However, those computations which I have made indicate the magnitude of the profit which Mr. Onassis and the Arabians would make.

But I do say that these estimates are not unfounded projections. They are written right there in the terms of the contract.

Insofar as the American consumers are affected, they would end up paying the bill for the price increases on perhaps 15 or 20 percent of the Arabian oil—that being more or less the proportion which comes to the United States.

But that is only the beginning. If the other nations of the free world are forced to draw down their scanty foreign exchange reserves to pick up the bill for the balance of the oil—perhaps 80 or 85 percent—it will mean that there will be less foreign exchange in their coffers. Hence, requests for increases in the grants and loans annually sought from the American taxpayer will no doubt appear in due course.

My conjecture is that, if this agreement is permitted to stand, the American consumer and/or the American taxpayer will end up paying these gigantic sums for the support of Mr. Onassis and for the support of this nationalistic Arab nation.

LEGAL STEPS WHICH THE AMERICAN GOVERNMENT CAN TAKE

After further study of what appears to be a serious international conspiracy, I have found that two additional agencies of the Federal Government—the Department of Justice and the Federal Maritime Board—are charged with responsibility in matters such as this one. This agreement appears to be in violation of our antitrust and shipping laws. It is, therefore, high time that American consumers and taxpayers receive affirmative assurance by appropriate Government officials that their rights are being protected. Their rights must not be abused by indecision, ineptness, or unwillingness to investigate and prosecute a flagrantly unfair and monopolistic trade agreement.

I trust that the Department of Justice has reviewed or will review promptly this Saudi Arabia-Onassis agreement in light of the specific wording of our antitrust laws.

RESPONSIBILITY OF THE FEDERAL MARITIME BOARD

With reference to the responsibility of the Federal Maritime Board, section 26 of the Shipping Act of 1916 states:

The Board shall have power, and it shall be its duty whenever complaint shall be made to it, to investigate the action of any foreign government with respect to the privileges afforded and burdens imposed upon vessels of the United States engaged in foreign trade whenever it shall appear that the laws, regulations, or practices of any foreign Government operate in such a manner that vessels of the United States are not accorded equal privileges in foreign trade with vessels of such foreign countries or vessels of other foreign countries, either in trade to or from the ports of such foreign country or in respect of the passage or transportation through such foreign country of passengers or goods intended for shipment or transportation in such vessels of the United States, either to or from ports of such foreign country or to or from ports of other foreign countries.

While the number of United States-flag vessels engaged in this trade may not be numerous, 40 percent of the oil is carried by vessels controlled by Aramco companies; and the United States Navy in the Mediterranean may be dependent upon this oil.

SUMMARY

In short, I think that the American people should now demand that these four agencies of the Federal Government—the Department of State and the Foreign Operations Administration, to which I referred previously, and the Department of Justice and the Federal Maritime Board, which I have mentioned herein—report on this trade agreement with respect to, first, its monopolistic and discriminatory provisions; and, second, what steps are being taken, or will be taken, to protect American interests.

I repeat once again the need for an awareness of the serious aspects of this matter. I would again urge the oil companies not to compromise in any such conspiratorial and probably illegal arrangements. I restate my earlier remark that this Middle East oil-tanker agreement "militates against the best interests of our national security, our traditions of free trade and fair play, and our time-honored guaranties of justice and equity to friendly countries and the American consuming public."

The American people are entitled to action and to results.

[From the London Times of July 20, 1954]

SAUDI ARABIAN OIL—BRITISH CONCERN OVER ONASSIS AGREEMENT

Mr. James Hoy (Edinburgh, Leith, Laborite) and Mr. Grimond (Orkney and Zetland, Laborite) asked for a statement on the agreement reached between Saudi Arabia and Mr. Socrates Onassis.

"Mr. DODDS-PARKER (Under Secretary, Foreign Office (Banbury, Conservative)). The Government have now studied the agreement between the Saudi Arabian Government and Mr. Onassis. There is no doubt, in their view, that this agreement constitutes flag discrimination by seeking to force buyers of oil to use tankers of one particular flag. It is therefore contrary to accepted maritime practice. Her Majesty's Government deplore such interference by a Government with the shipper's freedom of choice of vessel, and it is clear that British interests will be adversely affected by this agreement. We have been in the closest touch with the United States Government and with other governments and commercial interests, whose objections to this agreement are as strong as our own. The Foreign Secretary has expressed to the Saudi Arabian Ambassador his grave concern at this agreement, and his hope that the Saudi Arabian Government will think very carefully before pursuing a course which seems calculated to lead them into difficulties with friendly powers."

He added that no reply had been received yet from Saudi Arabia.

"Mr. HOY. Is it intended to take this matter before some international organization?

"Mr. DODDS-PARKER. We hope to reach an agreement with the Saudi Arabian Government, with whom we have friendly relations."

SENATE

WEDNESDAY, JULY 14, 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 God, our Father, again through sleep and darkness safely brought, restored to life and power and thought, we face a new day; but we would not face it alone. Only by a sense of Thy presence is duty lifted above drudgery. Daily Thou dost invite us to seek Thee. We thank Thee that Thou hast so framed our hearts that our deeper instincts anchor us to Thee; that Thou hast so created everything that he who loves and follows the truth can never miss Thee at the last.

Grant to us to dream great dreams, and not to disobey the heavenly vision; and though the hope sometimes seems forlorn may we be found ready to lead it against unnumbered foes; without stumbling and without stain may we follow the gleam of our highest and best, until the day is ended and our work is done. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 13, 1954, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Tribbe, one of his secretaries, and he announced that on today, July 14, 1954, the President had approved and signed the following acts:

S. 455. An act for the relief of Johan Gerhard Faber, Dagmar Anna Faber, Hilke Faber, and Frauke 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. 747. An act for the relief of Jacek Von Henneberg;

S. 1382. An act for the relief of Elie Joseph Hakim and family;

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. 1991. An act for the relief of Esperanza Jimenez Trejo;

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; and

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.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 1067. An act to authorize the Supreme Court of the United States to make and publish rules for procedure on review of decisions of the Tax Court of the United States; and

H. R. 5578. An act for the relief of Hatsuko Kuniyoshi Dillon.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 1673) for the relief of James I. Smith.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 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.

