned, he wanted to see full parity given to the farmers.

Mr. MORSE. I think this subject is of sufficient importance to be dwelt upon a little longer, because statements are being made now by administrative spokesmen, and by the President himself at press conferences, that he did not say what the Senator from Montana has just quoted him as having said. The President now says that he was talking about 90 percent of parity in the marketplace.

Am I correct in my understanding that the Senator from Montana also is of the opinion, as I am, that uniformly the press dispatches at the time of the President's speeches, including the reports by the wire services, quoted the President exactly as the Senator from Montana has now used the language in his speech, by way of quotations from the newspapers?

Mr. MANSFIELD. The Senator from Oregon is exactly correct. I might say, in response to the grand speech made by the distinguished senior Senator from Alabama [Mr. HILL] this afternoon, that the President likewise made certain commitments in the Tennessee Valley during the course of his campaign. I believe that the American people will hold the President and the Republican Party to the pledges made in 1952.

Mr. MORSE. At least, as to the latter point, the President was not heard to say in the Tennessee Valley during the campaign that the TVA was an example of creeping socialism, was he?

Mr. MANSFIELD. Not until after he was elected did he say that.

Mr. MORSE. If the Senator will permit me, I should like to dwell on the subject for a moment, because I think it is very important. Because of these second thoughts we seem to be getting from the Republican Party the information that what the President was talking about was parity in the marketplace. The Senator from Montana has no knowledge that he said that, but the Senator from Montana does have, does he not, the documentation carried in the daily press on the 3 days Candidate Eisenhower made the 3 speeches to show that there was not a word said about the marketplace?

Mr. MANSFIELD. That is correct. I did not hear the word "marketplace" until Mr. Benson became Secretary of Agriculture. Then all of a sudden the word appeared out of nowhere.

Mr. MORSE. I think it is a very sad situation in American political history when a candidate goes through a campaign and—giving the President all benefit of the doubt, none of which he deserves, in my judgment, for the record, but giving him all the benefit of the doubt—the fact still remains that in a whole series of speeches in which he was quoted, no correction was made by him in any subsequent speech of which the Senator is aware. Does the Senator know of any correction being made?

Mr. MANSFIELD. None at all. The stories reported by the various press associations and individual newspaper reporters were all along the same lines, to the best of my knowledge and, until after the President was inaugurated, there was no denial of the stories.

Mr. MORSE. Is the Senator aware that large numbers of witnesses can be produced, who will raise their right hands and swear that they were present when the speeches were made, and that the newspaper stories accurately quoted the then Republican candidate, the present President?

Mr. MANSFIELD. I am sure that can be done. Of course, I think the proof of the pudding is in the eating. If one will look at the evidence of the statements the President made in the three States to which reference has been made, North Dakota, South Dakota, and Minnesota, one will find that the President was in favor of 90 percent of parity support prices.

Mr. MORSE. If the Senator from Montana will permit me to give this testimony, some months ago I spoke at a convention of a great farm organization in the city auditorium of St. Paul, Minn., attended by delegates from Montana, Wyoming, North Dakota, South Dakota, and Minnesota. After I got through quoting the very language of the Republican candidate, a large number of delegates at that convention stated they had heard the same language used which the Senator from Montana has just quoted. I want to say very frankly it leaves me highly perplexed to have the President of my country, after that documentation against him exists, now say, "I was talking about parity in the market place."

Mr. MANSFIELD. We cannot go back of the record of his speeches. The situation indicates that the American

people expect the Republicans and the President to live up to the pledges made during the last campaign. I do not believe we are going to see a return to the days of Wendell Wilkie, who, after he had made certain statements during his campaign and was later asked about them, said, "That was just campaign oratory." The American people hold American candidates and the political parties concerned to the pledges they make, and hold them accountable when they fail to do what they have pledged.

Mr. President, I ask unanimous consent to have printed in the RECORD, at this point in my remarks, an editorial from the Great Falls (Mont.) Tribune of February 11, 1954, and an article entitled "Postal Subsidies Make Farm Subsidies Look Puny," carried in the official publication of the Montana Chamber of Commerce, Montana Affairs, for February 1954.

I also ask unanimous consent to have printed in the RECORD two letters which appeared in the Christian Science Monitor under the headings, "Farmers' Plight," and Stabilizing Farm Prices."

I also ask unanimous consent to have printed in the RECORD an article entitled, "Farm Income Sags, City's Rises," appearing in the Washington Daily News of March 4, 1954.

I also ask unanimous consent to have printed in the RECORD at this point in my remarks an article entitled, "Wool Parity Plan Wins Sheepmen," appearing in the Christian Science Monitor of January 29, 1954.

I also ask unanimous consent to have printed in the RECORD an article entitled, "Airline Subsidies Soar Sky High," written by Robert S. Allen.

Finally I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a letter which I received today, and which is addressed to all Members of Congress, from H. S. Casey Abbott, written to Mr. Henry R. Luce, editor in chief of Life magazine.

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

[From the Great Falls Tribune of February 11, 1954]

FARM PRICE SUPPORTS AND CONSUMERS

In his fervor to sell his farm program against tough opposition both in and outside of Congress, Secretary of Agriculture Benson a few weeks ago raised the blunt question: "When will city dwellers rebel against the high costs of the present program?"

That is perhaps a pertinent question to consider with relation to any Government subsidy or support which benefits some segments of our economy at the possible expense of some other segment. But it was a bad question for the Secretary of Agriculture to raise because it is open to such wide misrepresentation, while stirring up group conflicts based more on misunderstanding than on actual facts.

A New York Congressman recently gave his version of an answer when he said with reference to butter, "City dwellers are tired of paying twice for farm products. They pay the inflated prices created by the farm program and they pay the taxes that are needed for the commodities that are kept off the market under the farm program."

As a matter of fact, butter is a special and complicated case in the price-support program. It is classed as a nonbasic commodity and the Secretary of Agriculture could, if he chose, support the price at 75 percent instead of 90 percent of parity, as he is still doing. He is less concerned about supporting butter than he is in supporting the dairy industry because if too many dairymen went out of business there would be a scarcity of milk and milk products.

Wheat is a basic commodity with which Montana is most familiar and it currently threatens a serious surplus problem. That gives real cause for concern but the farmer does not need to apologize to anyone for wanting price supports for at least 90 percent of parity. The surplus problem remains but it is doubtful whether the proposed sliding scale would solve it.

A lot of misrepresentation goes into discussion of farm subsidies. Many people doubtless think the farmers are the only ones who get large Government subsidies.

Ken Kendrick, vice president of the National Association of Wheat Growers, recently pointed out that business and industry have had a comparatively high protective tariff for 150 years. It has been only in the last 20 years that the farmer has had any protection in the market place. Elaborating further on subsidies, he listed the average cost of farmers' price supports at $72 million a year. Compared to that amount, he reported second-class mail was subsidized at $188,567,000 in 1951; airlines received $80 million a year; shipping construction was underwritten in an amount of about $40 million a year; the United States Treasury paid out $4.2 billion during World War II to bring the consuming public cheaper food; business was subsidized at the end of World War II at a cost of about $8 billion a year for 7 years; and he mentioned other subsidies paid railroads over a long period of time.

The income for all of us comes either directly or indirectly from production and all of us are consumers.

It is dangerous and tricky business to promote conflict between the consumer and the producer.

[From the Montana Chamber of Commerce Montana Affairs of February 1954]

POSTAL SUBSIDIES MAKE FARM SUBSIDIES LOOK PUNY

So much has been written and said on the subject of farm subsidies, many people in the United States do not know that the program is a drop in the bucket when compared to cash outlays for other lesser known but nevertheless much more expensive subsidy programs.

For example, the postal subsidy for second-class postage has cost the taxpayers $2,400,000,000 since 1933.

Postmaster General Summerfield in defending his proposed increases in second- and third-class postal rates was recently quoted in U. S. News & World Report:

"The total I last saw for all subsidies paid for the price-support program (for storable commodities) for farmers since 1933 was something like $752 million, whereas the loss in handling second-class mail (newspapers and magazines) for the same period has been $2,400,000,000."

Here's his breakdown on losses the last quarter of 1952 for 10 magazines and newspapers:

	Postage paid	Cost of handling	Loss
Life	$1,273,000	$3,424,000	$2,151,000
Saturday Evening Post	690,000	2,321,000	1,631,000
Ladies' Home Journal	215,000	623,000	408,000
Collier's	386,000	1,623,000	1,237,000
Reader's Digest	134,000	1,051,000	917,000
Chicago Tribune	154,000	601,000	447,000
New York Times	211,000	636,000	425,000
Detroit Free Press	17,000	75,000	58,000
St. Louis Post-Dispatch	37,000	150,000	113,000
Los Angeles Times	24,000	69,000	45,000

Every stockholder, every advertiser, every reader of our national magazines is a beneficiary of this tremendous hidden governmental postal subsidy.

It makes farm subsidies look puny.

[From the Christian Science Monitor of March 1, 1954]

FARMER'S PLIGHT

To the CHRISTIAN SCIENCE MONITOR:

Perhaps since "farm subsidies" or "price supports" do not seem to be the answer to the farm problem, some of the new superbrains called to Washington lately will evolve a better plan. Believe me, the farmers will gladly exchange "price supports" for a better solution.

People, nonfarmers, I mean, don't seem to realize that farmers pay taxes too; on their holdings, on their borrowed capital (if that's necessary), and on everything they buy, including machinery, telephones, gas, and electricity. They even pay income taxes too, if lucky enough to have that much income (to support butter prices).

What the farmer finds it hard to understand is that while he's forced to take a big cut in his selling price, his costs are continually mounting.

In Montana both telephone and gas rates have been increased 15 to 20 percent recently, while the grain farmer has had to take a 33⅓ percent cut in his selling price at the elevator. (I know—that's exactly what I got this year under last year.) It's indeed small comfort to him to hear later, after the bulk of the grain is in the processor's hands that there's a very small rise in price. He'd be oh so happy to sell his butter, cream, and milk at a much lower price if the things he needs to buy were reduced commensurately.

I had to pay the same very high carpenter's wages recently to get a bathroom built onto my house as my city sister had to pay for the same work.

One of the big items in a farmer's cost of operation, like, say, in dairying, is the cost of processed feeds. The spread between the grain as it goes into the elevator and as the farmer must buy it back as mixed feed is exorbitant. Yet if he has to buy the machinery and hire extra help and perhaps buy some ingredients to process his own feed, his costs are still high.

S. M. S.

BILLINGS, MONT.

STABILIZING FARM PRICES

To the CHRISTIAN SCIENCE MONITOR:

The practice of Government-supported farm prices did not begin, as is now being frequently stated, to stimulate production during wartime, but began during the latter part of the 20-year farm depression following World War I, for the purpose of controling production and bolstering sagging prices enough so the farmers could stay on the land. This is incontrovertible fact. The practice was only well underway when World War II came along, with attendant mild inflation in farm commodities.

During this period of inflation, although the machinery for supporting prices was available for operation, farmers generally made no use of it, since the regular commodity markets were usually higher than the supports. During the Korean war, supplies of commodities gradually built up, due to a mild inflation of commodity prices, until they began to exceed demand, resulting in a recession in farm prices, and farmers again resorted to the loan program of the Commodity Credit Corporation.

The desirability of reserve supplies, is, I believe, unquestioned. They should be regarded as an asset to the entire Nation, and the cost of carrying them should be shared by all, since they are usually accumulated mostly in the hands other than those of the farmer. The net cost of the operations in the market of the Commodity Credit Corpora-

tion has been very small when that cost is spread back to the individual citizen through taxes.

History has shown that national depressions have begun with farm depression; the cost of a nationwide economic collapse would be infinitely greater than the relatively small cost of stabilizing farm prices. In the event of a burdensome surplus of commodities, such as we seem to have now, the only practical remedy is acreage allotments. Low prices will not do the trick, for several reasons: (1) farmers tend to increase production to offset low prices; (2) the few that might be forced out as inefficient, so-called marginal farmers are rapidly replaced by those who have been waiting for an opening either to get started farming, or to increase their operations by greater efficiency, thus keeping all the land constantly in production.

If farmers increase per acre yield on allotted acres by use of fertilizer and more intensive tillage practices, this will likely result in a larger acreage being taken out of production the following year, according to the provisions of the allotment law and thus a factor of self-adjustment is provided, albeit by Government action.

Frankly, it is a mild form of regimentation, but with a great deal less catastropohic effects than the vicious regimentation of the so-called free market, which refuses to allow for the desirability of an adequate reserve of commodities, and with which farmers have had so much adverse experience. Let's give the allotment plan a chance to operate; thus far, it has hardly had a chance during peacetime to get beyond the experimental stage, and to fairly demonstrate its possibilities.

HARLAND SAFFORD.

HILLSBORO, N. DAK.

[From the Washington Daily News of March 4, 1954]

SAGGING PRICES ARE BLAMED—FARM INCOME SAGS, CITY'S RISES

National farm income fell 9 percent last year to the lowest level since 1949 while city dwellers made 6 percent more money, the Agriculture Department said today.

The Department said sagging farm prices were responsible for the drop. It reported that net farm income—from farming operations and nonfarm sources—amounted to $20,466,000,000 in 1953. It put nonfarm, or urban, income at $259,099,000,000 last year.

The Department said in a report that last year's net farm income, what is left after production costs are paid, amounted to only 36.5 percent of the farmers' gross receipts. It said this was the smallest percentage for any year since 1932.

AVERAGE IS $822

The nonfarm income figures are based on Commerce Department estimates with appropriate adjustments to improve their comparability with farm income.

The report said the average income of persons living on farms in 1953 was $822—down 3 percent from the previous year. At the same time, the average income of the nonfarm population was $1,898—an increase of 3 percent. The average per capita income for the total population was $1,751.

The net farm income of $20,466,000,000 included $14,266,000,000 received from farming operations—down about 12 percent from 1952—and $6,200,000,000 from nonfarm sources—the same as 1952.

INVENTORIES DIP

Gross income from farming—made up of cash receipts from marketings, Government payments, value of home-consumed farm products, and rental value of farm dwellings.

The report said receipts from sale of livestock and livestock products—which accounted for 55 percent of marketing receipts—were down 6 percent. Prices were down 9 percent and volume was up 3 percent. Receipts from crops were down 2 percent with marketings up 5 percent. Crop prices averaged 7 percent lower.

[From the Christian Science Monitor of January 29, 1954]

WOOL PARITY PLAN WINS SHEEPMEN

(By Roscoe Fleming)

DENVER.—Brett Gray, who has an interest in a Colorado sheep ranch and is secretary of the Colorado Woolgrowers Association, says that he and his fellows have reason to be satisfied with that segment of President Eisenhower's farm program that deals with wool.

Mr. Gray points out there are special proposals for wool. Price supports have piled up nearly 100 million pounds in Government storage because supports have kept the domestic price above that of imported wool. Even despite the tariff on the latter.

BRANNAN-PLAN ECHO

So the President proposes that hereafter the grower sell his wool for what he can get in a domestic market protected only by the tariff. But after the shearing season the grower would be paid the difference between what he actually got and 90 percent of parity.

This is in essence the Brannan plan that was proposed for all perishable crops, save that the Brannan plan would have called upon the general taxpayer to make up the price difference.

But the wool payments are to stay within the amount the Government receives from the wool tariff, although technically they will come from general appropriations. In other words, the tariff will pay the freight.

This is also like the plan under which the domestic beet-sugar industry has operated for many years, with sugar-beet farmers being paid extra out of processors' receipts for sugar and with the price for the latter also held up by a tariff.

Mr. Gray says the woolgrowers do have one objection. Their 90 percent of parity (the price supposed to preserve their equality of income) is figured on the same formula as that applying to field crops such as wheat and corn.

But whereas crop farmers have been able to cut costs by resorting almost wholly to machines, the sheep farmer still has to rely on labor and skilled labor to as great a degree as ever for sheep shearing, care of lambs, et cetera.

Labor costs, said Mr. Gray, have mounted from about 7 percent of rangers' total costs in 1932 to nearly 30 percent now. They have gone up much faster than any other ranch costs. For these reasons, he said, many woolgrowers think they should have a special parity formula.

MILITARY MATERIAL

He said that countries where sheepgrowing is a dominant industry have proved their ability to invade the United States market. He said that only the argument that wool is a necessary military material to keep soldiers warm and fit, for which no satisfactory substitute has as yet been found, has justified protection for its producers here. This protection seems most efficiently extended and at least cost to the public, through the Eisenhower proposals, he said, particularly since the costs will be paid out of tariff receipts and not out of the pocket of the general taxpayer.

AIRLINE SUBSIDIES SOAR SKY HIGH

(By Robert S. Allen)

WASHINGTON, March 1.—The Government's subsidy to the airlines has reached a new record high of $138,712,000.

That's the amount the Civil Aeronautics Board is asking for "mail pay" in the fiscal year starting July 1. The figure is $2,000,000 more than this year, and 4 times greater than the whole budget for this purpose in 1946.

Since the end of World War II, the Government has spent more than $920 million in airline subsidies. The CAB estimates that actual cost of transporting the airmail constitutes only 28 percent of these payments. The other 72 percent, approximately $650 million, is straight subsidy.

Largest beneficiary of this direct financial aid is Pan-American Airways. In the last 3 years it has received a total of $108,574,000.

The significant information came to light at a private meeting of the House Appropriations Committee during questioning of Irving Roth, head of the CAB's Rates Section.

"How long has it been," asked Representative ROONEY (Democrat, of New York), "since the CAB has examined the books of Pan-Am's various subsidiaries? This airline has extensive investments in numerous other corporations which operate foreign airlines, hotels, radio stations, and other kinds of business. When did you last go over their books?"

"No complete audit of Pan-American has been performed covering the period subsequent to December 31, 1950," replied Roth. "The reason is that it has not been customary to perform audits of Pan-American's affiliated companies or of concerns in which Pan-American has an investment."

"I don't see why it shouldn't be customary to make such audits," snapped ROONEY. "American taxpayers are pouring many millions of dollars into this corporation every year in outright subsidies, so the CAB, a Government agency, should certainly examine the books of the company to check on how the taxpayers' money is being used."

At ROONEY'S demand the following major allocations in the new record-high subsidy budget were disclosed to the committee:

Pan-American	$39,662,000
TWA	14,013,000
United	10,954,000
American	9,014,000
Northwest	6,972,000
Braniff	5,550,000
Eastern	3,199,000
Frontier	3,015,000
Trans-Texas	2,700,000
North-Central	2,700,000
Alaska	2,620,000
Panagra (owned jointly by Pan-Am and Grace Shipping Co.)	2,402,000

NATIONAL FARMERS UNION,
Denver, Colo., July 2, 1954.

UNITED STATES SENATORS AND REPRESENTATIVES,
Washington, D. C.

DEAR SIR: Attached is copy of a letter written to Henry R. Luce, of Time, Inc., by H. S. Casey Abbott, of Avondale, Ariz. We think the letter contains much information pertinent to the current farm legislation debate.

Mr. Abbott was for many years a director for the Arizona Farm Bureau. He has been a farmer since 1913, and is also past president of the Arizona Cotton Growers' Association and of a five-State Cotton Growers' Association. He is a member of the 48-man special Farm Labor Advisory Committee to the Secretary of Labor.

Sincerely,

JAMES G. PATTON,
President, National Farmers Union.

JUNE 21, 1954.

Mr. HENRY R. LUCE,
Editor in Chief, Life Magazine,
New York, N. Y.

DEAR SIR: I have read your editorial referring to the farm program in your issue of June 21. Never since this program started, in 1933, have I read and attempted to digest a more dishonest and unfair article, or one which showed more of a complete lack of knowledge of the subject on which you were apparently writing. In order to refresh your

memory as to your part in encumbering the Government with debt and monetary loss, I beg to call your attention to the fact that in the fiscal year 1953 the loss in handling second-class mail, presently magazines and newspapers, in the Post Office Department amounted to $231 million. Moreover, the accumulated loss in the Post Office Department since the end of World War II, a period of approximately 8 years, has now reached the staggering total of $3,800,000,000. I have been told but cannot state it as true, and your comptroller will have to verify the amount, that the Luce publications, of which you are a part, gain to the extent of $10 million a year, not in net but in gross income, because of the existence of this postal subsidy from the Government. Thus, Mr. Editor, I do not think you are in a position to strike blindly out at another segment of American business without first putting your own house in order.

Now, as to the farm program. During practically the entire course of the Truman administration we were on the verge of war with Russia. The surpluses which we had disappeared very rapidly during the Korean war, and the failure to carry out the entire program as set down by law conceivably was because of the fact that with impending war it was felt that surpluses would be a handy thing to have around. These surpluses were inherited by the Eisenhower administration, and where they were once declared to be an asset by the Truman administration, they were immediately declared to be a liability by the Republicans. One item which you writers continually miss or ignore in the farm program, as set up, is the fact that the program calls for price supports under a formula originating out of the situation which existed from 1909–14, at which time the index figure of industry and farming each stood at 100. This formula is supposed to give the farmer equity in value for his farm dollar in his purchase of industrial products. With that end, acreage allocations which you have completely ignored are supposed to control in large measure the productive capacity in any 1 of the 6 basic crops and should, in any of the years when acreage allocations are applied and accepted by the farms. As additional surplus occurs it is thrown into the normal granary pool and reallocations are made, cutting down the acreage in that particular crop and creating a void in production to be filled out of the normal granary.

The above is tremendously important because price support without acreage control can only lead to unwieldy surpluses and also to the exhaustion of our greatest national asset, so far as the farmer is concerned, and that is the fertility of our soil. The above item has been completely ignored in your editorial and in practically every comment which I have read since the Republicans came into power.

Again coupled with acreage allocation comes soil conservation which calls for laying out land or for converting land to soil-building crops, reforesting, regrassing, and releveling, in many instances; in order to hold the fertility of the soil in the bank, so to speak, for the future generation of America. Thus a rounded out plan with the above items in it, and they certainly are in it as written originally, call for price support to give the farmer equity in purchasing power, call for acreage controls to hold production within the reasonable needs of the Nation and for export, call for conservation to in large part keep the farm force busy, maintain their fertility of the soil, and actually better our agricultural position for future generations. This was tended to complement acreage control and make the burden easier for the farmer to bear because of Government payments for conservation work.

What have been the results, Mr. Editor? In 23 years the farm income has risen from a low of $7 billion to a high of $35 billion. During the war the farmer, because of his teachings under soil conservation and his learning under restricted acreage how to get the most out of an acre of land in production, was able with 1½ million fewer men on the farm to raise sufficient food to feed 15 million men under arms, all of the men in industry, and at the same time provide a tremendous amount of food for export to our allies. The loss of the Government in this 23-year period for conducting this school has been $1,100,000,000 but I beg to call your attention to the fact that this is divided into 2 categories: the loss on basics, the 6 crops which you so readily decry in your editorial and which amount to 42 percent of our farm production in America has been only $20 million. The balance of loss amounting to $1,080,000,000 all was in nonbasics. Of the above amount $708 million was lost where the support was mandatory according to law, but where the Secretary of Agriculture could vary the support at his discretion from 75 percent up to 90 percent of parity. Three hundreds and seventy-two million dollars was lost in crops where the Secretary could, at his discretion, put supports on, but they were not mandatory. Thus the loss in basics, $20 million, was comparatively unimportant relatively, but that investment on the part of Government was of tremendous significance because of the following. During the 23 years with the increase in income boosted from $7 billion to $35 billion there can be no question in my mind, or your mind, but that the farmers paid into the Federal Treasury of the United States in the form of Federal income taxes over $50 billion. This, Mr. Editor, is a very good return on a $1,100,000,000 investment. This does not reflect additional benefits which accrued to the Nation.