ENROLLED BILLS SIGNED

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

S. 1303. An act to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship by voting in a political election or plebiscite held in occupied Japan; and

S. 3480. An act to amend section 24 of the Federal Reserve Act, as amended.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JENNER, and by unanimous consent, the Committee on Rules and Administration was authorized to hold hearings this afternoon, during the session of the Senate.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

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

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

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

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to consider executive business.

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

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nominations of Sara K. Lea and Mrs. Jessie C. Brewer, to be postmasters at Flat Rock, Ala., and Higginson, Ark., respectively, which nominating messages were referred to the appropriate committees.

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

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

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

James C. Worthy, of Illinois, to be Assistant Secretary of Commerce; and

John C. Bose, and sundry other persons for permanent appointment in the Coast and Geodetic Survey.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nominations on the calendar.

UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of Walter E. Hoffman, to be United States district judge for the eastern district of Virginia.

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

UNITED STATES MARSHAL

The Chief Clerk read the nomination of William A. O'Brien, to be United States marshal for the eastern district of Pennsylvania.

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

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

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

NOTICE OF CONSIDERATION OF CERTAIN NOMINATIONS

Mr. WILEY. Mr. President, the Senate received today the following nominations:

Francis A. Flood, of Oklahoma, for promotion from Foreign Service officer of class 2 to class 1.

William W. Walker, of North Carolina, for promotion from Foreign Service officer of class 3 to class 2.

The following-named Foreign Service officers for promotion from class 4 to class 3:

William Barnes, of Massachusetts.
Findley Burns, Jr., of Minnesota.
John E. Devine, of Illinois.
Harrison Lewis, of California.

The following-named Foreign Service officers for promotion from class 5 to class 4 and to be also consuls of the United States of America:

Frank J. Devine, of New York.
David H. Ernst, of Massachusetts.
Douglas N. Forman, Jr., of Ohio.
Harold G. Josif, of Ohio.

The following-named Foreign Service officers for promotion from class 6 to class 5:

Alan G. James, of the District of Columbia.
Abraham Katz, of New York.
Lawrence C. Mitchell, of California.
Jacob M. Myerson, of the District of Columbia.
Peter J. Peterson, of California.
Milton K. Wells, of Oklahoma, now a Foreign Service officer of class 2 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

C. Vaughn Ferguson, Jr., of New York.
Paul Paddock, of Iowa.

The following-named persons, now Foreign Service officers of class 5 and secretaries in the diplomatic service, to be also consuls of the United States of America:

Thomas H. Murfin, of Washington.
Harry F. Pfeiffer, Jr., of Maryland.
DeWitt L. Stora, of California.
William O. Hall, of Oregon, for appointment as a Foreign Service officer of class 1, a consul, and a secretary in the diplomatic service of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

Alexander B. Daspit, of Louisiana.
Harvey Klemmer, of Maryland.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

John M. Bowie, of the District of Columbia.
Miss Edelen Fogarty, of New York.
Francis J. Galbraith, of South Dakota.
William F. Gray, of North Carolina.
Miss Jean M. Milkowski, of Florida.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Sam G. Armstrong, of Texas.
Daniel N. Arzac, Jr., of California.
Robert S. Barrett IV, of Virginia.
Melvin Croan, of Massachusetts.

Walker A. Diamanti, of Utah.
Richard W. Finch, of Ohio.
Martin B. Hickman, of Utah.
Edwin D. Ledbetter, of California.
S. Douglas Martin, of New York.
Calvin E. Mehlert, of California.
John E. Merrian, of California.
J. Theodore Papendorp, of New Jersey.
Harry A. Quinn, of California.
Charles E. Rushing, of Illinois.
Robert H. Wenzel, of Massachusetts.

The following-named Foreign Service staff officers to be consuls of the United States of America:

John L. Hagan, of Virginia.
Arthur V. Metcalfe, of California.
Nestor C. Ortiz, of Virginia.
Normand W. Redden, of New York.

The following-named Foreign Service reserve officers to be secretaries in the diplomatic service of the United States of America:

Lucius D. Battle, of Florida.
Richard E. Funkhouser, of the District of Columbia.
John T. Hanson, of Maryland.
Donald D. Kennedy, of Oregon.

I give notice that these nominations will be considered by the Committee on Foreign Relations at the expiration of 6 days in accordance with the committee rule.

LEGISLATIVE SESSION

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

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

EXECUTIVE COMMUNICATIONS, ETC.

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

PROPOSED SUPPLEMENTAL APPROPRIATION, TREASURY DEPARTMENT (S. Doc. No. 142)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1955, in the amount of $650,000, for the Treasury Department (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATIONS, DEPARTMENT OF AGRICULTURE (S. Doc. No. 138)

A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1955, in the amount of $9,532,000, for the Department of Agriculture (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATIONS, DEPARTMENT OF LABOR (S. Doc. No. 137)

A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1955, in the amount of $29,081,000, for the Department of Labor (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATIONS, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE (S. Doc. No. 139)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1955, in the amount of $1,800,000, for the Department of Health, Education, and Welfare (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATIONS, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE (S. Doc. No. 140)

A communication from the President of the United States, transmitting proposed supplemental appropriations in the amount of $33,556,000, together with a proposed provision and an increase in a trust fund limitation for the Department of Health, Education, and Welfare, for the fiscal year 1955 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATIONS, HOUSING AND HOME FINANCE AGENCY (S. Doc. No. 141)

A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1955, in the amount of $17,610,000, and increases in limitations and transfer authority, in the amount of $6,400,000, for the Housing and Home Finance Agency (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

LAWS ENACTED BY MUNICIPAL COUNCIL OF ST. THOMAS AND ST. JOHN, V. I.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Municipal Council of St. Thomas and St. John, V. I. (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON BORROWING AUTHORITY

A letter from the Director, Office of Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a report on borrowing authority, for the quarter ended March 31, 1954 (with an accompanying report); to the Committee on Banking and Currency.

PETITION

The VICE PRESIDENT laid before the Senate the petition of Daniel B. Maher, an attorney at law, and a resident of the State of Maryland, on behalf of Clyde L. Powell, a resident of the State of Missouri, praying for a redress of grievances in the case of Mr. Powell, which was referred to the Committee on Rules and Administration.

SEVERANCE OF DIPLOMATIC RELATIONS WITH IRON CURTAIN GOVERNMENTS — RESOLUTIONS OF MARYLAND AND MONTANA STATE CONVENTIONS OF THE AMERICAN LEGION

Mr. JENNER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Maryland State Convention of the American Legion, favoring the adoption of Senate Resolution 247, to sever diplomatic relations with Iron Curtain governments.

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

RESOLUTION SUPPORTING OBJECTIVES AND PURPOSES OF SENATE RESOLUTION 247, TO SEVER DIPLOMATIC RELATIONS WITH IRON CURTAIN GOVERNMENTS, ADOPTED BY MARYLAND STATE CONVENTION OF THE AMERICAN LEGION, BALTIMORE, MD., JULY 8, 1954

Whereas the Congress of the United States, on September 30, 1950, after years of investigation, inquiry and direct observation, legislatively declared:

"There exists a world communism movement which, in its origins, 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, present a clear and present danger to the security of the United States and to the existence of free American institutions"; and

Whereas there are an estimated 20 million agents of this conspiracy against humanity spread out in a deadly fifth column encompassing the globe; and

Whereas hearings currently being held by the Internal Security Committee of the United States Senate prove conclusively that the so-called diplomatic missions of Soviet Russia and the alleged governments enslaved by Soviet Russia presently recognized by the United States and other countries of the free world are in fact nests of espionage, seditious propaganda, and sabotage; and

Whereas the conscience of the world demands that the United States, as the last great bastion of freedom, take the lead in expelling from the family of nations the tyrants of Moscow; and

Whereas such 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; and

Whereas these dastardly bandits have but recently had the temperity to violate the sanctity, safety, and welfare of the Western Hemisphere by shipping arms to Guatemala, in arrogant defiance of the accepted principles of the Monroe Doctrine, for the obvious purpose of widening the Communist breach that exists in that enslaved country: Therefore be it

Resolved, That this 1954 convention of the Department of Maryland of the American Legion, in session in Baltimore, Md., July 7–10, does hereby support the objectives and purposes of Senate Resolution 247 to the end that the United States sever all diplomatic relations with the Government of Soviet Russia and with the alleged governments of the countries which have been enslaved by the Government of Russia; and be it further

Resolved, That copies of this resolution be sent to all Senators and Congressmen of the State of Maryland; and be it further

Resolved, That this resolution, through proper channels, be presented to the 1954 convention of the American Legion, meeting in Washington, D. C., August 30 and 31 and September 1 and 2, 1954.

Mr. JENNER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD a resolution adopted by the convention of the Montana Department of

the American Legion, at Bozeman, Mont., favoring the adoption of Senate Resolution 247, to sever diplomatic relations with Soviet Russia.

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

RESOLUTION ADOPTED BY THE 36TH ANNUAL CONVENTION OF THE MONTANA DEPARTMENT OF THE AMERICAN LEGION AT BOZEMAN, JUNE 25–27, 1954

Resolution 5

Resolution supporting the purposes and objectives of Senate Resolution 247, the severence of diplomatic relations with Soviet Russia

Whereas the Congress of the United States, on September 30, 1950, after years of investigation, inquiry, and direct observation, legislatively declared:

"There exists a world Communist movement which, in its origins, its development, and its 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 success of Communist methods in other countries, and the nature and control of the world Communist movement itself, present a clear and present danger to the security of the United States and to the existence of free American institutions"; and

Whereas there are an estimated 20 million agents of this conspiracy against humanity spread out in a deadly 5th column encompassing the globe; and

Whereas hearings currently being held by the Internal Security Committee of the United States Senate prove conclusively that the so-called diplomatic missions of Soviet Russia and the alleged governments enslaved by Soviet Russia, presently recognized by the United States and other countries of the free world, are in fact nests of espionage, seditious propaganda and sabotage; and

Whereas the conscience of the world demands that the United States, as the last great bastion of freedom, take the lead in expelling from the family of nations the tyrants of Moscow; and

Whereas such 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; and

Whereas these dastardly bandits have but recently had the temerity to violate the sanctity, safety, and welfare of the Western Hemisphere by shipping arms to Guatemala in arrogant defiance of the accepted principles of the Monroe Doctrine, for the obvious purpose of widening the Communist breach that exists in that enslaved country: Therefore be it

Resolved, That the American Legion of Montana, in convention assembled, at Bozeman, Mont., this June 25–27, 1954, does hereby support the objectives and purposes of Senate Resolution 247, to the end that the United States sever all diplomatic relations with the Government of Soviet Russia and with the alleged governments of the countries which have been enslaved, by the government of Russia; be it further

Resolved, That copies of this resolution be sent to all Senators and Congressmen of the State of Montana; and be it further

Resolved, That this resolution, through proper channels, be presented to the 1954 convention of the American Legion meeting in Washington, D. C., August 30, 31, September 1 and 2, 1954.

THE HYDROGEN BOMB—RESOLUTION OF WISCONSIN PIPE TRADES ASSOCIATION, A. F. OF L., SHEBOYGAN, WIS.

Mr. WILEY. Mr. President, I have received from Anthony J. King, secretary-treasurer of the Wisconsin Pipe Trades Association of the American Federation of Labor, a series of resolutions adopted by the convention of the association in June of 1954, at Sheboygan, Wis.

The resolution with which I am most directly concerned, as chairman of the Senate Foreign Relations Committee, pertains to the views of the membership on the grim subject of the hydrogen bomb. I send to the desk its text, and ask unanimous consent that it be printed at this point in the RECORD, and be thereafter appropriately referred to the Joint Committee on Atomic Energy. I believe that this important statement from the grassroots will be of deep interest to my colleagues, as are similar expressions from the rest of our Nation.

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

RESOLUTION ADOPTED BY WISCONSIN PIPE TRADES ASSOCIATION AT CONVENTION HELD JUNE 19, 1954, SHEBOYGAN, WIS.

H-BOMB

Whereas the horrible threat of the H-bomb warfare hangs precariously over our civilization and especially over the workers of the great industrial cities of the world, and in the event of such a war they would find themselves utterly helpless unless an avenue of escape and measures of protection were provided: Therefore be it

Resolved, That this convention call upon the President of the United States to continue forthrightedly to reveal the great dangers of atomic warfare so that the people are made more aware of it than they are at present; and be it further

Resolved, That this convention support a strong and comprehensive civil-defense program in city, State, and Nation to insure that the worker especially will be protected; and be it further

Resolved, That we call upon the President to develop an effective bipartisan policy for foreign affairs in a fashion that will win us friends among the free nations; and be it

Resolved, Also that we support an aggressive effective program of international inspection and control of atomic energy under a joint control such as the United Nations or similar organizations; and be it further

Resolved, That we call upon the shackled workers in totalitarian states and countries, urging them to break their chains and to make their masters realize that they will not support an H-bomb war against American workers.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JENNER, from the Committee on Rules and Administration:

S. Res. 270. Resolution 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; with an amendment (Rept. No. 1801); and

S. Res. 271. Resolution providing for an investigation of critical raw materials by the Committee on Interior and Insular Affairs; with amendments (Rept. No. 1802).