The farm family carries on its back a family and a half in the immediate rural area in which it exists. Thus, 12 million on the farm are supporting 18 million, and the 18 million in turn are reaching into the cities for supplies, cars, etc., etc., and they provide the basis for an operation which unquestionably occupies in large part the working capacity of at least one-half of our population. The major freight on our railroads is food and fiber going to market in its raw state and going back to the people in its completed state. Our prosperity means the ultimate prosperity of everyone. No one can deny that we have witnessed months and months of farm prices going down and the index of the retail prices of food going up. Did you ever figure out the reason, Mr. Editor, or the cause? It is very easy but it is not the fault of the American farmer. Remember, sir, that we have production costs also. Our farms, our food and fiber factories, are the most essential operation in America. We can easily get along without your publication for many months and that is the product of your brain. I wish that you would try for a period of 1 week to get along without food and fiber which is the product of my brain, and in the production of which I am so bitterly criticized by you for receiving some of the benefits of Government, a source from which I might say your industry has profited from greatly ever since the inception of the postal service in America.

If you wish to be honest you will not demand of us that we go back to flexible parity which is the control of price by the amount of farm surplus on hand. That is the old story so far as we are concerned. If the supply increases 2 percent the price goes down 2 percent. The only answer I as a farmer have, and I have been one for 40 years, is to produce more per acre by the use of fertilizers or any means at my command, because I have many fixed costs which cannot be reduced as can the price of my product. Because of the very nature of my business, I must sell at wholesale and buy at retail. I must buy in a sellers' market and sell in a buyers' market, I must face up the weather hazards as they come, and the price which I receive for my products is the all important factor. All that we get under the fixed parity formula is a price which gives us 90 percent of economic justice with the industrial producer. Seventy-five percent of parity which is supposed to be the low point in the flexible parity program is 75 percent of what we are entitled to out of the national economy for our products. Try to sell your publication "Life" for 75 percent of your present price structure and see where you come out, and remember, sir, that my costs are just as fixed as yours are and also that my product is much more important in American life than yours is.

I can say only this for you people in the publication business: You have done a great job of conveying information and educating the American people and I hate to see an editorial page of a great publication like Life, with its ability to sway the public mind, contain an editorial of the kind which I have just read. This I consider unfair, biased, and prejudiced to the nth degree, with no answer contained therein except be sure that the farmers get less money for their products. This, in the face of the well-known fact that in order to hold a business together one must produce cheaper, which is impossible in this case, or more per acre for the dollar of production costs. Thus, flexible parity is hoist by its own petard.

In the promotion of the flexible parity program, Allan Kline has gone far afield from the thinking of Ed O'Neill, the man who built the American Farm Bureau Federation, and who is one of the fathers of the farm program. Secretary Benson, in his St. Paul speech in February of 1953, where he called upon the American farmer to stop leaning on Government and assert his rugged individualism, started the downward trend in not only farm, the farm price structure, but the downward trend which we have witnessed for the past 11 months in every industry not connected with defense in America. There is no question but what with those statements he uttered the prelude to the President's repudiation of his promise to the farmers of 90 percent of parity made in Minnesota and 100 percent of parity repeated in Dakota. We realize that these were political promises made during a political campaign, but many farmers voted for President Eisenhower because of those promises, and the repudiation on his part of them, even with the support of Secretary Benson, can do his administration no good.

To get back to figures as to expenditures by the Federal Government in behalf of various elements of America, there have been in the past 23 years the following expenditures: $1,100,000,000 for price supports, $4,200,000,000 on consumers' subsidies, $45,600,000,000 spent on business reconversion, tax amortization, and airline subsidies.

As long as we have expenditures such as the above, and as long as we have regulations of freight rates, privilege for public utilities, franchise for various endeavors, Government assistance in large part establishing the wages of organized labor, all of which can be capitalized by industry in its various forms, it becomes mandatory that the farm segment of the American picture also be aided by Government. The farmers have never requested a subsidy. They have asked for a working plan of acreage allocations coupled with banking facilities in the form of loans based on parity price, which cannot be furnished by private banks, a normal granary to absorb surpluses and deal them out to fill the void which will be created by reduced acreage allocations, and a price which will give our dollar approximately the

same purchasing power as the industrial dollar.

That is our story, Mr. Editor, and I as one farmer will stand on it. The law of supply and demand went out of the American picture with the protective tariff, franchises, and Government assistance in various categories to other forms of industry. A managed supply, which is what we ask for, to meet demand at a fairly even price structure, is all that the farmers are asking out of the American economy.

Very truly yours,

H. S. CASEY ABBOTT.

RETURN OF FISHING VESSELS

The Senate resumed the consideration of the joint resolution (S. J. Res. 67) to repeal certain World War II laws relating to return of fishing vessels, and for other purposes.

Mr. BUTLER. Mr. President, Senate Joint Resolution 67 is a noncontroversial measure, introduced at the request of the Department of Commerce. It would repeal inactive World War II laws relating to the return of certain Government vessels to their previous owners. It would also repeal a 1946 act which accords veterans a preference to purchase unreturned vessels.

With repeal of those special-purpose laws, the Federal Property and Administratives Services Act of 1949 would then apply to all Government surplus property. That law makes no provision for priorities or preferences.

Indeed, the reasons for the preferences and priorities accorded by the wartime laws, which Senate Joint Resolution 67 would repeal, no longer exist. Furthermore, the Department of Commerce representative who testified in support of the joint resolution said that while these laws remain in effect, certain unnecessary administrative expenses continue, and the laws themselves now serve no useful purpose.

No objections to the joint resolution were heard by the subcommittee. The Bureau of the Budget, the Navy Department, the State Department, and the Comptroller General have stated that they do not oppose the enactment of the measure.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That, effective upon the enactment of this joint resolution, the following statutory provisions are repealed:

(a) The act of April 29, 1943, entitled "An act to authorize the return to private ownership of certain vessels formerly used or suitable for use in the fisheries or industries related thereto," as amended (Public Law 44, 78th Cong., 57 Stat. 69; Public Law 305, 78th Cong., 58 Stat. 223; Public Law 716, 79th Cong., 60 Stat. 976; 50 War App. U. S. C. 1301–1305).

(b) The act of August 10, 1946, entitled "An act relating to the sale by the United States of surplus vessels suitable for fishing" (Public Law 717, 79th Cong., 60 Stat. 977; 50 War App. U. S. C. 1306–1308). Notwithstanding the enactment of this joint resolution, the aforesaid statutory provisions shall apply to any vessels which prior to such enactment have been declared available for return to former owners by notice to the Department of Commerce under the act of April 29, 1943, as amended, or determined to be surplus for sale to former owners of fishing vessels in accordance with the act of August 10, 1946 (Public Law 717, 79th Cong.). Any other vessels which, but for the enactment of this joint resolution, would be disposed of in accordance with any of the aforesaid statutory provisions, shall be disposed of in accordance with the provisions of other existing laws.

EXTENSION AND IMPROVEMENT OF VOCATIONAL REHABILITATION SERVICES

Mr. BUTLER. Mr. President, I move that the Senate proceed to the consideration of Senate bill 2759.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2759) to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational rehabilitation services, provide for a more effective use of available Federal funds, and otherwise improve the provisions of that act, and for other purposes.

Mr. LEHMAN. Mr. President, do I correctly understand that it is not intended that the bill shall be considered further until tomorrow?

Mr. BUTLER. That is correct.

Mr. MORSE subsequently said: Mr. President, I wish to ask the acting majority leader whether I am correct in understanding that we are not to vote this afternoon on Senate bill 2759.

Mr. BUTLER. That is correct.

Mr. MORSE. Then I merely wish to call attention to the statement I made earlier this afternoon regarding the bill; and I hope that between now and tomorrow noon there can be a clarification of the question as to whether, under the special-projects-grant provision of the bill, which is referred to on page 19 of the report, and thereafter, it will be possible for the Secretary to enter into a negotiated agreement to help finance a national pilot project such as, for example, the Anderson Clinic, to which I previously referred, for it seems to me that, unless the language of the bill permits that, the bill will be wanting in that regard.

KING RANCH, TEXAS, ON RELIEF

Mr. WILLIAMS. Mr. President, I was very much surprised to note that the famous King Ranch, a fabulously rich outfit in Texas, is now on relief.

Last year Congress passed an emergency drought-feeding program to assist the farmers in the distressed drought area. I am a member of the Committee on Agriculture and Forestry, and, as I recall, that bill was approved unanimously by the committee. Subsequently the bill was passed without objection by the Senate. The bill had the worthy purpose of assisting the individual farmers in the drought-stricken area who were caught in the unfortunate circumstance of losing all their crops plus severe damage to their land.

According to the Department of Agriculture, this multimillion-dollar outfit applied for and received $32,585 worth of relief. They were given 931 tons of cottonseed pellets at a discount of $35 a ton below market price on the assumption that they were a farmer in distress.

The taxpayers of the Nation, who will be called upon to pay for this relief, will be rather interested to know that this multi-million-dollar outfit is now on the Government relief rolls.

Mr. President, as one member of the Committee on Agriculture and Forestry, I think the officials of the Department of Agriculture who approved that action should be censured rather severely. It represents a shocking misuse of a well-intentioned program. I ask unanimous consent that a letter relating to this relief contribution to these poor millionaires be printed at this point in the CONGRESSIONAL RECORD.

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

DEPARTMENT OF AGRICULTURE,
Washington, June 29, 1954.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: This is with further reference to your letter of June 1 in which you asked for a complete report of any assistance of any nature which has been extended by the Department of Agriculture to owners of the King Ranch in Texas. This matter has been looked into carefully, and we believe that the only assistance given was in connection with the drought emergency feed program which was in effect in that area last fall.

The county USDA drought committees for the area in which the King Ranch is located approved and there was delivered to King Ranch 931 tons of cottonseed pellets at $35 per ton. This was the price at which cottonseed pellets were being made available at the time from CCC stocks, being approximately one-half the prevailing market price. It is our estimate that this meant a reduction of $32,585 in the cost of this quantity of feed to the King Ranch. We have been unable to find evidence of any other assistance or relief in any form that has been extended to the King Ranch or any of the owners thereof.

This is an outstanding example of a large livestock ranch, where it is common knowledge that the owners have substantial resources, which received assistance under the emergency feed program. The county committees which handled the feed applications were informed and knew that the King Ranch had a large number of cattle on hand and that there were serious drought conditions in that area. We believe the county committees acted in good faith.

As I mentioned to you during our telephone conversation a few weeks ago, the most difficult problem in an emergency feed program is that of restricting the assistance to established stockmen who are actually in need of such assistance. It is not possible to write regulations that can be used automatically to accomplish this purpose. We think there is a great deal of merit in having these programs administered by carefully selected committees in the counties and States. In view of the heavy responsibility that such committees have, we think they are entitled to and must have a reasonable amount of discretion in which to exercise judgment in the handling of day-to-day transactions.

We have been reviewing the experience with these programs carefully and seeking the suggestions of State and county people who have been on the firing line for the purpose of firming up the procedures and striving to further guard against the possibility of abuses. The area in which these emergency feed programs have been available have been watched continually and aggressive action taken to discontinue the assistance as quickly as local conditions warranted. For some time the program has been available only in a section of Colorado

and part of New Mexico where the prolonged drought continues.

We will be pleased to discuss this matter with you further or stand ready to furnish any additional information which you may desire.

Sincerely yours,

K. L. SCOTT,
Director, Agricultural Credit Services.

INTERNAL SECURITY LEGISLATION

Mr. McCARRAN. Mr. President, this morning the Attorney General of the United States appeared before the Committee on the Judiciary. He came to discuss what he called the administration's program for internal security legislation. He came as though the committee had not been active in this field, knew nothing about it, had no conception of the needs for legislation with respect to internal security, and had no understanding of the problems involved. The Attorney General presented statements on a number of bills which he said had been drafted in the Department of Justice and which were very recently transmitted for introduction. Some of the bills urged by the Attorney General were old friends to some of us on the committee. The principles involved were familiar to us. The idea that this was a new program conceived by the administration and offered by the administration would be humorous if this were not such a serious matter. Yet it cannot be denied that this is the impression the administration is seeking to create. The Attorney General's appearance before the committee this morning, the recent statements of the chairman of the majority policy committee concerning what he called the administration's anti-Communist program, and similar statements by other officials of the administration all point clearly to this conclusion.

Mr. President, I regret the necessity of speaking on this subject, but I feel that the best interests of the country require that this matter be clarified.

The threat which today imperils our Nation and the rest of the free world—the threat of the world Communist conspiracy—knows no geographical or political limitation. It is with regret, therefore, that I have read recently in the press that spokesmen for a political party have undertaken to assign unto themselves exclusive prerogatives as defenders of the faith and bearers of the sword in this deadly struggle. I am persuaded that the fight against communism—if this Nation and the rest of the free world are to survive—must be above partisan considerations.

It is upon this basis, Mr. President, that I address the Senate today on several facets of the Communist menace and our efforts to cope with them.

I do not think it immodest for me to suggest that in expressing my opinions and judgments in this field, I do so on the basis of an extensive experience which embraces the paternity and chairmanship of the Internal Security Subcommittee and the authorship of several vital laws dealing directly or indirectly with the subject matter, including the Internal Security Act of 1950 and the Immigration and Nationality Act of 1952. This subject, therefore, is not wholly new to me.

Before we go further, let us pause for just a moment to view in broad perspective the Red ravager which threatens civilization. Today, one-third of the population of the world on one-fourth of the area of the world are controlled by the dictators of the Kremlin who themselves are motivated by a godless, materialistic philosophy, and who are dedicated to the enslavement of all mankind. They know no morality. They are masters in the art of deceit. Their god is force. Their techniques include every diabolical scheme which the human mind is capable of devising.

In addition to the men and nations whom they have thus far devoured, they have a worldwide network of trained agents who themselves, in turn, directly or indirectly control the actions of many times their own number.

The conspiratorial branch within our Nation operates in every institution which it can penetrate, with particular emphasis on the institutions which are vital to our survival. The objectives are, first, political subversion, namely, to so steer the course of the policy of our Government as to serve the ends of the Kremlin; second, espionage; and third, sabotage.

Let me state as plainly as I can a fact which ought to be emblazoned in the heart and indelibly fixed in the mind of every man, woman, and child in the free world; a bitter truth which we must face realistically if we hope to survive.

Here is the fact: The Government of Soviet Russia and the governments of its captive nations are at war against us, against our institutions, against our Nation, against the free world. It is a war more deadly than any war that has ever been fought in all recorded history. It is a war which they declared years ago and have been waging incessantly ever since. It is a war which has thus far cost this Nation thousands upon thousands of its precious youth, untold billions of its wealth and yet it is a war which, step by step, day by day, we and the free world are losing.

If, Mr. President, my appraisal of the nature and extent of international communism is sound—and I submit that it is substantiated by overwhelming evidence—we must marshal the free forces of the world to quarantine this spreading menace. Under date of July 12, 1950, in an address in the Senate, I urged that the Government of the United States sever diplomatic relations with the Government of Soviet Russia and with the governments of the countries which are satellites of Soviet Russia. At that time I pointed out that this course of action is dictated not only by moral compulsions but also as a necessary safeguard to protect ourselves against the ever-increasing penetration of our country by Communist agents who are sent here under the cloak of diplomatic immunity to direct and control the Communist fifth column in this country.

I ask unanimous consent, Mr. President, that my comments on that occasion be included at this point in the RECORD as part of my remarks.

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

QUARANTINE THE AGGRESSOR FOR LASTING PEACE

(Speech of Hon. PAT MCCARRAN, of Nevada, in the Senate of the United States, July 12, 1950)

Mr. MCCARRAN. Mr. President, the Government of the United States should immediately sever diplomatic relations with the Government of Soviet Russia and with the governments of the countries which are satellites of Soviet Russia. May I hasten to add that the severance of diplomatic relations is not a step toward war but is a last hope to marshal the free peoples of the world in the cause of peace and to quarantine those who are courting war by spreading their tentacles to all corners of the world.

There is no other course available to us than to end diplomatic relations if we are to maintain the moral respect of the peoples of the world and if we are to protect ourselves against the ever-increasing penetration of our country by Communist agents who are sent here under the cloak of diplomatic immunity to direct and control the Communist fifth column in this country.

Each of these grounds for this course of action warrants deliberate appraisal.

First, I invite the attention of the Senate to the moral compulsions which dictate this course of action.

In the relationships among the nations of the world the duly constituted government of each nation has by long custom been officially recognized by the governments of other nations. Generally, the de facto government is accepted as the de jure government on the theory that the peoples of each nation have the right to determine the form and personality of their government.

Notable among the exceptions to this custom were the occasions, still fresh in our memory, on which the Nazi invaders set up quisling governments in certain countries which they had overrun, but these quisling governments were not recognized by the Government of the United States or by our allies because they were governments by foreign usurpers.

The undeniable fact is, Mr. President, that the Government of Soviet Russia and the governments of the countries which are satellites of Soviet Russia are not governments in the accepted sense of this term, but are, instead, an unholy band of mad marauders who lay claim to the form of government by stealth and by sheer force of ruthless power which they inflict on the people under their domination.

Is there a voice here in the Senate to assert that the Kremlin reflects the will of the people of Russia in which some 16 million souls are imprisoned, in slave-labor camps and in which millions more quake at the untrammeled power of the secret police?

By what pretense can we assume that those forces that have by intrigue seized the reins of government in Czechoslovakia represent the people of that prostrate land?

Let us read on down the list of peoples who have been stricken by this gang of international outlaws who now assert that they are the government of these unhappy lands: Yugoslavia, Hungary, Poland, Rumania, Bulgaria, China, East Germany, Latvia, Estonia, Lithuania—and the list is ever lengthening.

Is there a Member of the Senate who is ready to declare that American blood is being spilt in Korea for any reason but to stem the tide of this cancerous growth which threatens to engulf the world? How, Mr. President, can we face the people of the world who yearn to be free from the yoke of terror which has been imposed upon them and still give official recognition to the monsters who have enslaved them?

Has there been manifest in our diplomatic relations with these enemies of mankind even the semblance of good faith? No, the council table to them is another mockery of men of good will.

I say, Mr. President, that the conscience of the world demands that the United States of America no longer entertain a pretense of that which we and the world know is not true. If we are to redeem our moral leadership which has repeatedly been so ignobly sacrificed on the altar of expediency, we shall forthwith declare to the people of the world that this Government shall no longer recognize as governments the mire of iniquity which today controls one-third of the people of the globe.

But, Mr. President, there is another equally compelling reason for this course of action which I urge, and that is the dire necessity to protect ourselves against the deadly Trojan horse fifth column in this country which is under the control and direction of official representatives of Communist governments who operate unhampered under the cloak of diplomatic immunity.

Mr. President, I am in dead earnest when I say that I know what I am talking about. Over the course of the last 2½ years a Senate subcommittee, of which I have been chairman, has conducted an intensive study and investigation of our immigration and naturalization systems. As the Senate will recall, we recently filed an exhaustive report on the subject, and at that time I introduced in the Senate a comprehensive bill which completely rewrites our immigration and naturalization laws.

One phase of our investigation dealt with the problems of the entrance into the country of Communist agents, the pipeline of espionage and the relationship between subversive activity in the United States, and the international Communist network which operates throughout the world.

The facts are, Mr. President, as I have previously recited them in detail to the Senate and as they appear beyond the shadow of a doubt from the evidence in the published hearings of our subcommittee, that the Communist network in the United States is inspired, organized, controlled and directed in a large part by those foreign agents who are sent here under diplomatic immunity and who are working feverishly to destroy us. The admissions into this country of aliens in diplomatic status from behind the Iron Curtain has been running at the rate of approximately 1,000 a year. In addition, a substantial number have been sent here under the guise of press representatives, trading commissioners, students, domestics, seamen, delegates to various organizations and the like. Every one of them is sent with a definite assignment to engage in espionage, organize Communist cells, foment discord, distribute propaganda, and otherwise subvert our democratic institutions. These are the kingpins and the lifeline of the deadly conspiracy in this country.

Typical of the evidence before the subcommittee is the following statement which appears in our published hearings from the testimony of a former Communist organizer:

"The personnel of the various Soviet delegations, embassy, consulates, Amtorg, Tass, etc., in this country, have been composed in part of Soviet intelligence agents. Hidden in each of these bureaus, ostensibly performing some routine function, are MVD men whose real job is to report on various phases of American society to Moscow headquarters. Recently this corps has been reinforced by the UN delegations of Russia and her satellites. A small group of these MVD agents, say 3 to 5 men, directs the work of the whole network in this part of the world; it filters the information that comes in and, making use of the diplomatic pouches, passes on what is new and useful to Moscow."

Here is the testimony of J. Edgar Hoover, Chief of the Federal Bureau of Investigation:

"Experience has revealed that foreign espionage agents seek the protection of a legal cover. By that, I mean they seek admittance into the United States on diplomatic passports. They seek assignments to some official foreign agency and thus conceal themselves under the diplomatic cloak of immunity. To further avert suspicion, a high-ranking espionage agent may very well be employed as a clerk or in some minor capacity in a foreign establishment. However, when he speaks, those with higher sounding titles follow his orders without question. Foreign espionage services maintain strict supervision over their activities in this country."

Right there may I point out that under our present laws the Department of Justice is powerless to exclude these foreign agents. In passing, may I say that the Department of State has appeared more than anxious to extend our hospitality to them without stint. An example of this tenderness toward these foreign agents is the contents of an unsolicited letter which I received from the Secretary of State vigorously opposing a bill which I introduced to provide for the exclusion of any alien, irrespective of his status, who seeks to enter the United States to engage in subversive activities. The theme of this letter of protest was that to exclude officials of Communist governments, even though they may seek entry to engage in subversive activities, might offend Communist Russia.

How long, Mr. President, are we to remain hypnotized by the illusion that we can deal with madmen as though they were sane? How much longer shall we betray those of our own flesh and blood who are even now baring their breasts to the cannon and tanks which were assembled in the Soviet Union?

The severance of diplomatic relations is a last effort to salvage our moral leadership of the world and to avoid the terrible consequences of world war III. This course is but responsive to the law of self-preservation. It will be the true voice of America which surely will be heard by all the people of the world.

Mr. McCARRAN. I was pleased, Mr. President, to join with the junior Senator from Indiana [Mr. JENNER], in the recent past in the submission of Senate Resolution 247, which calls for the severance of diplomatic relations with the governments of the Iron Curtain countries and the convoking of an international conference of the free nations of the world for the purpose of agreeing upon united action to destroy the Communist fifth column and to resist further aggression by international communism. Since the submission of Senate Resolution 247, I am gratified to report that there has been a substantial response from Americans all over the country to this proposed course of action. Mr. President, individuals and organizations across the length and breadth of this land are becoming increasingly cognizant of the urgency of adopting this proposed policy. I ask unanimous consent, Mr. President, that the resolution, Senate Resolution 247, and the statement which accompanied it at the time of introduction, be now inserted in the RECORD as a part of my remarks.

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

Resolved, That—

(1) Whereas it is morally wrong for the Government of the United States to maintain diplomatic relations with the band of Kremlin international outlaws who, by stealth and ruthless power, have enslaved one-third of the peoples of the world; and whereas the outposts and advance positions of this outlaw band, received and tolerated under the guise of "diplomatic missions," in the United States and other countries of the free world are in fact nests of espionage, seditious propaganda and sabotage: Therefore, it is the sense of the Senate that the Government of the United States should sever diplomatic relations with the alleged Government of Soviet Russia and with the alleged governments of the countries which have been enslaved by the alleged Government of Soviet Russia.

(2) Whereas the tentacles of international communism are ever reaching for new areas of conquest, and this spreading menace can be effectively combated only by concerted action of the free nations: Therefore, it is the sense of the Senate that the Government of the United States should convoke an international conference of the free nations of the world for the purpose of agreeing upon united action (a) to destroy the Communist fifth column, and (b) to resist further aggression by international communism.