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

S. 904. A bill to standardize rates on household goods shipped by the United States Government for its employees; with amendments (Rept. No. 1803).

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

S. 3219. A bill to amend certain provisions of title XI of the Merchant Marine Act, 1936, as amended, to facilitate private financing of new-ship construction, and for other purposes; with amendments (Rept. No. 1804).

By Mr. DUFF, from the Committee on Interstate and Foreign Commerce, with amendments:

S. 3630. A bill to permit the city of Philadelphia to further develop the Hog Island tract as an air, rail, and marine terminal by directing the Secretary of Commerce to release the city of Philadelphia from the fulfillment of certain conditions contained in the existing deed which restrict further development (Rept. No. 1805); and

S. 3713. A bill to give effect to the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed at Tokyo, May 9, 1952, and for other purposes (Rept. No. 1806).

By Mr. AIKEN, from the Committee on Agriculture and Forestry, without amendment:

H. R. 4928. A bill to authorize the Secretary of Agriculture to convey a certain parcel of land to the city of Clifton, N. J. (Rept. No. 1808); and

H. R. 6263. A bill to authorize the Secretary of Agriculture to convey certain lands in Alaska to the Rotary Club of Ketchikan, Alaska (Rept. No. 1809).

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

S. 3339. A bill to authorize the Farm Credit Administration to make loans of the type formerly made by the Land Bank Commissioner; with an amendment (Rept. No. 1807).

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT NO. 1064, RELATING TO JUVENILE DELINQUENCY

Mr. JENNER, from the Committee on Rules and Administration, to which was referred the resolution (S. Res. 264), submitted by Mr. HENDRICKSON on June 22, 1954, reported it favorably, without amendment, and it was considered and agreed to, as follows:

Resolved, That there be printed for the use of the Committee on the Judiciary 2,500 additional copies of Senate Report No. 1064, 83d Congress, 2d session, entitled "Juvenile Delinquency."

FUNERAL EXPENSES OF THE LATE SENATOR HUGH BUTLER OF NEBRASKA

Mr. JENNER, from the Committee on Rules and Administration, to which was referred the resolution (S. Res. 275), submitted by Mrs. BOWRING on July 7, 1954, reported it favorably, without amendment, and it was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed to arrange for and attend the funeral of Hon. Hugh Butler, late

a Senator from the State of Nebraska, on vouchers approved by the Committee on Rules and Administration.

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT NO. 1627, RELATING TO ACCESSIBILITY OF STRATEGIC AND CRITICAL MATERIALS

Mr. JENNER, from the Committee on Rules and Administration, to which was referred the resolution (S. Res. 277), submitted by Mr. MALONE on July 12, 1954, reported it favorably, without amendment, and it was considered and agreed to, as follows:

Resolved, That there be printed for the use of the Committee on Interior and Insular Affairs 3,000 additional copies of Senate Report No. 1627, 83d Congress, relative to accessibility of strategic and critical materials to the United States in time of war and for our expanding economy.

PRINTING OF ADDITIONAL COPIES OF THE SLIP LAW FOR THE INTERNAL REVENUE CODE OF 1954

Mr. JENNER, from the Committee on Rules and Administration, to which was referred the concurrent resolution (H. Con Res. 250), reported it favorably, without amendment, and it was considered and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed 12,590 additional copies of the slip law for the Internal Revenue Code of 1954, of which 2,475 copies shall be for the use of the Senate, 500 copies for the use of the Committee on Finance, 6,615 copies for the use of the House of Representatives, and 3,000 copies for the use of the Committee on Ways and Means.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 14, 1954, he presented to the President of the United States the following enrolled bills:

S. 1303. An act to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship by voting in a political election or plebiscite held in occupied Japan;

S. 3378. An act to revise the Organic Act of the Virgin Islands of the United States; and

S. 3480. An act to amend section 24 of the Federal Reserve Act, as amended.

BILLS INTRODUCED

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

By Mr. FERGUSON:

S. 3743. A bill to provide for the recruitment and training of Foreign Service Officers; to the Committee on Foreign Relations.

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

By Mr. CASE (for himself and Mr. MUNDT):

S. 3744. A bill to change the name of Gavins Point Reservoir back of Gavins Point Dam to Lewis and Clark Lake; to the Committee on Public Works.

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

By Mr. JENNER:

S. 3745. A bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws; to the Committee on the Judiciary.

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

By Mr. LANGER:

S. 3746. A bill to authorize the employment in a civilian position in the Department of Justice of Maj. Gen. Frank H. Partridge, United States Army, retired, and for other purposes; to the Committee on the Judiciary.

By Mr. CASE:

S. 3747. A bill to provide for the acquisition by the United States of lands required for the reservoir to be created by the construction of the Fort Randall Dam on the Missouri River, and to provide for rehabilitation of the Sioux Indians of the Crow Creek Reservation in South Dakota; and

S. 3748. A bill to provide for the acquisition by the United States of lands required for the reservoir to be created by the construction of the Fort Randall Dam on the Missouri River, and to provide for rehabilitation of the Sioux Indians of the Lower Brule Indian Reservation in South Dakota; to the Committee on Interior and Insular Affairs.

By Mr. DOUGLAS:

S. 3749. A bill for the relief of Gong Poy, also known as Fred Gong; to the Committee on the Judiciary.

FOREIGN SERVICE SCHOLARSHIP TRAINING PROGRAM

Mr. FERGUSON. Mr. President, I introduce for appropriate reference a bill to provide for the recruitment and training of Foreign Service officers. I ask unanimous consent that the bill, together with a statement by me, and an article from the Washington Star of July 13, 1954, written by Gould Lincoln, entitled "Plan Would Strengthen Foreign Service Setup," be printed in the RECORD.

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

The bill (S. 3743) to provide for the recruitment and training of Foreign Service officers, introduced by Mr. FERGUSON, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Foreign Service Scholarship Training Program Act."

SEC. 2. The Congress hereby declares that the objectives of this act are to provide the Foreign Service with a more constant flow of qualified candidates for appointment, who shall be chosen from among the best young men and women America produces, who shall have been carefully trained for their future work, and who are representative citizens of the United States.

SEC. 3. A Foreign Service scholarship training program is hereby established, which shall be administered by the Secretary of State, in accordance with the provisions of this act.

SEC. 4. No person shall be enrolled in the scholarship training program unless he or she—

(a) has been a citizen of the United States for at least 8 years;

(b) has completed 2 years of scholastic work at an accredited college or university;

(c) has passed such examinations and aptitude tests as the Secretary of State may prescribe;

(d) will not be more than 27 years of age on July 1 of the calendar year in which he or she will have successfully completed the 2 years of scholarship training provided by this act; or

(e) has entered into a contractual arrangement with the Secretary of State, or his designated representative, acting for and on behalf of the United States, in which said individual agrees——

(1) to pursue his studies for the next 2 years under the supervision and guidance of the Secretary of State,

(2) upon completion of his college training, to accept appointment as a Foregin Service officer or Foreign Service Reserve officer, if offered, and

(3) having accepted such appointment, to serve continuously as a Foreign Service officer or Foreign Service Reserve officer for a period of at least 4 years, unless sooner released by the Secretary of State in accordance with the provisions of the Foreign Service Act of 1946.

In the event an individual is a minor, such contract shall be entered into only with the consent of his or her parent or legal guardian. The Secretary of State may release any individual from such contractual obligation and may separate the individual from the training program at any time that, in the opinion of the Secretary of State, the best interest of the Service requires such action.

SEC. 5. The Secretary of State is authorized to make a Federal grant-in-aid of not to exceed $900 per year to any person enrolled in the Foreign Service scholarship training program for the purposes of defraying expenses for each of 2 years at an accredited college or university of the trainee's choice, and in addition to pay necessary travel expenses in connection with examinations for entrance into the Foreign Service, provided that such person continues in status, and provided further that the individual consistently stands in the upper 25 percent of his class, except that the Secretary of State may, in his discretion, waive the provision with respect to a trainee's standing in his class.

SEC. 6. The Secretary of State shall, during the second quarter of the calendar year in which a participant in the training program expects to complete his or her scholastic training, cause to be examined the record of each participant who applies prior to April 1 of that year to take the examinations for appointment in the Foreign Service for the purpose of determining the applicants who appear suitable for appointment to the Foreign Service. Persons deemed suitable shall take such comprehensive examinations as may be prescribed by the board of examiners pursuant to section 516 of the Foreign Service Act of 1946 (60 Stat. 1008), and, if successful, shall be eligible for appointment as a Foreign Service officer, by the President, with the advice and consent of the Senate: *Provided*, That participants who have completed their training under this act may be given temporary appointments as Foreign Service Reserve officers, pending completion of the examination process and appointment as a Foreign Service officer if recommended.

SEC. 7. There shall be admitted each year to the Foreign Service scholarship training program 200 qualified trainees designated by the President, and 1 trainee for each Senator, Representative, Delegate in Congress, Resident Commissioner from Puerto Rico, and President of the Board of Commissioners of the District of Columbia. Each such Senator, Representative, Delegate, Resident Commissioner from Puerto Rico, and President of the Board of Commissioners may nominate annually 1 candidate and 1 first and 1 second alternate candidate. If the first

nominee fails to qualify, the appointment shall be given to the first alternate, if he qualifies, and if not to the second alternate, if he qualifies. In the event any of the above-named officials of the Government fail to nominate candidates or if their nominees and first and second alternates fail to qualify the President may designate candidates in lieu thereof, such designations to be in addition to the 200 hereinbefore authorized.

SEC. 8. The Secretary of State may prescribe rules and regulations to effectuate the purposes of this act.

SEC. 9. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this act.

The statement by Senator FERGUSON is as follows:

STATEMENT BY SENATOR FERGUSON TO ACCOMPANY PROPOSED LEGISLATION FOR ESTABLISHMENT OF A FOREIGN SERVICE SCHOLARSHIP TRAINING PROGRAM

In this era of the "cold war" the Foreign Service of the United States is in the front line of America's defense against Communist imperialism. Secretary Dulles has called the Foreign Service our first line of defense in time of peace. Its officers, staffing posts all over the globe, make up a relatively small force in view of the power and size of the great Nation it represents. Yet, this virtual handful of dedicated American men and women is charged with carrying out policies which may determine the welfare and security of our country for decades to come. Indeed, elementary wisdom would seem to dictate a most careful selection and training of the young people to whom we are to entrust such grave responsibilities.

The Congress in the past, through various legislative actions, has shown its concern for the calibre of our Foreign Service personnel. It has sought to promote a broadening of the base of recruitment so that capable Americans from all parts of our country, and regardless of financial status could be given an opportunity to serve in our diplomatic corps. The responsibility of Congress in this field has been recognized as going far beyond its functions of confirming nominations to the Service by the executive branch. It begins with the legislation which regulates the manner in which the Executive can draw upon the resources of talent, intelligence, and experience of the young people of our Nation.

Therefore, it is prudent in this time of international tensions to examine whether our present procedures of recruitment for the Foreign Service are adequate to the needs of the country.

Do they tend to produce a diplomatic service of the calibre and stature which the United States requires for its worldwide and growing responsibilities, interests and commitments?

Do they adequately attract candidates from all parts of the Nation so that the best representative sampling of America can be known by peoples abroad?

Do they provide an incentive for persons with the technical skills required in present day diplomacy?

Do they provide a place for the men with much talent but little money?

The answers to these and similar questions have been sought periodically either by the Congress or by committees of the executive branch. And these inquiries have produced valuable knowledge leading to improvements in the past in the direction and management of the Foreign Service.

The most recent of these studies was conducted by the Secretary of State's Public Committee on Personnel, under the able Chairmanship of Dr. Henry M. Wriston, president of Brown University. The Committee's report was just made public last month.