JENNER-McCARRAN RESOLUTION TO SEVER DIPLOMATIC RELATIONS WITH IRON CURTAIN GOVERNMENTS AND TO CALL FOR A CONFERENCE OF FREE NATIONS

In an official note to the then President of the United States on November 16, 1933, as a prelude to the establishment of diplomatic relations between the Government of the United States and the Government of the Union of Soviet Socialist Republics, Maxim Litvinoff, who was People's Commissar for Foreign Affairs, pledged the Soviet Government:

"1. To respect scrupulously the indisputable right of the United States to order its own life within its own jurisdiction in its own way and to refrain from interfering in any manner in the internal affairs of the United States, its Territories or possessions.

"2. To refrain, and to restrain all persons in government service and all organizations of the government or under its direct or indirect control, including organizations in receipt of any financial assistance from it, from any act overt or covert liable in any way whatsoever to injure the tranquillity, prosperity, order, or security of the whole or any part of the United States, its Territories or possessions, and, in particular, from any act tending to incite or encourage armed intervention, or any agitation or propaganda having as an aim, the violation of the territorial integrity of the United States, its Territories or possessions, or the bringing about by force of a change in the political or social order of the whole or any part of the United States, its Territories or possessions.

"3. Not to permit the formation or residence on its territory of any organization or group—and to prevent the activity on its territory of any organization or group, or of representatives or officials of any organization or group—which makes claim to be the Government of, or makes attempt upon the territorial integrity of, the United States, its Territories, or possessions; not to form, subsidize, support or permit on its territory military organizations or groups having the aim of armed struggle against the United States, its Territories or possessions, and to prevent any recruiting on behalf of such organizations and groups.

"4. Not to permit the formation or residence on its territory of any organization or group—and to prevent the activity on its territory of any organization or group, or of representatives or officials of any organization or group—which has as an aim the overthrow or the preparation for the overthrow of, or the bringing about by force of a change in the political or social order of the whole

or any part of the United States, its Territories or possessions."

On that same day, November 16, 1933, the then President of the United States accepted this pledge of the Soviet Government and diplomatic relations were established between the Governments of the two countries.

Long before that fateful day, the Communist Manifesto had announced:

"In short, the Communists everywhere support every revolutionary movement against the existing social and political order of things. * * *

"The Communists disdain to conceal their views and aims. They openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions."

Long before that fateful day, Nicoli Lenin himself had proclaimed:

"The existence of the Soviet Republic side by side with imperialist states for a long time is unthinkable. One or the other must triumph in the end. And before that end supervenes, a series of frightful collisions between the Soviet Republic and the bourgeois states will be inevitable."

In the face of this record of the aims and objectives of the Soviet Union, was the pledge given to our Government on November 16, 1933, to be believed and accepted in good faith?

Let us turn again to the writings of Lenin himself:

"We must be able to withstand all this, to agree to all and every sacrifice, and even—if need be—to resort to various strategems, artifices, illegal methods, to evasions and subterfuges * * *."

A moment's reflection on the treachery which spawned the infamous, godless tyranny that was then just beginning to whet its appetite for the enslavement of all humanity should have given pause.

A glance at the Soviet Union's record as a consistent violator of international commitments and pacts prior to November 1933 should have prompted hesitation.

In spite of these grim warnings, our Government not only established diplomatic relations with the dictators of the Kremlin but, since then, has fed their conspiratorial apparatus with billions of our wealth, with concessions, and appeasement ad nauseam.

Did the Soviet Union keep its pledge to the Government of the United States? Here are the words of William Z. Foster, national chairman of the Communist Party in the United States:

"When a Communist heads the Government of the United States—and that day will come just as surely as the sun rises—the government will not be a capitalist government but a Soviet government, and behind this government will stand the Red army to enforce the dictatorship of the proletariat."

On September 30, 1950, the Congress, after years of investigation, inquiry, and direct observation, legislatively declared:

"There exists a world Communist movement which, in its origin, its development, and its present practice, is a worldwide revolutionary movement whose purpose it is to establish a Communist totalitarian dictatorship in the countries throughout the world through the medium of a worldwide Communist organization.

"The Communist organization in the United States, pursuing its stated objectives, the recent successes of Communist methods in other countries, and the nature and control of the world Communist movement itself, presents a clear and present danger to the security of the United States and to the existence of free American institutions."

Today, we read the gruesome record of this monster which is written in the blood of its victims and we are appalled by its insatiable appetite. It has devoured untold millions of human souls. It grips millions more who are wasting to an agonizing death in slave-labor camps.

Today, there are some 20 million agents of this conspiracy against humanity itself spread out in a deadly fifth column encompassing the globe.

Today, there are legions of worldwide interlocking nerve centers for espionage, sabotage, and subversion, masquerading as diplomatic establishments, under the discipline of the fiends of the Kremlin.

Today, the awful truth is that the tentacles of this Red octopus embrace one-third of the world's population and one-fourth of the world's land surface, and these tentacles are reaching to encompass the globe.

The Senate resolution calls for the severance of diplomatic relations with the Kremlin and with these governments which are satellites of the Kremlin.

The conscience of the world demands that this Nation, as the last great bastion of freedom, take the lead in expelling from the family of nations the tyrants of Moscow. This course of action would give notice to the enslaved peoples of the world, and those who are threatened with enslavement, that we will no longer welcome their vile oppressors at the council tables of the world to spew forth their venom in mockery of men of good will.

We can no longer blind ourselves to the fact that there can be no binding agreement or solemn pact with men who know no morality and whose only god is naked, brute force.

This course of action is likewise impelled by the grim necessity to protect ourselves against the penetration of this country by the master plotters, in the guise of diplomats.

The Senate resolution also calls for the convoking of an international conference of free nations of the world for the purpose of agreeing upon united action (a) to destroy the Communist fifth column, and (b) to resist further aggression by international communism.

Although the Communist world is welded in a unity of steel, division and disunity characterize the nations which have not succumbed to the aggression of the Kremlin. A startling fact is that the Moscow trade offensive has penetrated deep into the economic life of the free world with the result that there are currently being drawn into the Communist orbit the economic systems of the free nations. This means not only a transfusion of the strength of the free world into the Iron Curtain countries but eventual economic strangulation of the West.

Those nations which are yet free must, before it is too late, choose up sides and declare themselves for united action to quarantine the marauding fanatics who threaten to destroy civilization itself.

It is hoped that the Senate resolution will have wide circulation and discussion. It offers a vehicle for the formulation of one overall policy to strengthen ourselves and the free world against the deadly impending peril.

Mr. McCARRAN. Mr. President, in the course of the last several weeks a special task force of the Internal Security Subcommittee of the Senate has been conducting a series of hearings on the strategy and tactics of world communism. One of the chief subjects to which the witnesses in these hearings have been addressing themselves is the Communist trade offensive pursuant to which the Kremlin is striving for economic strangulation of the West. In view of the facts which we have been developing in this task force, I joined with the Senator from Indiana [Mr. JENNER] and the Senator from Idaho [Mr. WELKER] in the sponsorship of S. 3632, which would make it a felony to import into the United States, or to ship in interstate commerce, any commodity or goods produced by slave labor. I ask unanimous consent that this bill, S. 3632, and the statement which accompanied it at the time of its introduction, be incorporated at this point as a part of my remarks.

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

Be it enacted, etc., That, from and after the effective date of this act, it shall be unlawful to import into the United States or to ship in interstate commerce in the United States any commodity or goods produced by slave labor.

SEC. 2. Any person who shall violate this act shall be guilty of a felony, and upon conviction thereof shall be punished by imprisonment of not more than 2 years, or by a fine of not more than $1,000, or both.

STATEMENT BY SENATOR JENNER

In the recent past, as chairman of the Internal Security Subcommittee of the Senate, I appointed a task force for the purpose of maintaining a continuing study and investigation of the Strategy and Tactics of World Communism. This task force, which consists of myself as chairman, with Senators HERMAN WELKER and PAT MCCARRAN as members, has been conducting a series of hearings on this general subject because we know that to adequately appraise the operation of the Communist conspiracy in this Nation it is essential that we keep abreast of the world strategy and tactics of international communism.

In the hearings which we have thus far conducted one of the principal subjects which has been under consideration is the world-wide trade offensive of the Kremlin which has as its ultimate goal economic strangulation of the West through ruinous competition of the products of slave labor. This threat presents to us not only the issue of protecting the American workingman in his job but it also presents a moral issue of the highest order. Every shipload of goods produced by slave labor in Iron Curtain countries which we import into this country merely whets the appetite of the Kremlin for greater numbers to be subjected to this inhuman exploitation.

Accordingly, the bill (S. 3632) has been patterned after our laws which prohibit the shipment in interstate commerce of goods produced by child labor. If those laws are right, then this bill is right. If it is right to protect the American workingman from ruinous competition by slave labor then this bill is right. If it is right to protect ourselves and the free world from the spreading menace of international communism then this bill is right.

Mr. McCARRAN. Mr. President, it should shock the conscience of every American to know that there are those highly placed in this Government who even at this late hour think that we should open our doors for entry of goods produced by slave labor from behind the Iron Curtain, and that we should further enmesh ourselves and the free world in the economic clutches of the Kremlin. I say without equivocation, the antislave labor bill, S. 3632, should become law as soon as possible.

Moving now, Mr. President, from this brief survey of the picture of world communism and some recent efforts to combat it, let us glance at that part of the conspiratorial apparatus which op-

erates in the United States. Consistent with the Kremlin-centered nature of the world conspiracy is the fact that the Communist apparatus in our country is not a homegrown product, but is a weed transplanted from abroad. The 5-year intensive study of our immigration and naturalization system, which I had the honor of directing, shows conclusively the intimate relationship between our immigration system and the Communist apparatus in the United States. The facts which we developed in our investigation trace the development of the Communist conspiracy in the United States directly to the loopholes in our immigration laws—loopholes which we have undertaken to plug effectively in the Immigration and Nationality Act which is even at this very moment under bitter attack by the Communists and their dupes. May I say in passing that the enactment of the Immigration and Nationality Act has resulted in over 9,000 investigations for possible cancellation of citizenship for subversive naturalized citizens, and over 10,000 investigations of subversive aliens for possible deportation from the United States. Is there any wonder then that the Immigration and Nationality Act is high on the priority list of the Communists for destruction?

Let those who would fight the Communists and preserve America, put first things first. Let them not pay lipservice to the fight and then join in the assault upon the fortress which is designed to protect us. At this very hour, the Communist Party is organizing all over this Nation cells and fronts under the guise of study groups for the purpose of propagandizing and agitating for the repeal or emasculation of the Immigration and Nationality Act. Joining in this movement are, of course, the same category of pinks and dupes who have joined in other movements which this country has witnessed to destroy our liberties. I thank God, however, that the vast majority of the American people and the patriotic organizations that supported us at the time of the enactment of the Immigration and Nationality Act are firm in their determination that it shall remain intact.

May I point out, Mr. President, that notwithstanding the rising unemployment in this country, there is pending on the agenda of the Committee on the Judiciary a bill (H. R. 8193) which would transfer the visas prescribed for refugees, under the Refugee Relief Act, to nationals who are not refugees, and open the doors to a flood of aliens irrespective of the availability of jobs and housing. This would be an abandonment of the principle upon which the Refugee Relief Act was promoted in the Congress, the principle of helping refugees, and would start us on the road toward attempting to absorb the population of overpopulated countries of the world. Conquest by infiltration is one of the facets of Communist activities toward the domination of the world.

I invite the attention of Senators likewise to legislative and administrative programs for the financing by our Government of the movement of untold thousands of unscreened peoples into the Western Hemisphere. In view of the heavy proportion of Communists in those countries of Europe which are presently overpopulated, and the increasing threat of Communist penetration at our own back door in the Western Hemisphere, these programs constitute a serious blow to the security of our Nation and should be viewed with deep concern.

Still another item to which I should like to call the attention of the Senate, while I am discussing our immigration system, is the situation which prevails on the Mexican border. Under date of February 26, 1954, I addressed a letter to the Senator from Indiana [Mr. JENNER] as chairman of the Internal Security Subcommittee with reference to this acute situation. I ask unanimous consent that a copy of this letter be now inserted in the body of the RECORD as a part of my remarks.

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

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
February 26, 1954.

Hon. WILLIAM E. JENNER,
Chairman, Internal Security Subcommittee, United States Senate, Washington, D. C.

MY DEAR SENATOR: I am writing to recommend that the Internal Security Subcommittee undertake as soon as possible an investigation of a matter which has long caused me grave concern and which has now become a critical threat to the internal security of this Nation, namely, the mass invasion by illegal aliens across the Mexican border.

I shall not undertake to detail the many facets of the problem. In general, however, these facts demand our immediate attention:

1. The number of apprehensions of illegal aliens has increased progressively in the last 10 years, from 16,500 in fiscal year 1943 to 875,318 in 1953. This appalling number of apprehensions does not, of course, represent all of the aliens who crossed the Mexican border illegally, because our border patrol is so undermanned that it cannot cope adequately with the mass invasion across our southern border.

2. The flood of illegal aliens across our Mexican border has brought serious social and economic problems, including the depressing of wage scales and living standards, increasing crime, disease and sanitation problems.

3. Aside from the foregoing social and economic problems, the situation on the Mexican border constitutes a direct threat to the internal security of this Nation because it is an open door for Communist agents who are, even on this very day, crossing and recrossing in furtherance of their nefarious designs.

4. Although the Immigration and Nationality Act and other legislative endeavors have strengthened the law and enforcement procedures to prevent aliens from entering or remaining in the United States illegally, and although some of us through the years have been fighting for an increase in manpower to meet this situation, the budget which has been submitted to the Appropriations Committees for the border patrol would necessitate a further manpower reduction. This is nothing short of trifling with the security of this country.

I do not presume at this time to suggest complete answers to this deplorable situation. Over the course of many years I have been concerned with this situation, and have taken several steps in an effort to cope with it. First of all, I have fought for adequate appropriations to sustain the effectiveness of the border patrol. I have supported legislation and implementing agreements to effect legal migrations of Mexican laborers so as to minimize the incentive for employment of illegal aliens. In preparing the Immigration and Nationality Act, I incorporated provisions which would strengthen the law on the apprehension and deportation of illegal aliens and facilitate the border patrol in making arrests.

Despite these efforts the situation continues to grow worse by the week and it is now apparent that a comprehensive, intensive investigation must be undertaken at the earliest possible moment. May I say that this is not simply an immigration problem, nor is it a problem that is of concern only to the southwest sections of this country. It is now a problem of internal security and should be dealt with by the Internal Security Subcommittee. I therefore strongly urge that the Internal Security Subcommittee forthwith initiate an investigation and study of the situation which I have only briefly outlined in this letter.

Kindest personal regards and all good wishes.

Sincerely,

PAT MCCARRAN.

Mr. McCARRAN. I am gratified to report, Mr. President, that as a result of my letter, a special task force of the Internal Security Subcommittee has been established to make a thoroughgoing investigation of this situation.

I am also gratified to report that as a result of protests some of us made about the budget cut for administration of the border patrol, a supplemental estimate has been transmitted for an additional $3 million to provide for necessary services in this connection. This estimate, if approved, will permit return to the Canadian border of the inspectors temporarily borrowed from duty there to help out on the Mexican border, and will also provide for improved enforcement of the law in the area where the so-called wetbacks are a primary problem.

Before concluding on the subject of the immigration system and its relationship to our internal security, may I comment respecting a proposal contained in the bill, S. 2757, which would amend the Immigration and Nationality Act to provide for the loss of nationality of persons convicted of certain crimes. I suggest, Mr. President, in all fairness, that irrespective of the good intentions of the proponents of this measure, it would do more harm than good, and that the subject matter is adequately covered by existing provisions of the Immigration and Nationality Act. Section 349 (a) (9) of the Immigration and Nationality Act provides for the loss of nationality by a national of the United States, whether acquired by birth or by naturalization, upon the commission of any act of treason against, or attempting by force to overthrow, or bearing arms against the United States, if and when he is convicted thereof by a court-martial or by a court of competent jurisdiction. The bill, S. 2757, is so phrased that a native-born citizen of the United States could be divested of his citizenship for minor offenses; and at the same time, if this bill became law it could in some instances preclude convictions for treason

against persons who had committed serious offenses against the United States; because only a citizen can be convicted of treason, and the bill, S. 2757, could cause loss of citizenship in advance of a possible treason prosecution. I suggest, Mr. Chairman, that this is an area of legislation which warrants positive objective study rather than hasty action, and that from all reports the present provisions of the Immigration and Nationality Act are adequate.

Mr. President, I invite the attention of the Senate to a vital area which has long been the subject of intensive investigation and study by the Senate Security Subcommittee, and which is currently the subject of several legislative proposals; namely, Communist penetration of labor organizations.

Over the course of the past 2 or 3 years, the International Security Subcommittee has conducted intensive studies and investigations resulting in exposure of Communist penetration of certain labor organizations.

In addition, a special task force of the Internal Security Subcommittee spent several months in hearings on a number of bills which are designed to curb Communist penetration and domination of labor organizations. As a result of this work the Committee on the Judiciary has recently reported to the Senate a bill which I introduced, S. 23, which makes it unlawful for a member of a Communist organization to hold an office or employment with any labor organization and permits employers to discharge persons who willfully remain members of organizations designated as subversive by the Attorney General of the United States, after learning of such designation, or who conceal such membership, or refuse to testify concerning it.

It should be noted that this bill consists of 2 sections which would be enforced in 2 different ways. The prohibition against the holding of an office or employment with a labor organization by a member of a Communist organization would apply only in the case of organizations designated as Communist by a final order of the Subversive Activities Control Board; and would be enforced, in proper case, by a United States attorney bringing an information or seeking an indictment against the individual violator. With respect to the right of employers to discharge subversives, the bill would be operative only when a discharged employee brought a complaint before the National Labor Relations Board alleging that his discharge constituted an unfair labor practice. In such case, under this proposed law, it would be a sufficient defense for the employer to show that the employee had willfully continued as a member of a subversive organization cited as such by the Attorney General, or had concealed such membership or refused to testify with respect thereto.

I ask unanimous consent that the bill (S. 23) and the report thereon be included at this point in the RECORD as a part of my remarks.

There being no objection, the bill (S. 23) and the report (No. 1508) were ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 2 of the Subversive Activities Control Act of 1950 (Public Law 831, 81st Cong.) is amended by renumbering paragraph (15) as paragraph (16) and inserting after the paragraph (14) the following new paragraph:

"(15) Labor organizations are at times infiltrated by subversive persons who are members of Communist organizations and fronts and whose activities disrupt normal peaceful labor relations and limit or embarrass the choice of loyal citizens in affiliating with loyal labor organizations."

SEC. 2. Subsection 5 (a) (1) of the Subversive Activities Control Act of 1950, as enacted in the Internal Security Act of 1950 (Public Law 831, 81st Cong.), is amended by adding at the end thereof the following new paragraph:

"(E) to hold any office or employment with any labor organization, as that term is defined in section 2 (5) of the National Labor Relations Act, as amended by section 101 of the Labor Management Relations Act, 1947 (61 Stat. 137–138)."

SEC. 3. Section 5 of the Subversive Activities Control Act of 1950, as enacted in the Internal Security Act of 1950 (Public Law 831, 81st Cong.) is amended by adding the following subsection:

"(d) Nothing in this act or any other statute of the United States shall preclude an employer from discharging without liability an employee who voluntarily continues as a member of an organization duly designated by the Attorney General of the United States as subversive, or who has actively concealed his membership in such an organization, or who has refused to state to a duly constituted congressional legislative committee whether or not he is or has knowingly or willingly been a member of such an organization."

The Committee on the Judiciary, to which was referred the bill (S. 23) to make it unlawful for a member of a Communist organization to hold an office or employment with any labor organization, and to permit the discharge by employers of persons who are members of organizations designated as subversive by the Attorney General of the United States, having considered the same, reports favorably thereon, without amendment, and recommends that the bill do pass.

This is the case in which the title of the bill tells what is in it. The purpose of this bill is to make it unlawful for a member of a Communist organization to hold an office or employment with any labor organization, and to permit employers to discharge persons who are members of organizations designated as subversive by the Attorney General of the United States.

The bill does not involve proscription or attainder, because the Communist organizations whose members could not hold an office or employment with any labor organization would by definition be those organizations found to be Communist by the Subversive Activities Control Board, in accordance with the procedures set up in the Subversive Activities Control Act, and designated as Communist organizations by a final order of the Board.

In the case of the provision respecting discharge of members of organization designated by the Attorney General as subversive, there is no proscription or attainder, and no curtailment of the right to work, since the right to discharge without liability is only granted in the case of an employee who voluntarily continues as a member of an organization duly designated by the Attorney General of the United States as subversive. Voluntary continuance necessarily connotes knowledge that the organization has been designated as subversive, or at least reasonable notice of the fact of such designation.

Discharge without liability would also be made possible, under this provision, in the case of employees who—

(1) actively conceal membership in an organization designated by the Attorney General of the United States as subversive (that is, who with knowledge or reasonable notice of such designation, takes some action with the intent and purpose of concealing his membership in such organization), and

(2) refuse to answer before a duly constituted congressional legislative committee respecting knowing or willing membership in an organization designated as subversive by the Attorney General.

This bill was the subject of extensive hearings (in connection with two other measures pending before the committee, namely, S. 1254 by Senator GOLDWATER and S. 1606 by Senator BUTLER of Maryland). The hearings were conducted by a special task force of the Subcommittee on Internal Security. The hearings were held on December 21, 1953, and January 14, 15, and 22, February 18, 19, and 26, March 3, 4, and 25, 1954. The hearings have been printed.

Mr. MCCARRAN. Mr. President, I think it should be called to the attention of the Senate that this bill, S. 23, is being subjected to a vicious attack by the Communist-controlled United Electrical Workers Union. A recent issue of the house organ of this Communist-controlled union, the UE News, contained statements wholly contrary to fact, alleging that this bill had been approved by the Judiciary Committee without adequate explanation, and stating that it was placed on the committee agenda through staff trickery. This charge was so serious, Mr. President, that in spite of its source, I took the matter up in the meeting of the Judiciary Committee on Tuesday, June 29. The chairman of the committee assured the committee at that time, as the committee minutes will show, that statements made in this article in the UE News were untrue, that the bill S. 23 was reported from subcommittee and placed on the committee agenda in the usual way, and that on the day when it was passed by the committee, it was fully explained and thoroughly discussed in advance of committee action.

So that the record may be clear with respect to this matter, I ask unanimous consent that there may be printed in the RECORD at this point, the article to which I have referred, which appeared in the UE News, and also an excerpt from the minutes of the meeting of the Committee on the Judiciary, on June 7, 1954, relating to the action by the committee on the bill S. 23.

There being no objection, the article and the excerpt from minutes were ordered to be printed in the RECORD, as follows:

[From the UE News of June 14, 1954]

ON CAPITOL HILL—BARE PLOT TO SNEAK BROWNELL MEASURES THROUGH CONGRESS

(By Russ Nixon)

The UE in Washington has exposed a scheme to try and sneak through the Brownell bills seeking to liquidate unions and set up brainwashing screening for all workers. It has become clear that the sponsors of this antilabor, antidemocratic legislation had hopes while no one was looking to set up this unpopular legislation for blitz passage during the last weeks of the present

Congress. Here as the details of the attempted sneak play.