While the report is a comprehensive appraisal of the personnel operations of the State Department and the Foreign Service, I want to address myself here particularly to those findings and recommendations of the Committee which concern the problems of recruitment for the Foreign Service. I do so as chairman of the subcommittee on State Department organization of the Senate Foreign Relations Committee and because the execution of some of the most effective of these recommendations requires congressional action. Although it is now late in the session and much important work is still to be accomplished, I am bringing legislative proposals on this matter before the Senate at this time. I trust this will emphasize the urgency and importance which I attach to consideration of the problems of our diplomatic service.

Let me return for a moment to the questions I posed previously on the present state of recruitment for the Foreign Service. Does the system work as it should?

I refer you to the words of the Wriston committee report which maintains that, "As a mechanism for supplying the Foreign Service with a continuous and adequate inflow of junior officers * * * (the present system of recruitment) has proved time-consuming and increasingly defective."

The committee's report also states that the present examination system has produced an officer corps which "is not geographically representative, nor adequately reflective of the wide and essential variety of American life, nor sufficiently diversified in the technical skills required in present day diplomacy."

Nor does the present system promote the aim of the Congress as expressed by the framers of the Foreign Service Act of 1946, that recruitment should be on the basis of merit "regardless of the possession of private means." According to the Wriston committee, the present system is "an undue hardship upon those without such means."

Fortunately, the committee did not confine its activities to fact-finding alone. It is apparent from the report that its members brought to their task an exceptional degree of insight and imagination. The specific and forthright recommendations which they proposed should go far, when implemented, toward rectifying the faults and inadequacies of the present system of recruitment for the American diplomatic service.

One of these recommendations I consider particularly noteworthy as an example of a fresh approach to an old problem. I propose to introduce legislation herewith to give it effect. That is the recommendation for the establishment of a Foreign Service scholarship training program. It is, as the committee says, "a fundamentally new method of recruitment, designed to provide the Foreign Service with a more constant flow of qualified candidates representing the different segments of American life."

Let me outline for you briefly the main provisions of this proposed recruitment device which is intended to supplement and encourage—but not altogether supplant—the present methods of entrance into the Service through examinations.

Essentially, the Foreign Service scholarship training program would be based on the idea of the Navy's Reserve Officer Training Corps contract system, a recruitment method tested and proven highly successful. It would be administered throughout the States and Territories by the Secretary of State through the agency of the Foreign Service Institute, which, according to other recommendations of the committee, would also be enhanced and strengthened.

Candidates for the scholarships would be chosen from all the States of the Union, the Territories, and the District of Columbia on the basis of examinations prescribed by the Secretary of State.

Candidates who qualify would be enlisted into a 2-year training program at the end of their sophomore year of college, and would be offered a Federal grant of $900 a year to permit them to complete their studies at an accredited institution of higher learning of their own choice. To remain eligible for the second year of the scholarship program they would have to maintain their standing in the upper 25 percent of their class. Appointees to the scholarships would also agree to serve in the Foreign Service, if finally eligible for appointment to it, for a period of at least 4 years.

Appointment to the Foreign Service Officer Corps itself would—as at present—be on the basis of competitive examination. These examinations, which would remain open as well to candidates who had not participated in the scholarship program—would be held under State Department auspices in the various States and Territories—thereby equalizing their availability to candidates regardless of their proximity to Washington or their financial means. It is expected that during the first year the total cost of the scholarship program would amount to about $1 million, and would eventually reach about $2 million a year, a small price indeed for a program that will go so far toward developing the finest kind of Foreign Service.

Another provision of the legislation which I will propose, and one also based partly on experience with officer recruitment for our armed services, is that following appropriate examination approximately two-thirds of the appointments to the scholarship training program would be made by Members of Congress, and the remainder by the President of the United States.

Some apprehension may be felt that the choice of candidates to the proposed training program might be influenced by political considerations with a consequent bias introduced into the future officer corps. I am confident, in the light of our experience with appointments to West Point and Annapolis, that we should discount such fears and not permit them to dissuade us from taking this progressive step in Foreign Service recruiting.

On the contrary, I foresee many decided advantages to be derived from this method of appointment. Let me say first, that I have been informed that the President and the Secretary of State welcome the more active participation and interest of the Congress in this matter. The executive branch sees therein a means to aid in promoting greater cooperation between the two branches of government on matters concerning our diplomatic establishment. It foresees also increased public confidence and a closer feeling on the part of the public of identification with the Foreign Service, as well as increased interest in its activities. I might add here that in its report the Wriston committee made the strongest recommendations that whatever the method, the aim of a reformed recruitment program should be a Foreign Service reflecting national characteristics, with its roots among all the people. I can conceive of no other method so well designed to achieve this objective as the Foreign Service scholarship program, which will reach into every corner of our country and draw on the best available young men and women to serve our Nation in diplomatic posts abroad.

Under the proposed program a happy balance can be struck in the training of our future statesmen since the Department of State will be able to help in directing the course of study without sacrificing the welcome diversity of background provided by our colleges and universities in all parts of the country. Also, new candidates for the Foreign Service, while benefiting from a somewhat more specialized training in foreign affairs under this program, would not lose the advantages of the first 2 years of general academic training.

It should be recognized that if this program is put into effect the general character

of the Foreign Service will be more truly representative of the United States than ever before. Its members to a great extent will be drawn from among candidates who, in the best judgment of their Senator or Congressman, are capable, patriotic, and loyal Americans. This factor of selectivity will continue to operate during the 2-year scholarship period, so that candidates who might prove undesirable—for one reason or another—may be weeded out early in the recruitment process. These provisions should do much toward increasing public confidence in our Foreign Service, and toward guaranteeing the genuinely American character of its personnel.

The time when the United States could afford an elite in the diplomatic service based on wealth or family prestige is long since past. The Foreign Service represents all Americans and it should be representative of us all. We cannot effectively preach our message of democracy abroad unless we practice democracy to the greatest extent in our foreign representation. The State Department recognizes this. The Congress recognizes it. We now have at hand the means for taking this large step in the right direction. I urge the Senate to give this proposal its most careful consideration.

The article referred to is as follows:

[From the Washington Evening Star of July 13, 1954]

PLAN WOULD STRENGTHEN FOREIGN SERVICE SETUP—RECRUITMENT, PROMOTION CHANGES ASKED BY DULLES

(By Gould Lincoln)

Nothing today is of greater importance to the United States and the peace of the world than a dynamic and firm foreign policy and its administration. With this in mind, the State Department, under the direction of Secretary Dulles, is pressing a program to strengthen the Foreign Service through the recruitment of qualified Foreign Service personnel and through better training for service in the higher grades. The program, which grows out of the Secretary of State's Public Committee on Personnel, headed by Henry M. Wriston, president of Brown University, will require certain legislation and a modest appropriation by Congress.