In the Senate, the Brownell legislation is faced with the opposition of the Senate Judiciary chairman and Senators KILGORE, KEFAUVER, and HENNINGS. To get around this opposition, a maneuver was worked to get a bill similar to the Brownell proposals, the McCarran bill, S. 23, reported onto the floor of the Senate. With this done, it is hoped to be able to tack on the Brownell legislation as a substitute. This could be done without any special hearings or committee consideration on the Brownell legislation as such.

UE President Fitzgerald and UE Washington representatives visited Senate Judiciary Committee Chairman LANGER and learned how this maneuver was worked. Chairman LANGER explained that the bill was put into his hands for reporting to the Senate floor without any staff indication that there was opposition by the labor movement and civil-liberties groups.

It was sandwiched into the midst of a group of noncontroversial, individual, private relief bills. Senator LANGER was bitterly angry at being misled on this legislation and in our company called the staff member responsible, and threatened to fire him as a consequence. The damage, however, is done since unanimous approval of the Senate would be necessary to withdraw the McCarran bill at this time. This means the Senate can act on the Brownell legislation at any time chosen by the Republican leadership without any further hearings or committee consideration.

In the House, the Judiciary Committee was preparing to go ahead on the Brownell bills without ever announcing regular public hearings or arranging for full hearings of either the supporters of the legislation or its opponents. The UE wired every member of the House Judiciary Committee demanding that Brownell be called up to defend his outrageous legislation, that a regular public announcement be made of the hearings, and that all interested parties be afforded an opportunity to testify. The excellent efforts of UE locals throughout the country in requesting such open hearings has already created a possibility of forestalling this blitz operation in the House.

As matters now stand, the UE is scheduled to testify on June 23. Several other unions and civil-liberties organizations have also applied to testify.

Why are the Republicans using this sneak blitz procedure? It's an old trick that is used by those pushing legislation which can't stand the light of day. Significantly, the so-called Smith Act was passed by such a maneuver in 1940 as an amendment to the Alien Registration Act.

This far-reaching anti-civil-liberties law was passed without ever receiving a favorable report of a congressional committee, without hearings, and without a rollcall vote on the floor of Congress. Only 111 of the 435 Members of Congress even voted on this issue at that time. Similarly, the section of the Taft-Hartley law requiring non-Communist affidavits was never the subject of committee hearings, but was put into the bill on the floor of Congress.

It's no wonder that this sneak blitz approach is being made to an antidemocratic, antilabor program which parallels almost exactly the initial decrees by which Hitler came to power in Germany (see below). If the American people know how our big business in Government and Congress is trying to set up an American version of Hitlerism, they won't stand for it. It's because Brownell and his big-business partners know this that they try to avoid open hearings, full discussion, and record votes. Democratic procedures stand in the way of those who want to destroy democracy. If we use our democratic procedures enough we can stop Brownell from trying to put McCarthyism into the form of new laws destroying democracy in America.

EXCERPT FROM MINUTES OF JUDICIARY COMMITTEE MEETING OF JUNE 7, 1954

On motion of Senator MCARRAN, the committee proceeded to consider S. 23 making it unlawful for a member of a Communist organization to hold office or employment with any labor organization and permitting discharge by employers of persons who are members of organizations designated as subversive by the Attorney General of the United States. At the request of the chairman, Mr. Sourwine of the committee staff explained the purposes of the bill. In response to inquiry by Senator KILGORE with respect to the means of enforcement of the provisions, Mr. Sourwine provided a further explanation. Senator MCCARRAN supplemented the explanation of the bill by a further statement. On motion of Senator JENNER, there being no objection, S. 23 was approved.

Mr. McCARRAN. Mr. President, just reported from the Judiciary Committee is another bill, favorably acted on by the Internal Security Subcommittee, which would amend the Subversive Activities Control Act to provide for the determination of the identity of Communist-dominated labor organizations and preclude the certification by the National Labor Relations Board of a Communist labor organization as a bargaining agency. This bill represents a subcommittee redraft and composition of measures introduced severally by the Senator from Maryland [Mr. BUTLER], the Senator from Arizona [Mr. GOLDWATER], the Senator from Michigan [Mr. FERGUSON], and the senior Senator from Nevada. In my judgment, Mr. President, these two bills, S. 23, and the new subcommittee bill currently pending in the Committee on the Judiciary, are important weapons in our fight to protect the internal security of this Nation, and should become law.

I now invite the attention of the Senate to the general propositions advanced in proposed legislation to outlaw the Communist Party. A number of bills having this objective have been introduced in both Houses of the Congress.

I have resisted the urge to introduce a bill to outlaw the Communist Party because I do not believe that, on balance, enactment of such legislation would be wise at this time.

The Subversive Activities Control Act, which is title I of the Internal Security Act, set up a process, consonant with the American system, for having the Communist Party declared a "Communist-action organization" under the act; and when this has been accomplished, the party will be effectively outlawed. We are perhaps a year, at the outside, away from accomplishment of this purpose under the act—there is a final order of the Board now on appeal before the Court of Appeals, with a possible appeal to the Supreme Court to follow. However, it has been 4 years since the act was passed, so the job is four-fifths done. Furthermore, it is being done in such a way as to demonstrate that we can cope with the Communist Party without forgoing any of our principles with respect to due process of law.

To enact at this date a statute directly outlawing the Communist Party, without any judicial or quasi-judicial process, would, in effect, supersede the Internal Security Act, would make a dead loss out of 4 years of progress under that act, and would only open the way to new litigation on the new law, which might run for a number of years before it could be determined finally. Furthermore, there is a considerable chance that the new statute outlawing the Communist Party might be declared unconstitutional; in which case the cause of anticommunism would have suffered a severe setback.

And now, Mr. President, may I invite the attention of the Senate to still another vital area, namely, Communist propaganda. It will be recalled, Mr. President, that the Internal Security Act requires that any organization required to register under the act as a Communist-action or Communist-front organization must label its printed material so that the recipient may know that he is reading Communist literature. A special task force of the Internal Security Subcommittee has over the course of the last few years been conducting a continuous study and investigation of Communist propaganda, its extent, its mode of entry into the United States, and its dissemination. As a result of the work of this task force, a bill, S. 2766, introduced by the Senator from Idaho [Mr. WELKER], was recently passed by the Senate. This bill requires the registration by Communist-action or Communist-front organizations of all equipment for the printing or publication of printed matter.

I ask unanimous consent that the bill (S. 2766) and the report thereon be included at this point in the RECORD as part of my remarks.

There being no objection, the bill (S. 2766) and the report of the committee (Rept. No. 1433) were ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 7 (d) of the Internal Security Act of 1950, as amended (50 U. S. C. 786 (d)), is amended by adding after paragraph (5) the following:

"(6) A listing, in such form and detail as the Attorney General shall by regulation prescribe, of all printing presses and machines including but not limited to rotary presses, flatbed cylinder presses, platen presses, lithographs, offsets, photo-offsets, mimeograph machines, multigraph machines, multilith machines, duplicating machines, ditto machines, linotype machines, intertype machines, monotype machines, and all other types of printing presses, typesetting machines, or any mechanical devices used or intended to be used, or capable of being used to produce or publish printed matter or material, which are in the possession, custody, ownership, or control of the Communist-action or Communist-front organization or its officers, members, affiliates, associates, group, or groups in which the Communist-action or Communist-front organization, its officers or members have an interest."

The Committee on the Judiciary, to which was referred the bill (S. 2766) to amend section 7 (d) of the Internal Security Act of 1950, having considered the same, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

AMENDMENTS

The amendments are as follows:

1. On page 1, line 6, change the letter "a" to "A."

2. On page 2, in lines 7, 9, and 10, change the word "Communist action" to "Communist-action" and the word "Communist front" to "Communist-front" wherever they appear.

PURPOSE OF THE BILL

The purpose of the bill is to amend the Internal Security Act of 1950 so as to provide that any organization required to register under the act as a Communist-action or Communist-front organization must also register all equipment for the printing or publication of any printed matter in the possession, custody, ownership, or control of such organization.

The amendments are merely for the purpose of clarification.

STATEMENT OF THE FACTS

The necessity for the proposed legislation results from disclosures by hearings conducted by a task force of the Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Senate Committee on the Judiciary [1] that Communist underground printing facilities have been secretly established in various sections of the country to print directives and other material for use by the Communist apparatus in this country. These clandestine printing operations constitute an integral part of the conspiratorial operation of the Communists in this country and the committee is of the opinion that immediate steps should be taken to bring these operations into the open in the manner proposed in the instant bill to permit proper surveillance.

The subcommittee in the course of its hearings received testimony from witnesses with respect to printing facilities which had been secretly established by the Communist agents at Chapel Hill, N. C., New York City, N. Y., Pittsburgh, Pa., and in Alameda County, Calif. Additional testimony was received which related to a printing establishment in the Nation's Capital operated by Communist agents. Reference to certain pertinent portions of the testimony received by the subcommittee will demonstrate quite clearly the manner in which the underground printing facilities are established and operated and the need for exposing such activities.

With reference to the Communist printing facilities established in Chapel Hill, N. C., Mr. Paul Crouch who, prior to his break with the Communist Party, had been high in the Communist apparatus in this country testified as follows:

"Senator WELKER. So that we might have some continuity in this testimony, briefly I will ask you about the printing press in the Abernethy bookstore in Chapel Hill, N. C. Who put it there, when, and what instructions did you give as to its operation?

"Mr. CROUCH. The printing press at Chapel Hill, N. C., located in a rear room of the Intimate Book Store, owned and operated by Milton and Minna Abernethy, was purchased with money furnished by J. Peters of the underground apparatus of the Communist Party, the money being given to Alton Lawrence, a member of the district committee of the Communist Party of North Carolina, an undercover member of the Communist Party. He was also State secretary of the Socialist Party of North Carolina at the same time.

"This money was used to buy a linotype machine, a cylinder printing press of the type used in country papers, type, and other equipment, and its chief aim was for the Communist Party to have facilities during underground conditions, underground conditions such as a war between America and Soviet Union, and other circumstances that would cause the Communist Party to be declared an illegal organization.

"Under such conditions, this press was to be operated to produce illegal literature throughout the district. It was to be used under exceptional circumstances. In the meantime, for the production of some Communist literature, it was to be used.

"For example, 1 or 2 issues of the Communist paper, Southern Worker, was printed on it, and the paper called Carolina Youth, edited by my wife, Sylvia Crouch, was printed on it.

"Senator WELKER. She was a Communist?

"Mr. CROUCH. She was and she was the head of the Young Communist League of the Carolina district at that time.

"Senator WELKER. Did she break with the party at the same time you did?

"Mr. CROUCH. Yes, sir; she broke at the same time, in 1942.

"Senator WELKER. Did you know Mr. and Mrs. Abernethy, Alton Lawrence, and T. Olin Matthews to be members of the Communist Party?

"Mr. CROUCH. Yes, sir. I know Alton Lawrence and T. Olin Matthews were dues-paying members of the Communist Party. I knew the Abernethys to be Communists who accepted the discipline and carried out the orders of the Communist Party."

Mrs. Minna A. Abernethy and Milton A. Abernethy, referred to above, were subpenaed before the subcommittee but refused to answer any questions respecting Communist Party affiliations or activities. An excerpt of the testimony of Mrs. Abernethy follows:

"Mr. ARENS. Mrs. Abernethy, give us, if you please, a brief résumé of your husband's occupation at the time you married him.

"Mrs. ABERNETHY. My husband operated a bookshop.

"Mr. ARENS. When?

"Mrs. ABERNETHY. From the time we were married.

"Mr. ARENS. What time was that? What year?

"Mrs. ABERNETHY. 1932.

"Mr. ARENS. Where was that bookshop?

"Mrs. ABERNETHY. In Chapel Hill.

"Mr. ARENS. Over what period of time did he operate this bookshop?

"Mrs. ABERNETHY. By himself or with me?

"Mr. ARENS. In either capacity?

"Mrs. ABERNETHY. We sold the bookshop business in 1950.

"Mr. ARENS. When did he first start the bookshop business?

"Mrs. ABERNETHY. Well, I don't mean to be obstreperous, but would you not rather ask him those questions? He started the bookshop before we were married.

"Senator EASTLAND. Give us your best knowledge.

"Mrs. ABERNETHY. I think before we were married.

"Mr. ARENS. Did you at any time assist your husband in the operation of the bookshop?

"Mrs. ABERNETHY. Yes.

"Mr. ARENS. What was your line of work in the bookshop? What did you do?

"Mrs. ABERNETHY. I ran the bookshop while my husband was in the service, and then worked there doing the same sort of things that he did until we sold it.

"Mr. ARENS. What was the name of the bookshop?

"Mrs. ABERNETHY. The Intimate Book Shop.

"Mr. ARENS. Where was the bookshop located in Chapel Hill?

"Mrs. ABERNETHY. 205 East Franklin Street.

"Mr. ARENS. Was there anyone else associated with you and your husband in the operation of the bookshop?

"Mrs. ABERNETHY. You mean as owners?

"Mr. ARENS. Yes.

"Mrs. ABERNETHY. No, sir.

"Mr. ARENS. Was the bookshop incorporated?

"Mrs. ABERNETHY. No, sir.

"Mr. ARENS. Now, in the course of the time that you and your husband operated this bookshop, until 1950, did you have, in addition to the bookshop, any printing presses in the establishment?

"Mrs. ABERNETHY. I am declining to answer that question on the basis of my privileges against self-incrimination under the fifth amendment.

"Senator EASTLAND. What was the question?

"Mr. ARENS. The question, Senator, was if, during the time of the operation, and until 1950, by this witness and her husband, she and he at any time operated in addition to the bookshop a printing press. She has declined to answer the question. I respectfully request the chairman that the witness be ordered and directed to answer the question.

"Senator EASTLAND. I think you had better answer that question.

"Mrs. ABERNETHY. I still decline to answer it.

"Mr. ARENS. Is there anything criminal about operating a printing press?

"Mrs. ABERNETHY. I must decline to answer that question.

"Mr. ARENS. Why?

"Mrs. ABERNETHY. On the basis of my rights not to self-incriminate myself.

"Senator SMITH. You consider that that would incriminate yourself to answer that question?

"Mrs. ABERNETHY. Yes.

"Senator SMITH. I just wanted to get whether there was really any basis for that because, of course, if it would not incriminate you, you would not have a right to refuse to answer. If it would incriminate you, you would have that right."

In connection with the Communist underground printing presses in New York City the following testimony of Mr. John Lautner, a former top Communist functionary, is pertinent:

"Senator WELKER. Now, Mr. Lautner, I understand you have some testimony that you can give to the committee with respect to printing presses, mimeograph machines, and certain work that you and others did in connection with the machines as directed by the higher echelon of the members of the Communist Party.

"Mr. LAUTNER. Yes.

"Senator WELKER. Will you tell us about that, please?

"Mr. LAUTNER. Shortly after the 1948 convention of the Communist Party in New York City, Bob Thompson called me to a conference—Bob Thompson was a member of the national committeee, and also State chairman of the Communist Party of New York State—where he laid down plans for preparations to carry the party underground in New York State so that that party will function as an organized force under any and all conditions.

"Parts of the problem related to supplying the party with a sufficient number and types of printing apparatus, and printing equipment.

"The plans for the underground were, one, to equip the State top leadership of the underground with photo-offset printing equipment, high-speed photo-offset equipment. That meant high-speed presses, all the chemical material that is necessary to develop plates for photo-offset equipment, and also lenses and other necessary equipment to take text and make it into plates; to find a suitable place for such printing presses. And at the time I left the party, one complete set

[1] U. S. Senate Committee on the Judiciary, Communist underground printing facilities and illegal propaganda, hearings, Mar. 6, 13, 31, Apr. 10, May 28, June 11, and July 11, 1953; 83d. Cong., 1st sess.

of that sort was at the disposal of the Communist Party New York State organization.

"Senator WELKER. Who paid for this?

"Mr. LAUTNER. The New York State organization of the Communist Party, Hal Simon; and I got the money from him; and I paid the money out for the press to a person by the name of Frank Shore, S-h-o-r-e.

"Senator WELKER. Was he a Communist?

"Mr. LAUTNER. He was a member at large.

"Senator WELKER. A member at large?

"Mr. LAUTNER. A member at large.

"Senator WELKER. How did he happen to own this equipment? Do you know?

"Mr. LAUTNER. He bought it for the party with party money, because that was in his line. That was his profession. He was an expert on that.

"Senator WELKER. Did you have a linotype machine?

"Mr. LAUTNER. We didn't need any linotype machine for photo-offset equipment. All you need is a very strong powerful lens to make a picture of any text, whether it is a picture or any page; and with the aid of that lens you make a picture of it and then you have a contraption in which you reflect that picture on sensitized plates, and the plates will get a negative, and from the negative you make another final plate, and you have a masked plate which you can put into this high-speed press and then just run them by the tens of thousands. They go very fast.

"Senator WELKER. Now, after purchasing the printing press that you have heretofore testified about, or your offset printing, I should say, what was done with it?

"Mr. LAUTNER. It was put into a working position, a functioning position, out on White Plains Road in a little factory which belonged to this Frank Shore, and I don't remember the exact address, but it was between the Allerton Avenue and Burke Avenue stations, a little factory on the right-hand side of the road going north.

"Senator WELKER. John, I want this in particular in the record. Why did the party buy this equipment?

"Mr. LAUTNER. So that in case the party would be rejected by legitimate printers, that they would not print their stuff, the party would have its own printing apparatus to print its own material.

"Mr. ARENS. Whose directive was that?

"Mr. LAUTNER. Bob Thompson's.

"Mr. ARENS. And who was he?

"Mr. LAUTNER. Bob Thompson was a national committee member and chairman of the New York state organization of the party.

"There was also this consideration: That the party will try every which way to print, but if everything turns against the party, that they wouldn't print party material, as a last resort we have this in reserve so that we can print our own stuff.

"Senator WELKER. How about, Mr. Lautner, the fact that in the event there happened to be a shooting war between the Communist Party of the Soviet Union, or any of its satellites, and the Government of the United States, I will ask you if this is a fact: That this was planted so that you could disseminate information in the event of a serious war like that?

"Mr. LAUTNER. Well, Senator, let me answer you this way: Because this is only a very small part of the overall consideration. Any war in which the Soviet Union is involved, the Communist Party considers that kind of a war an unjust war and would come out on the side of the Soviet Union. And disseminating party propaganda would be only a part of the party's activities. And in that sense this fits in.

"Senator WELKER. I might say to you in that prior investigations of this task force we have had information along the lines of printing presses, mimeograph machines, and one of the reasons for their being set up, as I understand, was in the event of a war that they could continue on to disseminate their information and their propaganda without any interruption whatever.

"Mr. LAUTNER. That is correct.

"Senator WELKER. And also at all times to disseminate secret directives to party membership.

"Mr. LAUTNER. If the press was needed for the purpose, they could use it. But they could type out secret directives on a typewriter. Secret directives are secret, and they are not printed in mass quantities.

"Senator WELKER. I see.

"Mr. LAUTNER. Well, this photo-offset equipment was only on the top level. Instructions were given to the lower levels of the underground structure, that the area level, which was the second next lower level from the State level, should have at least 1—each area, 3 different areas of the State should have at least 1 such photo-offset equipment. And on lower levels of the underground structure, high-speed mimeograph machines—A. B. Dick and other mimeograph machines. And on the still lower level, the party manufactured a very novel flatbed, not a round drum but a flatbed mimeograph machine that really did turn out a neat job. And by the time I left that party, 600 of these hand machines, these flat machines, were integrated on the lower levels of the underground organization in New York State. The New York State organization paid for the manufacture of these machines. Receipts were introduced to that effect in the New York trial of the party leaders. I have those receipts, because I paid the money to Frank Shore, who manufactured them. And in turn the area organizations paid to the State leadership for these little machines.

"Senator WELKER. Now, Counsel, do you wish to inquire?

"Mr. ARENS. No; thank you, Senator.

"Senator WELKER. How long after the establishment of the printing press was it before you severed your relations with the Communist Party?

"Mr. LAUTNER. At the same time. All this that I discussed over here, Senator, happened in 1948 and 1949, the physical carrying out of this plan transpired in 1949, and I severed my connections on the 17th of January 1950."

The subcommittee also received the following testimony from Miss Stephanie Horvath, a former undercover agent of the New York City Police Department, with reference to the Communist underground printing facilites in New York City:

"Miss HORVATH. While I was a member in the 11th Assembly District Club of the Communist Party, I very frequently ran off Communist Party pamphlets, bulletins, and leaflets, which were composed by Milton Ross or some other member of the executive committee. I would type the stencil and then run it off on a mimeograph machine which the party owned, which was located at the headquarters of the American Labor Party at 2688 Broadway.

"Senator WELKER. Were you able at any time to save for evidence any of these documents that you mimeographed and printed? Do you have available any of the literature that you helped run off?

"Miss HORVATH. I have two exhibits which I helped mimeograph which were sent to the membership and distributed to the public in general in that vicinity."

The following testimony of Mr. Matthew Cvetic a former undercover agent of the Federal Bureau of Investigation relates to the Communist printing facilities in Pittsburgh, Pa.:

"Senator WELKER. Now, how long did you remain an underground worker for the Federal Bureau of Investigation in the Communist Party?

"Mr. CVETIC. I stayed until February of 1950, when I testified before the Committee on Un-American Activities.

"Senator WELKER. That was some 9 years, Matthew?

"Mr. CVETIC. Yes, sir.

"Senator WELKER. And you were in close and intimate contact with the FBI during most of that time?

"Mr. CVETIC. During all of those years.

"Senator WELKER. Now, can you tell us something based upon your experience in the Communist Party as to whether or not there were any printing presses, mimeograph machines, or any instrument for the dissemination of propaganda and printed materials to help the party that you yourself had knowledge of?

"Mr. CVETIC. Yes, sir. I had knowledge of the part of the legal apparatus of the Communist Party that dealt with matters of printing, also have knowledge of matters of organizing illegal activity in this field. And this knowledge is based on my activities within the Communist Party for the FBI.

"Senator WELKER. Now Matthew, as I understand it, you graduated through the higher echelon of the Communist Party. You were a worker with Steve Nelson; am I correct?

"Mr. CVETIC. That is right.

"Senator WELKER. And Steve Nelson was one of the leaders, one of the vicious leaders of the Communist Party?

"Mr. CVETIC. Yes, sir; I would say Steve Nelson rated one of the arch conspirators in the United States in this Communist movement.

"Senator WELKER. Now, if you will, tell us something more about the arrangements for and the discussion which led to the purchase of these printing presses, mimeograph machines, or any other machines for the dissemination of Communist literature, propaganda, and so forth.

"Mr. CVETIC. Well, first, to deal with the legal aspects of it, to distinguish from the illegal activity planned and contemplated and carried out.

"The legal aspects of their printing establishment, the knowledge I had, was of their language press, which was located on E Street in North Side Pittsburgh. At that location, the Communist Party printed and distributed newspapers in the Serbian, Croation, and Slovak languages.

"They also carried on their job printing for the Communist Party.

"In 1951, I believe around August or September, because of the heavy pressure brought to bear on this establishment by the exposés of the various congressional committees, this entire printing establishment was moved to Chicago, Ill., together with its staff of editors and technical help.

"On the illegal aspects and plans for underground work of the Communist Party, in 1948 and 1949, I participated in a series of meetings dealing with underground activity. These meetings were led and directed by Steve Nelson, who was in the latter part of 1948, a district organizer of the Communist Party and Bill Albertson, who was district secretary of the Communist Party for western Pennsylvania. Both Steve Nelson and Bill Albertson have since been arrested by the FBI under the Smith Act.

"Senator WELKER. Did you testify in their cases, Matt?

"Mr. CVETIC. Yes; I did, Senator.