Two fundamental proposals of the program are (1) to integrate the personnel of the Department of State—the so-called civil-service officers—and of the Foreign Service, where their official functions converge, into a single administration system, and (2) to improve and broaden recruitment methods through the institution of a Foreign Service scholarship training program.

What the State Department desires of the Congress at its present session, and which with sympathetic and understanding study by Congress and its committees could be accomplished before adjournment, is the first item of the program. At present the civil-service personnel of the Department is in one watertight compartment, with its own system and procedures for recruitment, training, placement, promotion, and separation.

CORPS IS SMALL

The Foreign Service is in another watertight compartment. The departmental service (civil service) is not committed to Foreign Service at all. The Foreign Service Officer Corps is small—only 1,285 officers. These careerists in diplomacy man the 68 embassies, 9 legations, and 167 consulates which the United States maintains in 105 countries. Only about 119 Foreign Service officers are on duty in Washington and only 2 percent of the home desks are occupied by them. The Department desires authority to use the civil-service officers in the Foreign Service posts without loss in pay. Under the Foreign Service Act of 1946, it is possible to move a civil-service officer to the Foreign Service, if he is willing, but the transferee must take the lowest pay of the class to which he is assigned. This might result—and in most cases would—in forcing him to accept a reduced salary. An estimate has been made that the small sum of $130,000 would cover the discrepancies in pay which would arise if the program now recommended were put into effect. Because retirement pay is higher for the Foreign Service, eventually further appropriation would be necessary.

The statistics of overseas service by the Foreign Service officers reveal a startling and unfortunate situation. Many of these officers are kept outside of the United States for many years, with no opportunity to learn at first hand the facts of life in America.

For example, of 197 officers with more than 20 years' service, 45 have not had more than 2 years of their service in the United States on assignment. One of these officers, with 29 years' service, has spent a total of only 8 months on home duty. Two others, with 31 years' service or more, have each had only 2½ years' home service, and there is a chief of mission with 43 years' service who has spent only a total of 13 months on assignment in the United States. The proposed change, by which it would be feasible to use competent men in the departmental service in foreign missions, would make it possible to correct this to a great degree. The Department would like to see every Foreign Service officer on home assignment at least every 6 years.

IMPROVEMENT SOUGHT

The Department is particularly anxious to improve its recruitment system of men coming into the Foreign Service. The long-range recommendation for this, which will require legislation and which the Department believes should be enacted when Congress meets again next winter, calls for the establishment of the Foreign Service scholarship training program, patterned after the Navy's contract system for its Reserve Officer Training Corps. The idea is to enlist promising candidates for the Foreign Service into a 2-year training program at the end of the sophomore year of college. Appointment to Foreign Service scholarships would be on the basis of competitive examinations, given in the various States and Territories. Successful candidates would receive $900 a year grants to complete their education at an accredited college of their choice. On their side, the candidates would agree to complete their education under the guidance of the Foreign Service Institute, and to serve at least 6 years in the Foreign Service. Such a system would bring about a Foreign Service reflecting national characteristics, with its roots among all the people.

The morale of the Foreign Service and the State Department is on the up and up, now that a re-examination of the entire organization under the new security regulations is nearly completed and there is hope that an improved system of administration of the services is to be put into effect. The needs of the country cry for prompt action on this program, which has been carefully developed, which will aid the Foreign Service, and which will cost comparatively little.

CHANGE OF THE NAME OF GAVINS POINT RESERVOIR TO LEWIS AND CLARK LAKE

Mr. CASE. Mr. President, on behalf of myself and my colleague, the senior Senator from South Dakota [Mr. MUNDT], I introduce for appropriate reference a bill to change the name of Gavins Point Reservoir back of Gavins Point Dam to Lewis and Clark Lake. I ask unanimous consent that a statement by me relating to the bill be printed in the RECORD.

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

The bill (S. 3744) to change the name of Gavins Point Reservoir back of Gavins Point Dam to Lewis and Clark Lake, introduced by Mr. CASE (for himself and Mr. MUNDT), was received, read twice by its title, and referred to the Committee on Public Works.

The statement by Senator CASE is as follows:

STATEMENT BY SENATOR CASE

Members of the South Dakota congressional delegation today join in introducing legislation to give the name of Lewis and Clark Lake to the new reservoir which is to be created by the dam being built on the Missouri River near Yankton, S. Dak., and heretofore known as Gavins Point.

I am introducing the bill in the Senate in behalf of the senior Senator from South Dakota [Mr. MUNDT] and myself, and in the House it is presented by Representative HAROLD O. LOVRE. Representative E. Y. BERRY has earlier introduced a bill to give the name to both reservoir and dam, but the new bill uses the word "lake" instead of "reservoir," and does not disturb the name of the dam.

The new Lewis and Clark Lake has been described by the division engineer of the Missouri River Division Corps of Engineers, Gen. W. E. Potter, of Omaha, as the finest for recreational purposes" of any created by a structure built by the Army engineers within his knowledge.

This is due, General Potter testified at a Senate appropriations hearing last spring, to the fact that the body of water will have a constant shoreline. Its level will be maintained by the inflow of water from the chain of giant lakes on the Missouri River upstream for which it will serve as a regulator of downstream flows of the Missouri River.

This Lewis and Clark Lake thus will be full at all times and will constitute a body of water 37 miles long and from 2 to 3 miles wide covering 33,000 acres of land. Heavy natural growths of oak and cottonwood trees and both level and rugged topography will provide approximately 100 miles of attractive shoreline and beaches.

The decision to formally propose the name "Lewis and Clark Lake" stems from a recommendation made by a committee of the interested citizens at Yankton, headed by Clayton Christopherson and editorially supported by Fred Monfore of the Yankton Press and Dakotan.

The proposal has met with wide public acceptance as evidenced by letters pouring into congressional offices and by editorials in various newspapers. An editorial by Robert Luck, of the Daily Plainsman of Huron, S. Dak., noted that a name should have wide historical interest.