"Now, on the meetings: First, on a meeting in the Communist Party office, with Bill Albertson and Steven Nelson, on a discussion of party theory and practice with regard to this activity; quoting Bill Albertson—I sat in on a meeting—'Comrades, we are being subjected to heavy attack by the enemy.' The 'enemy' being the United States. 'Our party leadership is being arrested, and we don't know when the FBI may decide to raid our offices here or our printing plant, and we may lose our legal source of operations. Therefore, comrades, we are directing the comrades here to start looking around with a view to seeing what equipment, like multigraph machines, offset presses, mimeograph machines, typewriters, or any office machinery of that type, can be purchased by the

Communist Party, so that it can be set aside or put away in case the party is compelled to carry on illegally.'

"Mr. ARENS. All right, sir. If you will kindly continue, then, with your description of the Communist underground printing presses.

"Mr. CVETIC. Yes. Subsequent to this meeting in the Communist Party office, Bill Albertson, the district secretary of the Communist Party of western Pennsylvania, visited me in the American-Slav Congress office at 1005 Bakewell Building in Pittsburgh, where I was assigned as executive secretary by the Communist Party.

"Mr. ARENS. And what year was this?

"Mr. CVETIC. This was in the early part of 1949.

"At that time, Bill Albertson came over to the American-Slav Congress office, because we were going to close the American-Slav Congress office. And Bill Albertson discussed with me the purchasing of a multigraph machine that I had in the office, a mimeograph machine; and 1 or 2 typewriters. And he again restated his reason for making these purchases for the Communist Party, and the purpose he stated was that 'We have to have this material, because the party is being driven underground, and the party has to be ready to work illegally when we have to.'

"Mr. ARENS. Were you then identified with the American-Slav Congress?

"Mr. CVETIC. Yes, sir, I was the executive secretary for the western Pennsylvania district and a member of the national committee.

"Subsequent to this meeting with Bill Albertson, at which we discussed the acquisition by the Communist Party of this printing and office machinery for illegal activity, we had a meeting in September of 1949, on the second floor at 943 Liberty Avenue, at which Steve Nelson made a report and once again dealt with the arrests by the FBI where he dealt with the investigations of these various committees, and the pressure being brought to bear on the party, and the party being driven underground. We discussed there both the acquisition of additional machinery and equipment, and also Steve Nelson instructed the party leaders who were present there that in case the party leadership was arrested by the FBI and driven underground, the rest of us who were at this meeting had to be ready to take over control of the Communist Party.

"Mr. ARENS. You say 'if the party is driven underground'; the party is and always has been about two-thirds underground, hasn't it?

"Mr. CVETIC. The party always operated underground. Where people like Steve Nelson refer to the party being driven underground, they are referring to where they lose their legality. Their front organizations are exposed. The Communist Party activities are defined by law as being illegal, which they are, and they know it. And when this is all exposed; and when the Justice Department arrested its leaders, we were instructed to be prepared to carry on illegally. And this is all based on theories and practices of communism that we studied in classes: 'Comrades, we work legally when we can and illegally when we must.' And this was party procedure."

The subcommittee also received the following testimony from Mr. Paul Crouch with respect to the operation of Communist printing facilities in Alameda County, Calif.:

"Mr. CROUCH. Yes, sir; also from A. Benson.

"Senator WELKER. Who was A. Benson?

"Mr. CROUCH. A. Benson was the alias of Max Katses, who handled the financial administration of the national office of the Communist Party in New York City.

"Senator WELKER. From Tennessee, where did you go?

"Mr. CROUCH. I went to Oakland, Calif., as first organizer of the Communist Party for Alameda County, embracing the cities of Oakland, Berkeley, and the University of California; and, secondly, as 1 of the 7 members of the district bureau supervising the work of the Communist Party in California and Nevada and the Hawaiian Islands.

"Also, I was sent as a specialist on Hawaii, since I had been connected with earlier Communist activities there.

"Senator WELKER. Did you meet Harry Bridges out there?

"Mr. CROUCH. Yes, sir.

"Senator WELKER. Did you know him to be a member of the Communist Party?

"Mr. CROUCH. Yes, sir.

"Senator WELKER. What work was he doing to help the party?

"Mr. CROUCH. He was the head of the Communist Party's major trade union, the major trade union controlled by the Communist Party, the ILWU, the International Longshoremen's and Warehousemen's Union in California.

"Senator WELKER. Which probably controlled the ocean shipping of every port in the State of California?

"Mr. CROUCH. Yes, sir. In addition, at that time under directions of the district bureau he was beginning his activities in Hawaii, organizing the dockworkers in Honolulu as part of this effort to obtain Communist control over the maritime industry in the Pacific.

"Senator WELKER. You testified against Harry Bridges in his last trial, did you not?

"Mr. CROUCH. Yes, sir; in December 1949 and January 1950.

"Senator WELKER. And he was convicted, and his case has been on appeal for several years?

"Mr. CROUCH. Yes, sir.

"Senator WELKER. Did you engage in any activities with respect to printing presses and mimeograph machines or other means of communication in the State of California?

"Mr. CROUCH. Yes, sir.

"Senator WELKER. Tell us about that.

"Mr. CROUCH. When I arrived in Alameda County, which, incidentally, had a membership of 400 party members in the county at the time of my arrival, 450 when I left, the Communist Party already had an elaborate underground apparatus, both organizationally and insofar as printing equipment was concerned. In the county at the time of my arrival there were 2 high-speed mimeograph machines in the office, 1 stored at a private residence in the country for reserve use under underground conditions.

"Shortly after I arrived, one of the machines was taken out of the office, leaving only one machine in the office. In addition, there were scores of hand mimeographs already distributed in all of the units in the county. As I arrived there, plans were being made for a county school in underground work which began about 1 week after my arrival.

"The instructors were Rudy Lambert, head of the underground apparatus of the district, the control and security commission; Steve Nelson, a fellow member of the district bureau, and then San Francisco County organizer; Kenneth May, educational director of the county at that time; and myself.

"This school was held on weekends, Saturday and Sunday, about 8 hours a day for 2 days with about 20 selected students from the county. They were given both political directives about the revolutionary aims of the party, the matter of turning the imperialist war into a civil war, and so on, and they were given a great deal of practical instructions in the use of these hand mimeographs.

"They were also taught how to make gelatin duplicating devices if they should not have hand mimeographs available, just by the simple process of Knox gelatin and duplicating typewriter ribbons, a very simple method.

"They were taught methods for distributing the leaflets without being detected, such as placing them in most frequently read library books in public libraries, and various other techniques were used. It was a very elaborate course and lasted from early in May until the invasion of the Soviet Union, and covered about all phases of underground activities, both in theory and in practice.

"In addition, at the district bureau I received reports on the general underground structure and preparations by Rudy Lambert, who stated in one of his reports that the Communist Party was prepared to continue publication of the Daily People's World, which corresponds to the Daily Worker in the East. He did not elaborate in detail, and I had no personal knowledge as to where the printing plants were located, or what their arrangements were.

"Senator WELKER. Did you receive that orally, or by mail?

"Mr. CROUCH. Orally, at a district bureau meeting. Outside of my own county I had no firsthand knowledge of the mechanism for the production of leaflets and so on.

"In addition to the equipment, that is, the mimeographs, the Communist Party at that time had a vast amount of paper, ink, and stencils stored away, and I recall that during a period of 6 weeks, about $500 was taken out of the regular funds of the Communist Party in Alameda County and used to purchase additional paper and supplies to be stored away at private homes for underground use.

"The Communist Party maintained at that time a reserve fund of about $2,000 in the names of several private individuals, which was not to be touched for any purpose until the Communist Party was in an illegal condition. That was a very rigid rule.

"After the June 22 invasion of the Soviet Union, the entire situation changed, as far as perspectives of the underground workers were concerned.

"In the latter part of July or early August 1941, I raised the question of the underground apparatus, and all this reserve supply with William Schneiderman in his office, and with William Z. Foster, national chairman of the party, present.

"Schneiderman immediately said that the underground apparatus must be maintained at status quo, that none of the reserve supplies was to be used, and Foster then went into detail politically, and explained to me that while there was no immediate perspective, so far as could be seen then, that the party must at all times remember that sooner or later the armed struggle between the capitalists and the Communist world was inevitable, and that no one could predict when it might come, that the party must always maintain itself in readiness, and even though the United States and the Soviet Union might be temporary allies, never to forget the inevitable struggle between them ahead, and to maintain the apparatus of the Communist Party intact."

Section 7 of the Internal Security Act of 1950 contains the provisions relating to the registration requirements for Communist-action and Communist-front organizations. The registration of each such organization must be accompanied by a registration statement which among other things must specify the name of the organization, the names and addresses of the officers, an accounting of the moneys received and expended, the names and addresses of the members of Communist-action organizations, and any aliases of such officers and members in certain cases. The amendment to the act contained in the instant bill adds the requirement that a Communist-action or a Communist-front organization which is required to register must include in its registration statement a list in detail of all its printing facilities used for printing matter or material for such organizations.

RECOMMENDATIONS

The committee, after consideration of all the facts in the case, is of the opinion that

the bill (S. 2766), as amended, should be enacted.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be admitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

"INTERNAL SECURITY ACT OF 1950 (PUBLIC LAW 831, 81ST CONG., 2D SESS.)

"SEC. 7.—

* * * * *

"(d) The registration made under subsection (a) or (b) shall be accompanied by a registration statement, to be prepared and filed in such manner and form as the Attorney General shall by regulations prescribe, containing the following information:

"(1) The name of the organization and the address of its principal office.

"(2) The name and last-known address of each individual who is at the time of filing of such registration statement, and of each individual who was at any time during the period of 12 full calendar months next preceding the filing of such statement, an officer of the organization, with the designation or title of the office so held, and with a brief statement of the duties and functions of such individual as such officer.

"(3) An accounting, in such form and detail as the Attorney General shall by regulations prescribe, of all moneys received and expended (including the sources from which received and the purposes for which expended) by the organization during the period of 12 full calendar months next preceding the filing of such statement.

"(4) In the case of a Communist-action organization, the name and last-known address of each individual who was a member of the organization at any time during the period of 12 full calendar months preceding the filing of such statement.

"(5) In the case of any officer or member whose name is required to be shown in such statement, and who uses or has used or who is or has been known by more than one name, each name which such officer or member uses or has used or by which he is known or has been known.

"*(6) A listing, in such form and detail as the Attorney General shall by regulation prescribe, of all printing presses and machines including but not limited to rotary presses, flatbed cylinder presses, platen presses, lithographs, offsets, photo-offsets, mimeograph machines, multigraph machines, multilith machines, duplicating machines, ditto machines, linotype machines, intertype machines, monotype machines, and all other types of printing presses, typesetting machines or any mechanical devices used or intended to be used, or capable of being used to produce or public printed matter or material, which are in the possession, custody, ownership, or control of the Communist-action or Communist-front organization or its officers, members, affiliates, associates, group, or groups in which the Communist-action or Communist-front organization, its officers or members have an interest.*"

HERMAN WELKER.
JOHN M. BUTLER.
JAMES O. EASTLAND.

Mr. McCARRAN. Another bill, S. 37, reported from the Committee on the Judiciary, and passed by the Senate today, is a bill which I introduced to plug several of the loopholes which have been found to exist in the foreign agents registration act. This bill, S. 37, would require the registration of every diplomatic or consular officer of a foreign government who is engaged in the preparation or dissemination of political propaganda and would make other clarifying and strengthening changes in the law. The bill was approved by the Judiciary Committee without a dissenting vote, with 10 Members present; but I want to tell the Senate, in fairness, that I think at least one Member of the committee may oppose this bill on the ground that it is opposed by the Attorney General.

I ask unanimous consent that the bill (S. 37) be included in the RECORD at this point as part of my remarks, together with the text of the Judiciary Committee's report thereon.

There being no objection, the bill (S. 37) and the report of the Committee (Rept. No. 1694) were ordered to be printed in the RECORD, as follows:

Be it enacted etc., That section 1 (b) of the Foreign Agents Registration Act of 1938, as amended (56 Stat. 248; 22 U. S. C. 611), is amended by adding thereto a new clause (6) to read as follows:

"(6) A domestic partnership, association, corporation, organization, or other combination of individuals, supervised, directed, controlled, or financed, in whole or in substantial part, by any foreign government or foreign political party;".

SEC. 2. Section 3 (a) of such Act is amended to read as follows:

"(a) A duly accredited diplomatic or consular officer of a foreign government who is so recognized by the Department of State, while said officer is engaged exclusively in activities which are recognized by the Department of State as being within the scope of the functions of such officer, except that no person engaged in service as a public relations counsel, publicity agent, or information-service employee, or who is engaged in the preparation or dissemination of political propaganda shall be so recognized;".

SEC. 3. Section 3 (d) of such act is amended to read as follows:

"(d) Any person engaging or agreeing to engage only in private and nonpolitical financial or mercantile activities in furtherance of the bona fide trade or commerce of such foreign principal or in the soliciting and collecting of funds and contributions within the United States to be used only for medical aid and assistance, or for food and clothing to relieve human suffering, if such solicitation or collection of funds and contributions is in accordance with and subject to the provisions of the act of November 4, 1939, as amended (54 Stat. 48), and such rules and regulations as may be prescribed thereunder, except any person who is an agent of a foreign principal by virtue of clause (5) of section 1 (c) of this act."

SEC. 4. Section 3 (e) of such act is amended to read as follows:

"(e) Any person engaging or agreeing to engage only in activities in furtherance of bona fide religious, scholastic, academic, or scientific pursuits or of the fine arts, except any person who is an agent of a foreign principal by virtue of clause (5) of section 1 (c) of this act."

SEC. 5. Section (4) (a) of such act is amended to read as follows:

"(a) Every person within the United States who is an agent of a foreign principal and required to register under the provisions of this act and who transmits or causes to be transmitted in the United States mails or by any means or instrumentality of interstate or foreign commerce any political propaganda shall, not later than 48 hours after the beginning of the transmittal thereof, send to the Librarian of Congress 2 copies thereof and file with the Attorney General 1 copy thereof and a statement, duly signed by or on behalf of such agent, setting forth full information as to the places, times, and extent of such transmittal."

SEC. 6. Section 4 (b) of such act is amended to read as follows:

"(b) It shall be unlawful for any person within the United States who is an agent of a foreign principal and required to register under the provisions of this act to transmit or cause to be transmitted in the United States mails or by any means or instrumentality of interstate or foreign commerce any political propaganda unless such political propaganda is conspicuously marked at its beginning with, or prefaced or accompanied by, a true and accurate statement in the language or languages used in such political propaganda, setting forth that the person transmitting such political propaganda or causing it to be transmitted is registered under this act with the Department of Justice, Washington, District of Columbia, as an agent of a foreign principal, together with the name and address of such agent of a foreign principal and of each of his foreign principals; that, as required by this act, his registration statement is available for inspection at and copies of such political propaganda are being filed with the Department of Justice; and that registration of agents of foreign principals required by the act does not indicate approval by the United States Government of the contents of their political propaganda. The Attorney General, having due regard for the national security and the public interest, may by regulation prescribe the language or languages and the manner and form in which such statement shall be made and require the inclusion of such other information contained in the registration statement identifying such agent of a foreign principal and such political propaganda and its sources as may be appropriate."

SEC. 7. Section 4 of such act is amended by adding thereto a new subsection (e) to read as follows:

"(e) Any person not within the United States who uses the United States mails or any means or instrumentality of interstate or foreign commerce within the United States to circulate or disseminate any political propaganda shall be regarded as acting within the United States and as subject to the provisions of this act."

SEC. 8. Section 6 of such act is amended by adding the following sentence at the end thereof:

"The Attorney General, in his discretion, having due regard for the national security and the public interest, may withdraw from public examination and inspection any registration statement and other statements filed by a person who is an agent of a foreign principal by virtue of clause (5) of section 1 (c) of this act."

The Committee on the Judiciary, to which was referred the bill (S. 37) to amend section 3 (a) of the Foreign Agents Registration Act of 1938, as amended, having considered the same, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

AMENDMENTS

1. Strike out all after the enacting clause and insert in lieu thereof the following:

"That section 1 (b) of the Foreign Agents Registration Act of 1938, as amended (56 Stat. 248; 22 U. S. C. 611), is amended by adding thereto a new clause "(6)" to read as follows:

"'(6) A domestic partnership, association, corporation, organization, or other combination of individuals, supervised, directed, controlled, or financed, in whole or in substantial part, by any foreign government or foreign political party.'

"SEC. 2. Section 3 (a) of such act is amended to read as follows:

"'(a) A duly accredited diplomatic or consular officer of a foreign government who is

so recognized by the Department of State, while said officer is engaged exclusively in activities which are recognized by the Department of State as being within the scope of the functions of such officer, except that no person engaged in service as a public relations counsel, publicity agent, or information-service employee, or who is engaged in the preparation or dissemination of political propaganda shall be so recognized.'

"SEC. 3. Section 3 (d) of such act is amended to read as follows:

"'(d) Any person engaging or agreeing to engage only in private and nonpolitical financial or mercantile activities in furtherance of the bona fide trade or commerce of such foreign principal or in the soliciting and collecting of funds and contributions within the United States to be used only for medical aid and assistance, or for food and clothing to relieve human suffering, if such solicitation or collection of funds and contributions is in accordance with and subject to the provisions of the act of November 4, 1939, as amended (54 Stat. 48), and such rules and regulations as may be prescribed thereunder, except any person who is an agent of a foreign principal by virtue of clause (5) of section 1 (c) of this act.'

"SEC. 4. Section 3 (e) of such act is amended to read as follows:

"'(e) Any person engaging or agreeing to engage only in activities in furtherance of bona fide religious, scholastic, academic, or scientific pursuits or of the fine arts, except any person who is an agent of a foreign principal by virtue of clause (5) of section 1 (c) of this act.'

"SEC. 5. Section 4 (a) of such act is amended to read as follows:

"'(a) Every person within the United States who is an agent of a foreign principal and required to register under the provisions of this act and who transmits or causes to be transmitted in the United States mails or by any means or instrumentality of interstate or foreign commerce any political propaganda shall, not later than 48 hours after the beginning of the transmittal thereof, send to the Librarian of Congress 2 copies thereof and file with the Attorney General 1 copy thereof and a statement, duly signed by or on behalf of such agent, setting forth full information as to the places, times, and extent of such transmittal.'

"SEC. 6. Section 4 (b) of such act is amended to read as follows:

"'(b) It shall be unlawful for any person within the United States who is an agent of a foreign principal and required to register under the provisions of this act to transmit or cause to be transmitted in the United States mails or by any means or instrumentality of interstate or foreign commerce any political propaganda unless such political propaganda is conspicuously marked at its beginning with, or prefaced or accompanied by, a true and accurate statement in the language or languages used in such political propaganda, setting forth that the person transmitting such political propaganda or causing it to be transmitted is registered under this act with the Department of Justice, Washington, District of Columbia, as an agent of a foreign principal, together with the name and address of such agent of a foreign principal and of each of his foreign principals; that, as required by this act, his registration statement is available for inspection at and copies of such political propaganda are being filed with the Department of Justice; and that registration of agents of foreign principals required by the act does not indicate approval by the United States Government of the contents of their political propaganda. The Attorney General, having due regard for the national security and the public interest, may by regulation prescribe the language or languages and the manner and form in which such statement shall be made and require the inclusion of such other information contained in the registration statement identifying such agent of a foreign principal and such political propaganda and its sources as may be appropriate.'

"SEC. 7. Section 4 of such act is amended by adding thereto a new subsection '(e)' to read as follows:

"(e) Any person not within the United States who uses the United States mails or any means or instrumentality of interstate or foreign commerce within the United States to circulate or disseminate any political propaganda shall be regarded as acting within the United States and as subject to the provisions of this act.'

"SEC. 8. Section 6 of such act is amended by adding the following sentence at the end thereof:

"'The Attorney General, in his discretion, having due regard for the national security and the public interest, may withdraw from public examination and inspection any registration statement and other statements filed by a person who is an agent of a foreign principal by virtue of clause (5) of section 1 (c) of this act'."

2. Amend the title so as to read: "A bill to amend the Foreign Agents Registration Act of 1938, as amended."

PURPOSE OF THE BILL

The purpose of this bill, as amended, is to (1) strengthen the Foreign Agents Registration Act of 1938 by requiring the registration of every diplomatic or consular officer of a foreign government who is engaged in the preparation or dissemination of political propaganda, (2) clarify those provisions relating to the registration of persons who have knowledge of, or have received instruction or assignment in, the espionage, counterespionage, or sabotage service or tactics of a foreign government or foreign political party, and (3) make certain other clarifying and strengthening changes particularly with reference to the requirements of the act relating to the filing and labeling of political propaganda.

STATEMENT

The Foreign Agents Registration Act (22 U. S. C. 611) is basically designed to cause (*a*) the disclosure of the identity of certain agents in the United States of foreign principals and (*b*) the filing and labeling of political propaganda which these agents disseminate in the United States. The act exempts from registration "a duly accredited diplomatic or consular officer of a foreign government who is so recognized by the Department of State, while said officer is engaged exclusively in activities which are recognized by the Department of State as being within the scope of functions of such officer."

Under date of July 23, 1946, the then Attorney General, Tom C. Clark, addressed a letter to the then Secretary of State, which letter reads in part as follows:

"I shall appricate your cooperation in formulating procedures which would insure the application of the Foreign Agents Registration Act to informational activities of foreign diplomatic missions. Preliminary discussions concerning these matters have been held by members of my staff with State Department officials on various political desks, and with representatives of the Office of the Legal Adviser, the Division of Protocol, and the Division of Foreign Activity Correlation. The following points appear to be of basic importance:

"(1) Your interpretation is requested of section 3 (a) of the act, which exempts from registration the duly accredited foreign diplomatic or consular official who is 'engaged exclusively in activities which are recognized by the Department of State as being within the scope of the functions of such officer.'

"(2) If your interpretation of this section indicates that certain informational activities, such as the publication and dissemination of political propaganda, are not within the scope of the functions of most diplomatic and consular officials, it will be necessary to establish methods for bringing this to the attention of the foreign officials concerned, and to give it general application.

"(3) If your interpretation of this section indicates that there are no limits to the type of informational activity in which a diplomatic or consular official may be engaged without registration, I shall welcome any alternative suggestions for fulfilling the intent of Congress to protect the interests of the United States 'by requiring public disclosure by persons engaging in propaganda activities * * * for or on behalf of foreign government * * *.'

"(4) A description of seven cases, now under consideration, is appended to this letter. In most instances, they have been discussed with State Department officials on the appropriate political desks, but specific recommendations have been postponed pending the formulation of a general policy on these matters. I shall appreciate having your recommendation on each of these cases.

"Under the Foreign Agents Registration Act, the Attorney General is required to report to Congress from time to time on the administration of the act. I should like in my next statement to Congress to be able to report that substantial progress has been made in dealing with the problems raised by informational activities by foreign diplomatic missions, and would greatly appreciate the cooperation of your Department in this matter."

In response to the above-mentioned letter, the then Acting Secretary of State, Dean Acheson, in a letter dated March 13, 1947, advised the then Attorney General that the Department of State considered informational activities as being within the scope of the proper functions of the diplomatic and consular officers.

As a result of the ruling by the Department of State, there has been an increasing tendency on the part of foreign governments, particularly the Soviet bloc, to operate their propaganda activities in this country through diplomatic and consular officers and thus avoid the registration and labeling requirements of the Foreign Agents Registration Act. Because of this situation, the Department of Justice, in a letter dated August 15, 1951, requested the Secretary of State to re-examine the question of exempting from registration the informational activities of Soviet bloc nations which are being conducted in the United States by diplomatic and consular officers; but by letter dated September 17, 1951, the Department of State refused to change its position so as to permit registration and labeling of Communist propaganda disseminated in this country by diplomats from the Soviet bloc nations.

Under date of February 7, 1952, the Internal Security Subcommittee published a report and testimony on Communist propaganda activities in the United States, which report and testimony clearly demonstrates the necessity for the instant bill.

A similar bill to amend section 3 (a) of the Foreign Agents Registration Act of 1938, as amended, was reported favorably to the Senate by the committee in the 2d session of the 82d Congress and was passed by the Senate as reported.

The bill, as amended, strengthens those provisions of the act relating to the registration of persons who have knowledge of, or have received instruction or assignment in, the espionage, counterespionage, or sabotage service or tactics of a foreign government or foreign political party. The Internal Security Act of 1950, among other things, amended the Foreign Agents Registration Act of 1938, as amended, by adding clause (5) to section 1 (c) which had the effect of requiring the registration as agents of foreign principals certain persons trained in the espio-

nage, counterespionage, or sabotage service or tactics of a foreign government. However, section 3 (d) and (e) of the Foreign Agents Registration Act of 1938 exempts from the registration requirements for agents of foreign principals certain persons engaging or agreeing to engage in private nonpolitical, financial, mercantile, or other activities in furtherance of the bona fide trade or commerce of such foreign principal or in the soliciting or collecting of funds and contributions for medical aid or for food and clothing to relieve human suffering in certain instances, and certain persons engaging in activities in furtherance of bona fide religious, scholastic, academic, and scientific pursuits or of the fine arts. The new language added to section 3 (d) and (e) would deny the exemptions provided therein to persons required to register as agents of foreign principals by clause (5) of section 1 (c) of the Foreign Agents Registration Act of 1938, as amended, because of their training in the espionage, counterespionage, or sabotage service or tactics of a foreign government. At the same time section 3 (d) is clarified by defining more exactly the nature of the activity engaged in or to be engaged in by an agent of a foreign principal which will entitle him to the exemption from registration under the act.

Section 6 of the Foreign Agents Registration Act of 1938, as amended, requires that the registration statements and other statements of agents of foreign principals be made available by the Attorney General for public examination and inspection. The language added to section 6 by the bill would permit the Attorney General, in his discretion, to withdraw from public examination and inspection the registration statements or other statements of those agents of foreign principals trained in espionage, counterespionage, or sabotage service or tactics of a foreign government, having due regard for the national security and public interest.

The definition of "foreign principal" contained in section 1 (b) is modified and strengthened by adding a new clause which will bring within the coverage of the definition certain organizations which are not presently included. Under the existing law unless it can be established that a domestic organization which is financed, controlled, supervised or directed by a foreign government or foreign political party is subsidized by a foreign principal, an agent of the domestic corporation is not required to register. The proposed change will bring such agents within the purview of the registration requirements of the act, irrespective of whether their organization is subsidized if the foreign government or a foreign political party supervises, directs, controls, or finances a domestic organization to such a degree as to exercise substantial control over its policies and activities.

Sections 4 (a) and 4 (b) of the act contain provisions relating to the filing and labeling of political propaganda. In general the provisions require the filing and labeling of political propaganda transmitted in the United States mails or by any means or instrumentality of interstate or foreign commerce "(1) in the form of prints, or (ii) in any other form which is reasonably adapted to being, or which he believes will be, or which he intends to be, disseminated or circulated among two or more persons."

It has been found that the quoted language provides a test which is extremely difficult to administer and which is considered unwarranted under the overall purpose of the act. Sections 4 (a) and 4 (b) have, therefore, been amended by deleting the language in question in order to increase the effectiveness of the act.

A new subsection (e) is added to section 4 which has the effect of giving legislative sanction to what is presently a rule promulgated by the Attorney General. That rule subjects an agent of a foreign principal physically outside of the United States to the registration, filing, and labeling provisions of the act in the event such agent disseminates political propaganda within the United States through the mails or any other instrumentality of interstate or foreign commerce. This rule constitutes the legal basis upon which the Post Office Department predicates its authority to declare nonmailable propaganda mailed by an agent of a foreign principal outside the United States to persons within the United States, and also the legal basis upon which the Bureau of Customs rests its authority for the seizure of propaganda material arriving in the United States by freight or express from agents of foreign principals located outside the United States and destined to persons within the United States. It is, therefore, deemed advisable to incorporate the administrative rule into the law.

RECOMMENDATION

The committee, after consideration of all the facts in the case, is of the opinion that the bill (S. 37) as amended should be enacted.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

"FOREIGN AGENTS REGISTRATION ACT OF 1938, AS AMENDED (22 U. S. C. 611)

"SEC. 1 (b) * * *

"*(6) A domestic partnership, association, corporation, organization, or other combination of individuals, supervised, directed, controlled, or financed, in whole or in substantial part, by any foreign government or foreign political party;*

* * * * *

"SEC. 3. (a) A duly accredited diplomatic or consular officer of a foreign government who is so recognized by the Department of State, while said officer is engaged exclusively in activities which are recognized by the Department of State as being within the scope of the functions of such officer[;], *except that no person engaged in a service as a public relations counsel, publicity agent, or information-service employee, or who is engaged in the preparation of dissemination of political propaganda shall be so recognized;*

* * * * *

"(d) Any person engaging or agreeing to engage only in private[,] *and* nonpolitical [,] financial[,] *or* mercantile[, or other] activities in furtherance of the bona fide trade or commerce of such foreign principal or in the soliciting [or] *and* collecting of funds and contributions within the United States to be used only for medical aid and assistance, or for food and clothing to relieve human suffering, if such solicitation or collection of funds and contributions is in accordance with and subject to the provisions of the Act of November 4, 1939, as amended (54 Stat. 48), and such rules and regulations as may be prescribed thereunder[;], *except any person who is an agent of a foreign principal by virtue of clause (5) of section 1 (c) of this act.*

"(e) Any person engaging or agreeing to engage only in activities in furtherance of bona fide religious, scholastic, academic, or scientific pursuits or of the fine arts[;], *except any person who is an agent of a foreign principal by virtue of clause (5) of section 1 (c) of this act.*

* * * * *

"SEC. 4. (a) Every person within the United States who is an agent of a foreign principal and required to register under the provisions of this act and who transmits or causes to be transmitted in the United States mails or by any means or instrumentality of interstate or foreign commerce any political propaganda [(i) in the form of prints, or (ii) in any other form which is reasonably adapted to being, or which he believes will be, or which he intends to be, disseminated or circulated among two or more persons] shall, not later than forty-eight hours after the beginning of the transmittal thereof, send to the Librarian of Congress two copies thereof and file with the Attorney General one copy thereof and a statement, duly signed by or on behalf of such agent, setting forth full information as to the places, times, and extent of such transmittal.

"(b) It shall be unlawful for any person within the United States who is an agent of a foreign principal and required to register under the provisions of this act to transmit or cause to be transmitted in the United States mails or by any means or instrumentality of interstate or foreign commerce any political propaganda [(i) in the form of prints, or (ii) in any other form which is reasonably adapted to being, or which he believes will be, or which he intends to be, disseminated or circulated among two or more persons,] unless such political propaganda is conspicuously marked at its beginning with, or prefaced or accompanied by, a true and accurate statement, in the language or languages used in such political propaganda, setting forth that the person transmitting such political propaganda or causing it to be transmitted is registered under this act with the Department of Justice, Washington, District of Columbia, as an agent of a foreign principal, together with the name and address of such agent of a foreign principal and of each of his foreign principals; that, as required by this act, his registration statement is available for inspection at and copies of such political propaganda are being filed with the Department of Justice; and that registration of agents of foreign principals required by the act does not indicate approval by the United States Government of the contents of their political propaganda. The Attorney General, having due regard for the national security and the public interest, may by regulation prescribe the language or languages and the manner and form in which such statement shall be made and require the inclusion of such other information contained in the registration statement identifying such agent of a foreign principal and such political propaganda and its sources as may be appropriate.

* * * * *

"(e) *Any person not within the United States who uses the United States mails or any means or instrumentality of interstate or foreign commerce within the United States to circulate or disseminate any political propaganda shall be regarded as acting within the United States and as subject to the provisions of this act.*

* * * * *

"SEC. 6. The Attorney General shall retain in permanent form one copy of all registration statements and all statements concerning the distribution of political propaganda furnished under this act, and the same shall be public records and open to public examination and inspection at such reasonable hours, under such regulations, as the Attorney General may prescribe, and copies of the same shall be furnished to every applicant at such reasonable fee as the Attorney General may prescribe. The Attorney General may withdraw from public examination the registration statement and other statements of any agent of a foreign principal whose activities have ceased to be of a character which require registration under the provisions of this act. The Attorney General, in his discretion, having due regard for the national security and the public interest, may withdraw from public examination and inspection any registration statement and other

statements filed by a person who is an agent of a foreign principal by virtue of clause (5) of section 1 (c) of this act."

Mr. McCARRAN. Mr. President, in my judgment, the enactment of S. 2766 and S. 37 would add two more important weapons in our fight to protect the internal security of this Nation.

I am sorry to say that the "new" State Department, under the present administration, is opposing enactment of this legislation, just as the "old" State Department, under the former administration, opposed a similar bill which I sponsored in the 82d Congress. The "new" State Department filed a six-page report against S. 37. The gist of this report is that by enacting this legislation we might irritate the diplomats of certain other nations. I hope the majority leadership will not be overpersuaded by this State Department opposition.

May I now, Mr. President, invite the attention of the Senate to still another area in the field of internal security legislation to which I have given considerable thought and study, namely, wiretapping. There has been a great deal of confusion about proposed wiretapping legislation.

The Attorney General originally asked for a bill which would authorize the use in evidence of information obtained as a result of wiretaps. The House enacted a bill to permit this, but provided that in order to be able to use the evidence obtained through a wiretap the Attorney General would have to get a court order for the tap. The Attorney General has opposed this provision. He wants to continue to be the sole judge of when a wire may be tapped.

There has been some confusion, and, I fear, some misrepresentation with respect to my own position on this subject. I have not opposed the use of wiretapping to gather evidence in internal security cases, and I do not now oppose it. I agree that wiretapping is, as the Supreme Court has called it, "dirty business." Where the internal security of the United States is concerned, I believe wiretapping is a weapon which is needed, and the use of which can be justified; but I would not carry it beyond the internal security field.

I repeat, I have not opposed the use of wiretapping to gather evidence in internal security cases. I do not now oppose it. I have expressed opposition to the idea of letting the Attorney General be the sole judge of when a wire may be tapped. I believe the Attorney General's recommendation in this regard should be passed upon by a Federal judge and that wiretapping should be permitted only should a judge issue an order allowing it.

Furthermore, I believe that as a general proposition all wiretapping should be prohibited. Then an exception from the general prohibition should be made in cases affecting the internal security of the Nation, where the Attorney General recommends and there is an order from a Federal judge permitting the tap. I have introduced a bill, S. 3229, to implement this viewpoint. It is the only bill which has been introduced in either house, so far as I know, right down to the present time, which would prohibit wiretapping. I think this is important. Many who discuss this subject apparently fail to realize that wiretapping is not at the present time illegal. It should be made so. The only statute with respect to wiretapping at the present time is section 605 of the Communications Act, which prohibits the disclosure of information obtained through a wiretap. This has been interpreted as a bar to the use of such information in evidence in a criminal prosecution; but it is not a bar to the tapping of wires. My bill would provide a bulwark for the privacy of the individual by making wiretapping a crime except in internal security cases, with the approval of the Attorney General and under an order issued by a Federal judge.

I have stated before, and I want to repeat: the most important job Congress has to do with respect to wiretapping is to decide upon policy for the future. In determining that policy, the accent should not be upon permitting wiretapping, but upon prohibiting it. My bill writes the prohibition first and makes it tight; then it goes to the question of an exemption in the case of a duly authorized law enforcement officer engaged in the investigation of offenses involving the internal security of the United States.

The Attorney General is opposing this bill. He has filed a report against it with the Senate Committee on the Judiciary. In this report, the Attorney General has declared that "secrecy, uniformity, and expedition would each be better served by the elimination of any requirement for a court order." He has objected to a limitation of 6 months on the authority to tap a wire. He has declared that my bill is "unduly restrictive" and has urged the use of "broader language."

I ask unanimous consent, Mr. President, that the text of the antiwiretapping legislation which I propose, together with the text of the Attorney General's report, to which I refer, may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the bill (S. 3229) and the Attorney General's report were ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That chapter 13 of title 18 of the United States Code, entitled "Civil Rights," is amended by—

(a) Inserting, at the end of the sectional analysis preceding section 241 thereof, the following new section caption:

"245. Interception of wire communications."

(b) Inserting immediately after section 244 thereof, the following new section:

"§ 245. Interception of wire communications.

"Whoever, without authorization from the sender and the recipient of any wire communication by common carrier, willfully intercepts, or attempts to intercept, or procures any other person to intercept or attempt to intercept, or conspires with any other person to intercept or attempt to intercept such wire communication, except in compliance with State law or, in any case of an interception by a Federal officer or employee, in compliance with the second paragraph of this section, shall be fined not more than $5,000 or imprisoned not more than 10 years, or both.

"Whenever the Attorney General has reason to believe that evidence of the commission of any crime punishable under chapter 37, chapter 105, or chapter 115 of this title, or under section 4 or section 15 of the Subversive Activities Control Act of 1950, may be obtained, or that the commission of any such crime may be prevented, through the interception of any wire communication, he may so certify in writing and designate in such certificate any United States Attorney, Assistant United States Attorney, or officer or attorney of the Department of Justice authorized by him to make application for an order allowing such interception pursuant to this paragraph. Any officer or attorney so authorized may file with any judge of the United States Court of Appeals for the District of Columbia Judicial Circuit an application for an ex parte order allowing such interception. Such application shall be supported by the authorizing certificate of the Attorney General and by such oral explanation as the judge may require to determine whether there is reasonable ground for belief that such interception will result in the procurement of evidence of, or the prevention of, the commission of any such crime. If the judge determines that such ground has been shown, he shall issue an order allowing such interception. Each such order shall specify the circuit or circuits upon which communications may be intercepted, the purpose of such interception, and the identity of the individual or individuals authorized to make such interception. No such order shall be effective for a period longer than 6 months unless renewed for a second or subsequent period not in excess of 6 months, after a new determination by the judge in the case of each renewal that reasonable ground for continued interception has been shown. No such order shall authorize any such interception by any individual unless such individual is a duly appointed investigative officer of the Department of Justice. Any such order, together with the papers upon which the application therefor was based, shall be retained by the individual or individuals conducting such interception as authority for such interception, and a true copy of such order shall be retained by the judge who issued such order.

"As used in this section—

"(a) The term 'wire communication' means the transmission of writing, signs, signals, pictures, and sounds of all kind by aid of wire, cable, or other like connection between the points of origin and reception of such transmission, including all instrumentalities, facilities, apparatus, and services incidental to such transmission;

"(b) The term 'common carrier' means any person engaged, as a common carrier for hire, in wire communication (1) in interstate or foreign commerce, (2) in intrastate commerce, if its communications facilities are physically connected with the communications facilities of any such carrier engaged in interstate or foreign commerce, or (3) within the District of Columbia or any Territory or possession of the United States; and

"(c) The term 'person' includes an individual, partnership, association, joint-stock company, trust, or corporation.

"(d) The term 'intercepts' or 'intercept' shall not include anything done in the normal operation or use of a common carrier communications system."

SEC. 2. The proviso contained in section 605 of the Communications Act of 1934 (48 Stat. 1103; 47 U. S. C. 605) is amended to read as follows: "*Provided*, That this section shall not apply to the interception, receiving, divulging, publishing, or utilizing the contents of (a) any radio communication broadcast, or transmitted by amateurs or others for the use of the general public, or relating to ships in distress, or (b) any wire communication intercepted by any individual in compliance with the second paragraph of section 245 of title 18 of the United States Code; nor be deemed to prohibit the use by Federal law-enforcement officials, in connection with the prosecution or preven-

tion of any crime affecting the internal security of the United States, of any information obtained as a result of any interception, not in violation of section 245 of title 18 of the United States Code, of any wire or radio communication."

STATEMENT BY HON. HERBERT BROWNELL, JR., ATTORNEY GENERAL OF THE UNITED STATES, BEFORE A SUBCOMMITTEE OF THE JUDICIARY COMMITTEE, UNITED STATES SENATE, APRIL 20, 1954

This committee is deeply concerned over the shameful history of Communist espionage in Government and in other segments of our society, and of betrayal of our vital secrets. It seeks to find a new and fair solution to an old problem by its present inquiry into pending wiretap evidence proposals.

This is no easy task. The wiretapping controversy has raged for many years. The problem touches each of us. How can we best achieve a proper balance between the safety of the Nation and the precious liberties of the people?

Every Attorney General over the last 20 years has favored and authorized wiretapping by Federal officers in cases involving security. This policy adhered to by my predecessors has been taken with the full knowledge, consent, and approval of Presidents Roosevelt and Truman. None of the proposals before you gives the Attorney General or any other Government official any additional power to tap wires over and beyond that which has been exercised since 1941.

Much of the evidence now available of the illegal actions of Communists and of their future plans has been derived from wiretapping by the Federal Bureau of Investigation under supervision of various Attorneys General. Yet, as you know, wiretap evidence is not admissible in prosecutions in Federal courts.

This is so not because of any provision or right contained in the Constitution. On the contrary, the Supreme Court has held that introduction of wiretapping evidence neither violates rights against unlawful search or seizure under the fourth amendment nor rights against self-incrimination under the fifth amendment. The only reason wiretapped evidence is presently inadmissible in the Federal courts is that the Supreme Court has construed section 605 of the Federal Communications Act, enacted in 1934, as a bar to admitting such evidence even when obtained by Federal officers.

Now information is not an end in itself. The knowledge gained is important to the extent that it can be used promptly to forestall threatened danger to our internal security. It is equally essential that the information we obtain be admissible in court at the proper time and place to accomplish the objective of jailing those who have offended our laws.

Under section 605, as construed by the Supreme Court, the wiretaps might disclose that the accused has stolen and peddled important bomb secrets, or that he was plotting the assassination of a high Government official, or that he was about to blow up a strategic defense plant or commit some other grave offense. Yet neither the information obtained thereby, nor other information or clues to which the wiretaps indirectly led, could be introduced to convict this defendant. Indeed, if either all the evidence or any part of the vital evidence was obtained through this means, the defendant would go scot-free.

It was this loophole in our Federal law of evidence that led to reversal of the conviction in the Coplon case, though Judge Learned Hand, speaking for the Court of Appeals, refused to dismiss the indictment because the "guilt is plain."

It is this loophole that all of us are trying to plug so that those guilty of espionage and related offenses will no longer escape punishment merely because they resorted to the telephone to carry out their treachery.

Everyone agrees that invasion of privacy is repugnant to all Americans. But how can we possibly preserve the safety and liberty of everyone in this Nation unless we pull Federal prosecuting attorneys out of their straitjackets and permit them to use intercepted evidence in the trial of security cases?

Let us not delude ourselves any longer. We might just as well face up to the fact that the Communists are subversives and conspirators working fanatically in the interests of a hostile foreign power. Again and again they have demonstrated that an integral part of their policy is the internal disruption and destruction of this and other free governments of the world.

It is almost impossible to spot them, since they no longer use membership cards or other written documents which will identify them for what they are. Nor do they look like criminals or persons we would imagine would resemble the old type Bolshevik. The conspiratorial Communist is too smart to be singled out by physical traits or surface behavior. As a matter of necessity, they turn to the telephone to carry on their intrigue. The success of their plans frequently rests upon piecing together shreds of information received from many sources and many nests. The participants in the conspiracy are often dispersed and stationed in various strategic positions in Government and elsewhere throughout the country. Their operations are not only internal. They are also of an international and intercontinental character. Thousands of diplomatic, military, scientific, and economic secrets of the United States have been stolen by Soviet agents in our Government and other persons closely connected with the Communists. If we are to cope with our internal enemies we must know when they will strike next, who will be their next victim, what valuable Government secret will be the subject of a new theft, where a leading fugitive conspirator is being concealed. We must also be able to use our evidence in court so that these wrongdoers will no longer continue to prey on the freedom and liberty of our Nation.

Trailing these spies and traitors or trapping them is difficult unless you can tap their messages. Convicting them is practically impossible unless you can use these wiretaps in court.

Since these enemy agents will not talk in court or speak the truth, and since Federal agents are forbidden from testifying to what they heard over the phone, the Department of Justice is blocked from proving its case and sending these spies and espionage agents to jail where they belong. The result is that many of the persons responsible for these grave misdeeds are still at large and will actually be aided in their deceptions so long as the existing law of evidence is permitted to stand.

Surely this Nation need not wait until it has been destroyed before learning who its traitors are and bringing them to justice.

We turn now to the contentions raised by the opponents to pending bills authorizing wiretapped evidence to be admitted in the Federal courts.

The principal reasons for opposition to the pending bills are that wiretapping is still "dirty business"; that we should not fight Communist spies by imitating their methods; that wiretaps will be used to harm innocent persons; that privacy will be invaded, and people will be apprehensive about using the phone; and that the authority conferred upon Federal officers to wiretap may be abused. While these arguments are persuasive on their face, they do not stand up on analysis.

First consider the claim that intercepted evidence should not be admissible in Federal courts because wiretapping is "dirty business."

Inherently, we people have little liking for eavesdropping of any kind. Fair play and freedom mean so much to us. Wiretap snooping reminds us of the methods employed by the Nazi gestapo and the Soviet Secret Service.

While some of these people would ban such evidence, they seem to be unaware that the law presently admits evidence which is obtained by informers; by eavesdroppers at someone's keyhole or window; by an officer concealed in a closet; by installation of a recording device on the adjoining wall of a man's hotel or office; and by transmitters concealead on an agent's person. Moreover, under the law, a Government witness may testify to every word of his telephone conversation with a defendant, and his testimany may even be distorted by an imperfect memory or character. Yet the Federal court would not admit an exact transcription of an intercepted conversation in the form of a phonograph recording. And the Supreme Court only recently held that although evidence is unlawfully seized, it is admissible in a Federal criminal proceeding to establish that the defendant lied.

There is little, if anything, to distinguish between these approved methods of obtaining and admitting evidence, and wiretaps which are not admissible. In these modern times, society would be severely handicapped unless it could resort to these methods to combat crime and to protect itself from internal enemies.

Reevaluation of the critical situation today makes it clear that authorized wiretapping under careful restrictions in cases involving our national security is not "dirty business" at all, but a commonsense solution by Congress which will protect the liberty and security of all the people from those who wish to see it impaired.

Some opponents to wiretapping also claim that they are concerned with the protection of innocent persons who through no fault of their own may have become enmeshed with spies and subversives.

This argument has no real validity. The proposed laws will not permit the use of this evidence against innocent persons. Its use will be confined solely to criminal proceedings initiated by the Government against those criminals who seek to subvert our country's welfare. No innocent person would be hurt by legislation authorizing wiretaps to be admissible against our internal enemies. No intercepted evidence could ever be made public until a grand jury had indicted the accused for espionage, sabotage, or related crimes. Even upon a trial, no conversation or evidence obtained by wiretap could be introduced in court until a Federal judge had concluded that it was relevant, material, and obtained with the approval of the Attorney General.

Testifying in recent hearings on wiretapping, Miles F. McDonald, former assistant United States attorney and District Attorney of Kings County, N. Y., declared that he had never seen any case where an innocent person was harmed by a wiretap order, and he had been at the business for 14 years.

Opponents of wiretapping also charge that it encourages invasion of the individual's liberty and privacy; that the principle is wrong, and that people wolud be made fearful of using the telephone.

It would be just as reasonable to claim that people are afraid of walking in the street because policemen carry clubs and guns.

Contrary to general impression, authorizing the introduction of intercepted evidence in the Federal court would not interfere in any way with telephone privacy. As the law stands now, it does not stop people from tapping wires. It is still useful to those who make private use of it for personal gain. What has been stopped is the use of such evidence to enforce the laws against the Nation's most heinous criminals. Treason and

sabotage deserve no such privacy or protection. Mr. Justice Jackson observed, while Attorney General, that the decisions only protect those engaged in incriminating conversations from having them reproduced in Federal courts. These decisions merely lay down rules of evidence. He said:

"Criminals today have the free run of our communications systems, but the law enforcement officers are denied even a carefully restricted power to confront the criminal with his telephonic and telegraphic footprints."

It is also claimed that even controlled, restricted monitoring of the wires should not be permitted since the authority may be abused by irresponsible and indiscriminate use of it.

This apprehension is entirely understandable. Unfortunately, wiretapping has been brought into disrepute because of widespread abuse of it by private peepers.

The fact that the technique has been abused by private persons and some local enforcement officers for private benefit affords no reason for believing that it will be abused by the Federal Bureau of Investigation. Experience demonstrates that the Federal Bureau of Investigation has never abused the wiretap authority. Its record of nonpartisan, nonpolitical, tireless and efficient service over the years gives ample assurance that the innocent will not suffer in the process of the Bureau's alert protection of the Nation's safety."

As a recent editorial said:

"We've got wiretapping now. Why not use it where it will do the most good—against our national enemies?"

This seems to be the general feeling. Chief dispute centers on the mechanics by which the technique may be made most effective without impairment of individual rights and liberties. There are two schools of thought. One believes that the technique should be resorted to only after court permission; the other that we should continue the present system which has been in effect since 1941, namely, after authorization of the Attorney General alone.

The objections to vesting authority to permit wiretapping in the Attorney General are that he should not be allowed to police his own actions; that the authority may be abused when Government prosecutors turn out to be overzealous; that the court is more likely to be objective and curb indiscriminate wiretapping than the Attorney General; and that wiretapping is somewhat like a search into the privacy of an indivdual's affairs, and as in the case of a search, requires supervision by the courts.

The provision requiring an order by a Federal judge permitting wiretapping on a showing that there is reasonable cause for the order is patterned after a similar law in force in the State of New York for several years.

After hearings on similar bills before the House important objections were crystallized to the requirement of a court order as a condition to wiretapping. As a result, the House Committee on the Judiciary, in reporting the bill, said the following:

"Your committee believed that the best interests of all will be served by placing the control of wiretapping in the hands of the Attorney General of the United States. Many believed that it should be deposited in the Federal judiciary, but after weighing all the arguments advanced, your committee concluded that the nature of the crimes involved and the operation of wiretapping itself require such a high degree of secrecy if it is to be successful, that any opportunity for a leak would best be avoided by placing it under the control of the Attorney General.

"In addition to the need for secrecy, it should be pointed out that by placing control in the Attorney General, uniformity will be assured. This is clear when one considers the several hundred Federal judges who could issue court orders. In addition, the Congress itself is in a better position to study and, if necessary, control the activities of the Attorney General than that of the Federal judiciary. Furthermore, your committee is of the opinion that it is more consistent that control be placed in the Attorney General, for he is the one primarily responsible for the protection of our national security; he is in the best position to determine the need for wiretapping, and he has the responsibility of prosecuting for criminal violations.

"The type of crime which this legislation encompasses is not localized, but in most instances consists of a network reaching out over the length and breadth of the land. It overlaps judicial districts and covers many points in between. To compel the enforcement agents to operate in a limited geographic area while attempting to cover a nationwide network of crime, is not feasible. Finally, there is the question of the time element. Very often, speed is of the essence, and the time consumed in obtaining a court order might well result in the loss of vital evidence. Your committee feels that these difficulties may be avoided on the one hand and the needed benefits derived on the other when the approval and control is in the hands of the Attorney General."

This was also the view Mr. Justice Jackson, while Attorney General, in opposing the search warrant procedure which would authorize over 200 Federal judges to permit wiretapping. He was not only concerned with the loss of precious time involved in obtaining a court order, but felt that probable publicity and filing of charges against persons as a basis for wiretapping before investigation was complete might easily result in great injury to such persons. He too concurred in the opinion that "a centralized responsibility of the Attorney General can easily be called in question by the Congress, but you cannot interrogate the entire judiciary."

It is also my opinion that the wiretap technique would be attended by greater secrecy, speed, and better supervision by Congress if no court order was required. The need for a court order might prove to be so restrictive in practical operation as to be fatal to the primary objectives of bringing our traitors to justice. These spies are not so accommodating as to defer their scheming over the phone until we are able to hunt up a judge who will sign an order. Their conspiracy stretches out across every State in this country. It may be necessary to intercept communications at about the same time in many different parts of the country. Since a Federal judge in one district cannot grant an order for interception of a communication in another district, it will be necessary to go to a number of judges to obtain orders. Multiply the personnel working for these judges, their assistants, court clerks, secretaries, and others through whose many hands even ex parte orders are often channeled, and you can readily see that secrecy will be difficult to maintain.

For these reasons, a bill permitting designated Government agents to wiretap upon authority of the Attorney General in security cases (in other words, a continuation of the existing procedure under which all Attorneys General have operated since 1941) would, in my opinion, strike the best balance between the rights of the individual and the vital needs of the Nation.

Mr. McCARRAN. Mr. President, my bill would throw around the subject of wiretapping the kind of safeguards to personal privacy which should have been set up long ago.

Recognition of the justification, in the interests of the country, of wiretapping in connection with internal security cases, does not require approval of wiretapping at the personal discretion of a political officer.

I am being realistic in my approach to this matter. I want to see wiretapping authorized and the use of evidence obtained through wiretapping permitted, in cases affecting the internal security of the United States. I do not believe it will be possible to secure the enactment of such legislation, or even its approval by either House of the Congress, unless some safeguards are written into the bill; at the very least, provision for presentation of the Attorney General's request to a Federal judge and the issuance of an order by the judge, rather than leaving the matter to the discretion of the Attorney General.

I cannot but feel that the Attorney General, with all his opportunities and means for gathering intelligence, and with numerous congressional advisers at his disposal, must understand that this situation exists. I do believe the Attorney General knows that there is no possibility of getting a bill through Congress on this subject which will give the Attorney General alone full discretion with respect to what wires may be tapped and when. Therefore, Mr. President, when I see the Attorney General insisting that he would rather have no legislation than legislation requiring him to get the order of a Federal judge before tapping a private wire, I am impelled toward the conclusion that the Attorney General is more interested in retaining the right he now has, in the existing state of the law, to order the tapping of the wire of any person, for any reason, than he is in getting authority for the use of wiretap evidence in the prosecution of internal security cases.

One of the most needed items in the field of internal security legislation is a law to give a witness immunity from prosecution in the area concerning which he testifies, in order to make it possible to secure his testimony even after a claim of privilege under the fifth amendment.

Let me make it completely clear that this is not a proposal to invalidate or weaken or circumscribe the privilege against self-incrimination guaranteed by the fifth amendment to the Constitution of the United States. It is a proposal to meet a claim of privilege under that amendment with an immunity as broad as the privilege; in other words, to satisfy the constitutional privilege by granting immunity, and thus make the testimony available. Bear in mind that a witness has no constitutional right against testifying; he has only a constitutional right against being required to give testimony which may incriminate him, in the legal sense; that is, as the courts have interpreted it, which may form at least a link in a chain of evidence which may tend to convict the witness of a crime. Bear in mind also that when a witness claims privilege under the fifth amendment and on that basis declines to testify, he is necessarily asserting that there is an existing crime on which the statute of limitations has not run for which he could be prosecuted and of which he might be convicted if the evidence—or the link in the

chain—which might be provided by his testimony should become available to law enforcement authorities. The courts have held that to claim the privilege under other circumstances may amount to perjury.

The recommendation for enactment of an immunity statute is not original with the present Attorney General, in spite of newspaper stories based on Justice Department releases which convey that impression. The proposal was made by the Senate Internal Security Subcommittee in 1952. To implement that recommendation, I introduced a bill in the 82d Congress to grant immunity to witnesses before congressional committees. That bill was S. 1570 of the 82d Congress. I reintroduced the bill as S. 16 of the 83d Congress, on January 7, 1953, at the very beginning of this Congress. My bill was reported favorably from the Judiciary Committee on April 20, 1953, and passed the Senate on July 9, 1953. Ever since that time it has been pending in the Judiciary Committee of the other body.

I ask unanimous consent to have printed in the RECORD at this point the text of my bill (S. 16) as it passed the Senate and the text of the bill (S. 565) of the Senator from Tennessee [Mr. KEFAUVER].

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

S. 16

Be it enacted, etc., That title 18, United States Code, section 3486, is amended to read as follows:

"SEC. 3486. Testimony before Congress; immunity.

"No witness shall be excused from testifying or from producing books, papers, and other records and documents before either House, or before any committee of either House, or before any joint committee of the two Houses of Congress on the ground, or for the reason, that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture, when the record shows—

"(1) in the case of proceedings before one of the Houses of Congress, that a majority of the Members present of that House, or

"(2) in the case of proceedings before a committee, that two-thirds of the members of the full committee, including at least two members of each of the two political parties having the largest representation on such committee

shall by affirmative vote have authorized that such person be grantcd immunity under this section with respect to the transactions, matters, or things concerning which, after he has claimed his privilege against self-incrimination, he is nevertheless compelled by direction of the presiding officer or the Chair to testify. But no such witness shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which after he has claimed his privilege against self-incrimination he is nevertheless so compelled to testify, or produce evidence, documentary or otherwise.

"No official paper or record required to be produced hereunder is within the said privilege.

"No person shall be exempt from prosecution or punishment for perjury or contempt committed in so testifying.

"At least 1 week in advance of voting on the question of granting immunity to any witness under this act the Attorney General shall be informed of the intention to consider such question, and shall have assented to the granting of such immunity: *Provided*, That if the Attorney General does not assent to immunity within 1 week after requested by the committee, immunity can nevertheless be granted by the committee if by resolution of the particular House of the Congress having jurisdiction over the committee, said House by a majority yea-and-nay vote authorizes the granting of immunity."

S. 565

Be it enacted, etc., That section 3486 of chapter 223 of title 18 of the United States Code is amended by striking out the caption thereof and inserting the following: "§ 3486. Compelled testimony tending to incriminate witnesses; immunity", and by inserting "(a)" at the beginning of the text thereof and adding thereafter the following:

"(b) Whenever in the judgment of the Attorney General the testimony of any witness, or the production of books, papers, or other records or documents by any witness, in any case or proceeding before any grand jury or court of the United States is necessary to the public interest, such witness shall not be excused from testifying or from producing books, papers, and other records and documents on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but such witness shall not be prosecuted or subject to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such witness so testifying shall not be exempt from prosecution and punishment for perjury or contempt committed in so testifying.

"(c) The judgment of the Attorney General that any testimony, or the production of any books, papers, or other records or documents, is necessary to the public interest shall be confirmed in a written communication over the signature of the Attorney General addressed to the grand jury or court of the United States concerned, and shall be made a part of the record of the case or proceeding in which such testimony or evidence is given."

SEC. 2. The analysis of chapter 223 of title 18 of the United States Code is amended by striking out "3486. Testimony before Congress; immunity" and inserting in lieu thereof the following: "3486. Compelled testimony tending to incriminate witness; immunity."

Mr. McCARRAN. Mr. President, as it passed the Senate, my bill, S. 16, gave full recognition to the peculiar position occupied by the Attorney General of the United States, with respect to the prospective prosecution of any person for crime. The bill gave the Attorney General what amounted to a veto power with respect to the granting of immunity to any person, by providing that at least a week before a committee considered such a grant of immunity, the Attorney General should be notified; and if the Attorney General objected to the proposed grant of immunity, the committee could not grant it, but it could thereafter be granted only by a majority vote of the whole House of the Congress. It is, of course, unthinkable that either House of the Congress would grant immunity to a witness after the Attorney General of the United States had objected to such a grant on the ground that the witness should be prosecuted for crime. The provision retaining power in either House of the Congress to grant immunity to a witness even over the objection of the Attorney General is no more than is necessary to preserve the separation of powers between two separate and coordinate branches of the Government. It would not do to give an official in the executive branch absolute authority and discretion over action by one of the Houses of the Congress.

In spite of this recognition which the bill gives to the Attorney General, and the limited veto power vested in him by the bill, the Attorney General has consistently opposed the enactment of this measure. While making public statements and issuing press releases playing up the need for an immunity statute, the Attorney General has privately passed the word that my bill, S. 16, should not be enacted, and that no immunity statute should be enacted unless it gives the Attorney General complete discretion over the granting of immunity to witnesses before Federal grand juries, before petit juries in Federal courts, and before congressional committees.

There is some indication here, I think, that the Attorney General is more interested in augmenting his own power than he is in getting the testimony of witnesses who may be able to tell us some details of the Communist conspiracy. There is also, of course, some indication that the Attorney General is not interested in the enactment or advancement of legislation sponsored by Democrats.

As I have pointed out, the Senate acted on this subject and passed an immunity statute last year. If the Attorney General feels that the statute should be broadened so as to include authority for the Attorney General to grant immunity to witnesses before Federal grand juries and before juries in Federal courts, there certainly is no reason why he should not urge the House to amend the bill in that manner. But the Attorney General has not done either. Instead, he has urged the House and the House committee not to act on the Senate bill, S. 16, but, instead, to pass a separate House bill, giving the Attorney General complete authority in this field. He has urged this in spite of the fact that he must know that comity between the two Houses requires that when one House has acted on a subject, the other House, if it thereafter decides to act on the same subject, should do it by way of amendment to the bill of the first House. Here, again, it seems to me, the Attorney General has demonstrated more interest in having his own way, and in securing the enactment of something that can be labeled an "administration measure," than in getting legislation necessary for the internal security of the Nation.

Let me now mention briefly some other measures introduced during the present Congress, designed to strengthen the internal security of the United States, which, in my judgment, are needed as special weapons in our fight against communism.

In this category I count my resolution, Senate Resolution 15, which is aimed at making available to Senate investigating committees, books, papers or records which are needed in connection with a committee investigation. Enactment of this resolution is being opposed by the administration, which does not favor any assertion by the Congress of its

right to have from the executive branch any and all available information respecting subversive activity, disloyalty, corruption, or other undesirable conditions in the executive branch.

For the information of the Senate, I ask unanimous consent that the text of Senate Resolution 15 may be printed in RECORD at this point.

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

Resolved, That upon certification by the chairman or the acting chairman of a standing committee of the Senate that two-thirds of the members of the committee have voted to require the production of specified or identified books, papers, or records in the custody of an officer of the Government of the United States, the President of the Senate shall issue his warrant, returnable at a time when the Senate is meeting, commanding the Sergeant at Arms to obtain the books, papers, or records specified by the chairman or the acting chairman, and in the event of the refusal of the officer of the Government of the United States having custody thereof, to deliver the required books, papers, or records, to take the said officer into bodily custody forthwith, and bring him before the bar of the Senate, then and there to answer questions as to his refusal.

Mr. McCARRAN. Mr. President, on January 7, 1953, I introduced, and on March 6, 1953, the Senate approved, Senate Resolution 16, designed to make provision for security checks of employees of the Senate, of Senators, or of Senate committees. This resolution has not been implemented because the Department of Justice is not cooperating. It has been reported to me that the Attorney General has instructed the Federal Bureau of Investigation not to cooperate in this matter. I believe that to be true; and in the absence of any denial by the Attorney General, I shall continue to believe it.

I ask unanimous consent that the text of Senate Resolution 16 may be printed in the RECORD at this point.

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

Resolved, That hereafter when any person is appointed as an employee of any committee of the Senate, of any Senator, or of any office of the Senate the committee, Senator, or officer having authority to make such appointment shall transmit the name of such person to the Federal Bureau of Investigation, together with a request that such committee, Senator, or officer be informed as to any derogatory and rebutting information in the possession of such agency concerning the loyalty and reliability for security purposes of such person, and in any case in which such derogatory information is revealed such committee, Senator, or officer shall make or cause to be made such further investigation as shall have been considered necessary to determine the loyalty and reliability for security purposes of such person.

Every such committee, Senator, and officer shall promptly transmit to the Federal Bureau of Investigation a list of the names of the incumbent employees of such committee, Senator, or officer together with a request that such committee, Senator, or officer be informed of any derogatory and rebutting information contained in the files of such agency concerning the loyalty and reliability for security purposes of such employee.

Mr. McCARRAN. Mr. President, on January 7, 1953, I introduced a bill, S. 4, to deny income-tax exemption to organizations which make donations to subversive organizations or to subversive individuals. I discussed that bill on the floor of the Senate, urging its consideration. I pointed out that I realize such legislation cannot originate in the Senate, since it is in the nature of a revenue bill; but I urged that the bill be considered as an amendment to some tax measure, which might come over from the other body. Not one voice in the administration was raised in favor of this proposal. I cannot understand why the administration did not support this bill, unless there may have been some confusion of politics with purposes. On July 1, I offered the substance of this bill as an amendment to the general tax revenue bill, and I am happy to say the Senate adopted the amendment.

I earnestly hope it will stay in the bill; because enactment of this provision would shut off tax exemption benefits to organizations which are helping to support subversive activities in this country. Furthermore, it would help to shut off the flow of funds to such organizations, by eliminating also the tax-exempt status of donations made to them.

At this time I ask unanimous consent that the text of S. 4 be printed in the RECORD at this point.

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

Be it enacted, etc., That chapter 38 of the Internal Revenue Code is amended by adding at the end thereof a new section as follows:

"SEC. 3815. Denial of exemption under section 101 (6) in the case of organizations making donations to subversive organizations or individuals.

"(a) Definitions: For the purposes of this section—

"(1) Subversive organization: The term 'subversive organization' means any organization which (A) advocates, abets, advises, or teaches the duty, necessity, desirability, or propriety of overthrowing or destroying the Government of the United States by force or violence, or (B) is on the list of organizations furnished by the Attorney General pursuant to part III, section 3 of Executive Order No. 9835 of March 21, 1947, or (C) is registered (or required by a final order of the Subversive Activities Control Board to register) with the Attorney General under section 7 of the Subversive Activities Control Act of 1950.

"(2) Subversive individual: The term 'subversive individual' means any individual who (A) advocates, abets, advises, or teaches the duty, necessity, desirability, or propriety of overthrowing or destroying the Government of the United States by force or violence, or (B) is a member of any subversive organization as defined in paragraph (1) of this subsection, or (C) is registered or required to be registered with the Attorney General under section 8 of the Subversive Activities Control Act of 1950.

"(3) Donation: The term 'donation' includes (A) any gift, contribution, or grant of money, property, services, or any other thing of value, and (B) any loan of money, property, services, or any other thing of value, other than a loan in the course of a bona fide business transaction.

"(b) Denial of exemption:

"(1) General rule: No organization which makes a donation to any subversive organization or to any subversive individual shall be exempt from taxation under section 101 (6).

"(2) Exceptions: The provisions of paragraph (1) of this subsection shall not apply in the case of any donation made by an organization to—

"(A) an individual solely for charitable purposes to supply food, clothing, shelter or other necessities for such individual or for members of his family or household; or

"(B) an individual solely for the purpose of providing medical or hospital services for such individual or for members of his family or household; or

"(C) an organization which furnishes to the donor organization in advance of such donation a sworn statement that it is not a subversive organization as defined in subsection (a) (1) of this section, unless the donor organization knows or has reasonable opportunity to know that such organization is a subversive organization; or

"(D) an individual who furnishes to the donor organization in advance of such donation a sworn statement that he is not a subversive individual as defined in subsection (a) (2) of this section, unless the donor organization knows or has reasonable opportunity to know that such individual is a subversive individual.

For the purpose of this subsection, an organization shall, with respect to the making of any donation, be charged with the knowledge or opportunity to know of any officer, agent, or employee of such organization who actively participates in the making of such donation.

"(3) Taxable years affected: A denial of exemption under section 101 (6) by reason of this section shall be effective for taxable years commencing with the taxable year during which the Secretary, after notice and opportunity for a hearing, determines that an organization has made a donation to which the provisions of this subsection are applicable.

"(c) Future status of organization denied exemption: Under regulations prescribed by the Secretary, any organization denied exemption under section 101 (6) by reason of this section may, during any taxable year following the taxable year in which exemption is denied, file claim for exemption, and if the Secretary, pursuant to such regulations, is satisfied that there is no reason for believing that such organization will again make a donation which would be grounds for denial of exemption by reason of this section, such organization shall be exempt under section 101 (6) with respect to taxable years subsequent to the taxable year in which such claim is filed.

"(d) Disallowance of certain charitable, etc., deductions: No gift or bequest for religious, charitable, scientific, literary, or educational purposes (including the encouragement of art and the prevention of cruelty to children or animals), otherwise allowable as a deduction under section 23 (o) (2), 23 (q) (2), 162 (a), 505 (a) (2), 812 (d), 861 (a) (3), 1004 (a) (2) (B), or 1004 (b) (2) or (3), shall be allowed as a deduction if made to an organization during a taxable year of such organization in which it is not exempt under section 101 (6) by reason of this section, unless such gift or bequest is made prior to the date of the Secretary's determination under subsection (b) (3) that such organization has made a donation to which the provisions of subsection (b) are applicable."

SEC. 2. (a) Section 23 (o) (2) of the Internal Revenue Code is amended by inserting after "sections 3813" the following: ", 3815."

(b) Section 23 (q) (2) of the Internal Revenue Code is amended by inserting after "section 3813" the following: ", 3815."

(c) Section 101 (6) of the Internal Revenue Code is amended by striking out "sections 3813 and 3814" and inserting in lieu thereof "sections 3813, 3814, and 3815."

(d) Section 162 (a) of the Internal Revenue Code is amended by striking out "section

23 (ee);" and inserting in lieu thereof the following: "section 23 (ee). For disallowance of certain charitable, etc., deductions otherwise allowable under this subsection, see section 3815."

(e) Section 505 (a) (2) of the Internal Revenue Code is amended by inserting after "sections 3813" the following: ", 3815."

(f) Section 812 (d) of the Internal Revenue Code is amended by inserting "sections 3813" the following: ", 3815."

(g) Section 861 (a) (3) of the Internal Revenue Code is amended by inserting after "sections 383" the following: ", 3815."

(h) Section 1004 (a) (2) (B) of the Internal Revenue Code is amended by inserting after "sections 3813" the following: ", 3815."

(i) Section 1004 (b) of the Internal Revenue Code is amended by inserting after "sections 3813" the following: ", 3815."

SEC. 3. The amendments to the Internal Revenue Code made by this act shall be applicable only with respect to taxable years ending after the date of enactment of this act. The provisions of section 3815 (b) of the Internal Revenue Code, as added by this act, shall be applicable only with respect to donations (as defined in section 3815 (a) (3)) made after the date of enactment of this act.

Mr. McCARRAN. Mr. President, in the 82d Congress I introduced a bill, S. 1914, to strengthen the laws against sabotage by broadening the definitions of "war premises" and "national-defense premises." I reintroduced the bill in the first session of the present Congress. The provisions of this bill have now, I find, been included in draft legislation transmitted by the Department of Justice for introduction as part of the administration's program of internal-security legislation. I will admit I am flattered, but I cannot help wondering why this new approach. Why does not the administration just help me pass S. 962?

I ask unanimous consent of the Senate that the text of S. 962 be printed in the RECORD at this point.

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

Be it enacted, etc., That the definition of "war premises" in section 2151 of title 18, United States Code, is amended to read as follows:

"The words 'war premises' include all buildings, grounds, mines, or other places wherein such war material is being or may be produced, manufactured, repaired, stored, mined, extracted, distributed, loaded, unloaded, or transported, together with all machinery and appliances therein contained; and all forts, arsenals, navy yards, camps, prisons, or other military or naval stations of the United States, or any associate nation."

SEC. 2. The definition of "national-defense premises" in section 2151 of title 18, United States Code, is amended to read:

"The words 'national-defense premises' include all buildings, grounds, mines, or other places wherein such national-defense material is being or may be produced, manufactured, repaired, stored, mined, extracted, distributed, loaded, unloaded, or transported, together with all machinery and appliances therein contained; and all forts, arsenals, navy yards, camps, prisons, or other military or naval stations of the United States."

Mr. McCARRAN. Mr. President, in April of this year I introduced a bill, S. 3277, to amend the Internal Security Act of 1950 so as to require each Department or agency in the executive branch of the Government to submit quarterly reports to the Congress with regard to employees separated as security risks. This is a very simple bill, designed to get for the Congress information respecting employees separated in a number of different categories, to wit, for alcoholism or drunkenness, for disloyalty, as law breakers, as sex deviates, as Communists, as subversives other than Communists, for objectionable behavior not otherwise specified, or for untrustworthy behavior not otherwise specified, or for some other reason within the "security risk" category.

This is, I think, a reasonable proposal. Congress needs such information; and the furnishing of it by the Government Departments would certainly clear up a great deal of confusion which has resulted from widely varying reports, all emanating from administration sources, respecting so-called "security firings." I have not seen any indication of support for this bill from the administration however.

At this point, I ask unanimous consent of the Senate that the text of S. 3277 be printed in the RECORD.

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

Be it enacted, etc., That the Internal Security Act of 1950 is amended by adding at the end of title I thereof a new section as follows:

"SEC. 32. (a) Each department or agency in the executive branch of the Government shall submit quarterly reports to the Congress with regard to employees separated as "security risks."

"(b) Each report filed pursuant to subsection (a) hereof shall—

"(1) be filed not later than the 10th day of the calendar month next following the close of the quarter;

"(2) be made public at the time of filing; and

"(3) list separately the number of persons separated during each calendar month covered by the report in each of the following categories:

"a. alcoholism or drunkenness;
"b. disloyalty;
"c. lawbreakers (felony);
"d. lawbreakers (misdemeanor);
"e. sex deviates;
"f. subversive (Communist);
"g. subversive (other than Communist);
"h. objectionable behavior not included above;
"i. untrustworthy behavior not included above; and
"j. other (specify)."

Mr. McCARRAN. On January 7, 1953, I introduced, and on June 8, 1953, the Senate passed, my bill, S. 3, to prevent citizens of the United States, of questionable loyalty to the Government of the United States, from accepting any office or employment in or under the United Nations.

At this point I ask the unanimous consent of the Senate that the text of S. 3 be printed in the RECORD.

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

Be it enacted, etc., That (a) no citizen of the United States hereafter shall accept any office or employment in or under the United Nations or any organ or agency thereof unless he has applied in writing to the Attorney General of the United States for, and has received from such officer, the security clearance required by this section.

(b) Under such regulations as the Attorney General shall prescribe, each application for security clearance filed pursuant to subsection (a) shall bear the fingerprints of the applicant, and shall contain a true and complete statement, executed by the applicant under oath, of the following information concerning such applicant:

(1) Each arrest, indictment, or conviction of the applicant for the violation or alleged violation of any law of the United States or of any State or Territory of the United States other than a violation or alleged violation of any law or ordinance for the regulation of motor vehicle traffic punishable as a misdemeanor.

(2) Each membership held by the applicant at any time in any organization or any service rendered to or operated under the discipline of any organization (A) teaching or advocating the overthrow of the Government of the United States by force and violence, (B) registered as a Communist-action or Communist-front organization pursuant to section 7 of the Subversive Activities Control Act of 1950, or (C) required by final order of the Subversive Activities Control Board to register pursuant to such section.

(3) Each name, other than the name subscribed upon such application, by which such applicant has been known and shall forward such information to the United Nations or special agency thereof wherein the applicant is seeking employment.

(4) Each occasion on which the applicant has applied to the Government of the United States for a passport and has been denied such passport.

(5) The circumstances under which the applicant has been discharged or has resigned from any office or employment in or under the Government of the United States or any agency or instrumentality thereof.

(6) Such other information as the Attorney General shall determine to be necessary for the purpose of ascertaining whether the occupancy by the applicant of any office or employment in or under the United Nations or any organ or agency thereof would involve reasonable probability of danger to the security of the United States.

(c) Upon the filing of any application pursuant to this section, the Attorney General shall conduct as expeditiously as may be practicable such investigation as he shall deem necessary to ascertain whether in his opinion the occupancy by the applicant of any office or employment in or under the United Nations or any organ or agency thereof would involve reasonable possibility of danger to the security of the United States. If no such possibility is determined to exist, the Attorney General shall furnish to the applicant a written statement of security clearance. If such possibility is determined to exist, the Attorney General shall furnish to the applicant a written denial of his application together with a statement of his reason for such denial.

SEC. 2. Each citizen of the United States who on the date of enactment of this Act occupies any office or is engaged in any employment in or under the United Nations or any organ or agency thereof shall, within 60 days after such rate, file with the Attorney General of the United States a registration statement in such form as the Attorney General shall prescribe. Each registration statement shall bear the fingerprints of the person filing such statement, and shall contain a true and complete statement, executed by such person under oath, of the following information concerning such person:

(a) The nature of the office or employment held by such person in or under the United Nations or any organ or agency thereof.

(b) The period during which such office or employment has been held by such person.

(c) Each element of information specified in paragraphs (1) to (6), inclusive, of subsection 1 (b) with respect to applicants for security clearance under section 1 of this act.

SEC. 3. (a) Whoever, being a citizen of the United States, shall accept any office or employment in or under the United Nations or any organ or agency thereof in violation of subsection 1 (r.) of this act shall be fined not more than $10,000 or imprisoned for not more than 5 years, or both.

(b) Whoever, being a citizen of the United States and an officer or employee of the United Nations or any organ or agency thereof, shall willfully fail to comply with the requirements of section 2 of this act, or who shall aid, abet, or counsel any other such person to refrain from compliance with such requirements, shall be fined not more than $10,000, or imprisoned for not more than 5 years, or both.

(c) Whoever shall willfully make any false statement in any application or registration statement filed under this act, or willfully omit to state in any such application or registration statement any fact required by law or regulation to be stated therein or necessary to make the statements made or information given therein not misleading, shall be fined not more than $10,000 or imprisoned for not more than 5 years, or both.

Mr. McCARRAN. Mr. President, this bill was intended to implement the recommendations of the Senate Internal Security Subcommittee, and seeks to guarantee by statute that among American citizens employed by the United Nations shall be only those of unquestioned loyalty to their country.

I ask unanimous consent that two indicated passages of the Judiciary Committee's report on this bill may be inserted in the RECORD at this point.

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

This committee believes * * * "that procedure should be devised for giving the greatest possible degree of assurance that information respecting the loyalty of any American-citizen employee of the United Nations be communicated to the proper authorities of that organization."

"* * * Since the establishment of the United Nations, it has been demonstrated that American citizens were employed whose loyalty to the United States is at least questionable. Since no specific legislative authority heretofore provided for a loyalty check, it has been stated that the State Department has felt that it lacked the authority to provide such check on American citizens employed by an international organization. However, the State Department has recently indicated they desire that this situation be remedied.

"This legislation * * * would provide the necessary authority and, as well, an obligation on the part of the Attorney General to advise the United Nations of any item of questionable loyalty of American employees or applicants for employment with the United Nations.

"The committee believes that the enactment of this legislation is necessary in the interest of the internal security of the United States. It is necessary particularly because the seat of the United Nations is located in the United States. The United States has a special concern for the loyalty of its own nationals who are employed by the international organization. The committee further believes that the time has come for legislation which will provide for a security clearance of all present and prospective American employees of the United Nations and agencies thereof."

Mr. McCARRAN. Mr. President, the Senate Committee on the Judiciary, and the Senate, approved S. 3 in the face of adverse reports from the Department of State and the Department of Justice. In its report on S. 3, the committee answered those adverse reports fully. But, Mr. President, these Departments of the executive branch have continued to oppose enactment of this legislation. The Attorney General has continued to oppose it. The bill is bottled up in the other body, because of the opposition of the administration—the same administration which has made so much noise about its desire for enactment of legislation to strengthen the internal security of the country.

As the Judiciary Committee of the Senate has pointed out, there is no way except by Congressional action to prohibit United States nationals who are subversives from accepting employment from the United Nations. But this should be prohibited. There is no way except by Congressional action to require present employees of the United Nations, who are United States nationals, to file registration statements designed to disclose possible subversion. But this should be required. My bill, S. 3, which would accomplish these desirable objectives, has been passed by the Senate. It is being opposed by the administration, and is being held up by reason of that opposition. I hope the millions of Americans, throughout the country, whose interest in internal security legislation is very real and very vital, will recognize the importance of this situation.

It cannot be said, Mr. President, that there is no problem with respect to subversion among United States citizens who are employed by the United Nations. The present United States representative to the United Nations, former Senator Henry Cabot Lodge, Jr., wrote on February 9:

I agree that there are opportunities for anti-American activities on the part of United States nationals in the United Nations and this is exactly one of the reasons why I feel it is extremely important that we get rid of any disloyal Americans in the Secretariat or related United Nations agencies.

My bill, S. 3, is directly in line with the publicly avowed purposes of the present administration. The provisions of the bill would dovetail very well indeed with these publicly avowed purposes.

I ask unanimous consent that an explanation of how the bill would work, which I made on an earlier occasion, may be printed in the RECORD at this point.

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

The bill does not impose any restrictions upon the United Nations itself, nor does it attempt to coerce the officials of the U. N. The bill recognizes that the Congress cannot require the administrative officials of the United Nations to dismiss American nationals merely because this Government might disapprove of the employment of such persons. This bill would operate directly upon American nationals, and has no operating effect directly upon the United Nations. With respect to an American national now employed by the United Nations, this bill would merely require the submission of certain information basic to a proper determination of the question as to whether such employee represents a security risk to the United States. With respect to persons not now employed by the United Nations, this bill would explicitly prohibit acceptance of such employment without first receiving security clearance. The test of such clearance would be whether the Attorney General finds evidence that there is a reasonable possibility of danger to the security of the United States through the employment of the applicant by the international organization. If the Attorney General finds such danger to the security of the United States, he would issue a written denial of the application for security clearance, together with a statement of his reason for such denial, and would forward that information to the United Nations or a special agency thereof, so that body would have notice of the doubtful loyalty to the United States of the prospective employee. Such a denial would not, of course, bar the United Nations from hiring the applicant; but it would make it unlawful for the applicant himself thereafter to accept a United Nations job. On the other hand, if the Attorney General should find that the applicant's employment by the United Nations would not involve reasonable possibility of danger to the security of the United States, he would give a security clearance.

Mr. McCARRAN. Mr. President, I simply cannot understand the opposition of the Justice Department to this bill, unless it is motivated by the opposition of the Department of State; and I cannot understand the opposition of the Department of State, except upon the theory that there are those in that Department who are more concerned with pleasing the representatives of foreign governments than they are with protecting the security of the United States.

In that connection, let me call the attention of the Senate to a piece of legislation fostered by the administration and being urged for enactment by the Attorney General and also by the Department of State; legislation which would exempt numerous representatives of foreign nations—persons who have received instruction or assignment in the espionage, counterespionage, or sabotage service or tactics of a government of a foreign country. Those who would be exempted under this administration proposal include all foreign diplomatic and consular officers who come to our shores, all officials of foreign governments who come here—remember, in the Soviet Union even a trade-union leader or a factory superintendent is a government official—all members of the staffs of diplomatic or consular missions to the United States, all employees of such missions, all visiting representatives of foreign governments, visiting members of the forces of any of the NATO countries, and all representatives of foreign governments on or to any international organization, as well as—and this is a very big exemption—all officers or employees of any international organization, including the members of their families.

Approval of such broad and blanket exemptions would not, in my opinion, serve the best interests of the United

States. It would seriously weaken section 20 of the Internal Security Act. Yet the administration has caused the provisions of this legislation to be introduced in both Houses of the Congress. Bills which contain these provisions include S. 3475, H. R. 9023, and H. R. 9580. In submitting a draft of proposed legislation identical with S. 3475, the Department of Justice sent to the Senate a letter which is a masterpiece of misdirection. You would never know from this letter that the bill being submitted by the Department of Justice actually weakened section 20 of the Internal Security Act; and the very restrained mention of "exemption of certain categories of persons" certainly does not convey adequate information respecting the very broad exemptions which the bill would grant.

I ask unanimous consent that the text of this letter, which I now send forward, may be printed in the RECORD at this point.

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

APRIL 29, 1954.

The VICE PRESIDENT,
United States Senate,
Washington, D. C.

DEAR MR. VICE PRESIDENT: The Department of Justice recommends the repeal of section 20 (a) of the Internal Security Act of 1950 and the enactment in its place of legislation which would better accomplish the section's intended purpose.

Section 1 (c) of the Foreign Agents Registration Act of 1938, as amended (52 Stat. 631; 22 U. S. C. 611), defines the term "agent of a foreign principal." The effect of section 20 (a) of the Internal Security Act of 1950 was to include within the definition persons who have knowledge of or training in foreign espionage or sabotage systems. Since the registration provisions of the Foreign Agents Registration Act make it clear that only those persons who presently or hereafter act as agents of foreign principals are required to register, persons who are agents of foreign principals by definition, but who are not currently acting as such, are not so required. Hence, persons with knowledge of or training in the espionage, counterespionage, or sabotage service or tactics of a foreign government or political party, who have not since the enactment of section 20 (a) acted as foreign agents, appear to be under no obligation to register.

Furthermore, in administering the Foreign Agents Registration Act the Department of Justice has attempted to make it clear that registration under the act in no way places any limitations on the activities which may be engaged in by a foreign principal and carries no stigma. The tenor and import of the act are altered, however, by including within the definition of "agent of a foreign principal" persons who have knowledge of or training in foreign espionage or sabotage systems.

For these reasons it is recommended that section 20 (a) of the Internal Security Act be repealed and in its place there be enacted a separate registration statute which will require the registration of persons having knowledge of foreign espionage and sabotage systems, irrespective of whether they are currently agents of foreign principals.

There is attached for your consideration a draft of a measure which would effectuate the foregoing recommendation. It will be noted that provision is made for the exemption of certain categories of persons from its registration requirements. These exemptions have been concurred in by the Departments of State and Defense.

The Bureau of the Budget has advised that there is no objection to the submission of this recommendation.

Sincerely,

_____,
Attorney General.

Mr. McCARRAN. Mr. President, recently the Attorney General made headlines with a statement, issued through the White House, respecting the antisubversive accomplishments of the administration. It sounded as though everything on this list of accomplishments was something the administration had done singlehandedly. The release gave the impression, and appeared intended to give the impression, that this was a program conceived and initiated and carried forward and implemented entirely by the present administration.

This release spoke of the conviction of a number of leaders of the Communist Party. It did not say anything about the law under which they were convicted, which was not an administration measure. It did not say anything about when they were indicted; some of them at least were indicted under the previous administration. The statement spoke of the number indicted by the present administration. It did not disclose how many of those were investigated under the previous administration, and the cases prepared in whole or in part as a result of such investigation.

The Attorney General's statement spoke of convictions for treason, espionage, false statement, and perjury. It did not indicate the number of the false statement and perjury cases which have subversive background, and it did not indicate how many of the convictions referred to stemmed from indictments or investigations begun under the previous administration.

The Attorney General's statement spoke of the deportation of subversive aliens. It did not indicate that these deportations were made possible under the provisions of the Immigration and Nationality Act of 1952, which, I am proud to say, is one of the statutes often referred to as the McCarran Act. The Attorney General's statement spoke of the denaturalization of certain subversive aliens. It did not say anything about the legal basis for this denaturalization; but, obviously, it was either under the Internal Security Act of 1950 or the Immigration and Nationality Act of 1952. The enactment of those laws was no accomplishment of this administration, and in enforcing those laws the administration is only doing its sworn duty.

The Attorney General's statement spoke of barring entry to 127 subversives. The statement did not say that the authority for keeping these subversives out is to be found in the McCarran-Walter Act, the Immigration and Nationality Act of 1952.

In a way, the omissions from this statement by the Attorney General are more revealing than what is included. I mention the matter because I feel deeply the importance of clearly characterizing opposition to communism as being the duty of all Americans, regardless of affiliation, not as the privately monopolized prerogative of any one group or party or faith.

Mr. President, I think my remarks today demonstrate that the subject of internal security legislation has many ramifications and requires sound judgment, measured by experience and full deliberation. It is not a field for headline catching, or cure-alls concocted by political opportunists who see in our death struggle with international communism an issue out of which to make political capital. I say to them, "Come down into the trenches with those of us who through the years have been slugging it out, toe-to-toe, with the Communists and other traitors. Get your noses bloodied in the fight, and then measure your weapons." Yes, Mr. President, the hour is late. The stakes are high. We have no time for petty partisan politics in this fight. I gladly pay tribute to my colleagues on both sides of the aisle whom I have seen heroically, unselfishly waging this fight against tremendous odds. I pay particular tribute to my successor as chairman of the Internal Security Subcommittee, the junior Senator from Indiana [Mr. JENNER], who is carrying on so fearlessly the work to which I have devoted much of my time and energy.

The hour calls for men who will respond to the sentiments of Josiah Gilbert Holland, who, years ago, wrote in another land:

God give us men! A time like this demands
strong minds,
Great hearts, true faith, and ready hands;
Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
Men who have honor—Men who will not lie;
Tall men, sun-crowned, who live above the
fog
In public duty and in private thinking!

DISTRICT OF COLUMBIA FAMILY COURT

Mr. GORE. Mr. President, on May 24, last, I entered, by request, a motion to reconsider the action by which Senate bill 2701, the so-called District of Columbia family court bill, was passed.

Tomorrow, I shall ask unanimous consent to withdraw the motion to reconsider. If the unanimous-consent request be denied, I shall then confer with the leadership of both the majority and the minority, seeking a proper time to move consideration of the motion to reconsider.

Mr. McCARRAN. Mr. President, I believe the Senator from Tennessee, after a conference with me, and at my suggestion, entered the motion to reconsider.

At that time, and now, there was, and is, pending a bill to create a considerable number of additional Federal judges. Three additional judges were to be allotted to the District of Columbia, with the idea that the three judges who would be appointed to the United States District Court for the District of Columbia would be assigned to the duty which is provided for in the court bill to which the Senator from Tennessee has referred.

Inquiry which I have made indicates that it is highly doubtful that the judgeship bill will pass both Houses of Congress at this session. That being the

case, I certainly do not desire that the District of Columbia family court bill should be held up. If the Senator from Tennessee thinks that the family court bill should proceed to consideration—and the bill addresses itself entirely to the District of Columbia and the affairs of the District of Columbia—I certainly shall not ask that it be delayed any longer.

However, I think it is a subject which undoubtedly should be looked into with great care as, I am certain, the Senator from Tennessee already has examined into the matter with care. As I understand, the bill was reported from the Committee on the District of Columbia. It establishes another new, distinct court within the District of Columbia. Certainly the bill should have had, as I hope it has had, study, care, and thought in its formation.

Mr. BUTLER. Mr. President, I know of no objection on this side of the aisle to the bill or to the withdrawal of the motion; but in the absence of the majority leader, I should prefer that the matter go over until tomorrow.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 268. An act for the relief of Harold Trevor Colbourn;

S. 381. An act for the relief of Donald Grant;

S. 455. An act for the relief of Johan Gerhard Faber, Dagmar Anna Faber, Hilke Faber, and Franke Faber;

S. 490. An act for the relief of Josephine Reigl;

S. 520. An act for the relief of Mr. and Mrs. Ivan S. Aylesworth;

S. 579. An act for the relief of Wong You Henn;

S. 676. An act for the relief of Eftychios Mourginakis;

S. 747. An act for the relief of Jacek Von Henneberg;

S. 1050. An act for the relief of Josephine Maria Riss Fang;

S. 1382. An act for the relief of Elie Joseph Hakim and family;

S. 1508. An act for the relief of Borivoje Vulich;

S. 1517. An act for the relief of Helen Knight Waters and Arnold Elzey Waters, Jr.;

S. 1689. An act for the relief of Mrs. Cacila Gotthardt Gange;

S. 1796. An act to incorporate the Board of Fundamental Education;

S. 1991. An act for the relief of Esperanza Jimenez Trejo;

S. 2198. An act for the relief of (Sister) Jane Stanislaus Riederer;

S. 2369. An act for the relief of Karl Ullstein;

S. 2465. An act for the relief of Lydia Wickenfeld Butz;

S. 2488. An act to provide that each grant of exchange assignment on tribal lands on the Cheyenne River Sioux Reservation and the Standing Rock Sioux Reservation shall have the same force and effect as a trust patent, and for other purposes;

S. 3196. An act for the relief of Dr. Helen Maria Roberts (Helen Maria Rebalska);

S. 3291. An act authorizing the President to present a gold medal to Irving Berlin;

S. 3336. An act to promote the apportionment of the waters of the Columbia River and tributaries for irrigation and other purposes by including the States of Nevada and Utah among the States authorized to negotiate a compact providing for such apportionment; and

S. J. Res. 165. Joint resolution to provide for construction by the Secretary of the Interior of the Glendo unit, Wyoming, Missouri River Basin project.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 222) to suspend for 2 years the duty on crude bauxite.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 303) to transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. D'EWART, Mr. BERRY, Mr. WESTLAND, Mr. ASPINALL, and Mr. HALEY were appointed managers on the part of the House at the conference.

RECESS

Mr. BUTLER. Mr. President, I move that the Senate stand in recess until tomorrow at noon.

The motion was agreed to; and (at 4 o'clock and 58 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, July 7, 1954, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 6, 1954

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, we thank Thee for that great day in our national history, called Independence Day, which we were again privileged to commemorate and celebrate.

We rejoice that the God, who guided and sustained our forefathers in the long ago, is also our God and that He will be the God of our children and all succeeding generations.

May we daily pledge allegiance and fidelity to the principles and convictions of the Founding Fathers and never allow the light of freedom to become extinguished.

Grant that we may covet and cultivate the spirit of unity, for our beloved country cannot maintain its liberty and occupy a sacred place of influence and power in wisely shaping the life and destiny of mankind so long as there is discord and absence of harmony.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of Friday, July 2, 1954, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 249. Concurrent resolution expressing the sympathy of Congress to the people of Texas and Mexico who have been stricken by the Rio Grande flood.

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. 3605. An act to abolish the offices of Assistant Treasurer and Assistant Register of the Treasury and to provide for an Under Secretary for Monetary Affairs and an additional Assistant Secretary in the Treasury Department.

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. 8300. An act to amend the internal revenue laws of the United States.

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. MILLIKIN, Mr. MARTIN, Mr. WILLIAMS, Mr. GEORGE, and Mr. BYRD to be the conferees on the part of the Senate.

SPECIAL ORDERS GRANTED

Mr. GATHINGS asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders heretofore entered.

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

LEAVE OF ABSENCE

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent that a week's leave of absence be granted the gentleman from Georgia [Mr. PRESTON] on account of official business.

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

There was no objection.

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent that leave of absence for 3 weeks be granted the gentlemen from Louisiana [Mr. WILLIS and Mr. THOMPSON].

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

There was no objection.

RALSTON EDWARD HARRY—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 462)

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 3, 1954.

The honorable the SPEAKER,
House of Representatives.

SIR: I have the honor to transmit herewith a sealed envelope addressed to the Speaker of the House of Representatives from the President of the United States, received in the Clerk's office on July 3, 1954,