In connection with the use of the name of Lewis and Clark for this lake, it has been pointed out that this lake near Yankton will be the one farthest downstream in the chain of great lakes on the Missouri and nearest to the point of departure when Lewis and Clark started on their special exploration of the Louisiana Purchase in 1804, just 150 years ago this summer.

RULES OF INTERPRETATION GOVERNING QUESTIONS OF EFFECT OF ACTS OF CONGRESS ON STATE LAWS

Mr. JENNER. Mr. President, I introduce for appropriate reference a bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws. I ask unan-

imous consent that a statement by me be printed in the RECORD.

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

The bill (S. 3745) to establish rules of interpretation governing questions of the effect of acts of Congress on State laws, introduced by Mr. JENNER, was received, read twice by its title, and referred to the Committee on the Judiciary.

The statement by Senator JENNER is as follows:

STATEMENT BY SENATOR JENNER

I am today introducing a bill (S. 3745) designed to guide the Federal courts in resolving conflicts between Federal and State laws.

The purpose of my bill is to reverse the current expansion of the doctrine of Federal preemption; an expansion which has reached such unreasonable proportions that there are few, if any, State laws of any importance which are not of questionable validity today.

ANTISEDITION LAWS

My interest in this problem was aroused in connection with our efforts to combat internal communism.

Forty-seven of the forty-eight States have antisedition laws. While these State statutes are of varying degrees of effectiveness, taken as a whole, they add considerable strength to the overall effort to wipe out subversion within our borders.

All of these State laws are now in jeopardy. A decision of the Pennsylvania Supreme Court in *Commonwealth* v. *Nelson* holds that the doctrine of Federal preemption applied, and that since Congress entered the field of regulating internal subversion, the Pennsylvania Sedition Act was no longer valid.

The Federal law cited as occupying the field was enacted in 1940, and is popularly known as the Smith Act.

As a direct result of this decision, the dissenting justices of the Pennsylvania Supreme Court requested the author of the Smith Act of 1940, Representative HOWARD W. SMITH, of Virginia, to correct the situation by legislation. Judge SMITH, denying any intent on the part of Congress to invalidate State antisedition laws, immediately had the Legislative Reference Service draft H. R. 8211, which he then introduced. The bill I am introducing today is identical with the Smith bill.

The measure itself amends no existing law. It states simply that no act of Congress shall be construed to preempt or otherwise invalidate State laws on the same subject unless the Federal act contains an express provision to that effect. Second, where there is a conflict between Federal and State laws, the State law is to be construed as valid unless obedience to the State law would constitute disobedience to the Federal.

Neither Judge SMITH nor myself has any pride of authorship in the particular words selected by the Legislative Reference Service. If any Senator feels he can improve this language to accomplish the same objectives stated above, I will welcome such suggestions.

EFFECT ON OTHER LAWS

The effect of the bill is not limited to antisedition laws.

In the area of State health regulations, for example, a State law providing for the inspection of butter was held invalid in *Cloverleaf* v. *Patterson* (315 U. S. 148). The dissent in this case pointed out that if the Congress had desired to wipe out State health regulations, it could easily have said so in the Federal statute.

In the field of State police power exercised in regulating labor-management disputes we find the same preemption doctrine in the Garner decision of last December. In this case a State was held without authority to prevent a strike for an objective directly prohibited by both Federal and State laws.

TEXT OF BILL

"A bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws

"Be it enacted, etc., That no act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all State laws on the same subject matter, unless such act contains an express provision to that effect. No act of Congress shall be construed as invalidating a provision of State law which would be valid in the absence of such act, unless there is a direct and positive conflict between such act and such provision, so that the two cannot be reconciled or consistently stand together."

STUDY OF PRESIDENT'S HIGHWAY PROGRAM BY COMMISSIONER OF PUBLIC ROADS

Mr. BURKE submitted the following resolution (S. Res. 278), which was referred to the Committee on Public Works:

Resolved, That the Commissioner of Public Roads, under direction of the Secretary of Commerce, is requested (1) to make a comprehensive study of the recommendations of the President relating to the planning, construction, and financing of a 10-year $50 billion highway program, outlined in the address of the Vice President to the Governors Conference at Lake George, N. Y., on July 12, 1954, and (2) to make available to the Senate at the beginning of the first session of the 84th Congress the results of such study.

AMENDMENT OF ATOMIC ENERGY ACT OF 1946—AMENDMENTS

Mr. HICKENLOOPER submitted amendments intended to be proposed by him to the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. ANDERSON submitted an amendment intended to be proposed by him to Senate bill 3690, supra, which was ordered to lie on the table and to be printed.

BASTILLE DAY

Mr. LEHMAN. Mr. President, today is Bastille Day, which is celebrated in France and throughout the world by people of French descent and by all who love the ideals of freedom. Bastille Day is a universal holiday, as the ideals of the French Revolution are universal ideals.

I ask unanimous consent that a statement I have prepared in appreciation of the ideals and the observance of Bastille Day be printed at this point in the body of the RECORD, as a part of my remarks.

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

STATEMENT BY SENATOR LEHMAN ON THE ANNIVERSARY OF BASTILLE DAY, JULY 14, 1954

Today marks the anniversay of the storming of the Bastille during the French Revolution and of the adoption of the French tricolor as the national flag of the French Republic. These symbols and dates are celebrated by Frenchmen everywhere as we celebrate our Fourth of July and the American Declaration of Independence.

We in the United States have a feeling of common affection for these symbols as we do for the ideals of liberty and fraternity which inspired the French Revolution in 1789. These bonds have grown over the years as the people of the United States and of France have stood side by side on the battlefield and at the conference table in the never-ending struggle to create a peaceful world in which all peoples can live together in freedom and brotherhood.

I am convinced that in the historic struggle for men's minds and lives which now engages the free nations of the world the destinies of France and the United States are inexorably entwined. This hour in world history calls for the utmost in understanding and comprehension of the problems facing both France and the United States.

The hopes and prayers of the American people go out to the people of France in these days. Let us hope that the present conferences between Secretary of State Dulles and the Premier of France will lead to a constructive and unified plan of honorable action which the peoples of both our countries can and will support with all their hearts.

Mr. HUMPHREY. Mr. President, as today, July 14, is Bastille Day, I ask unanimous consent to have printed at this point in the RECORD a statement prepared by me in honor of the occasion.

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

STATEMENT BY SENATOR HUMPHREY ON THE OCCASION OF BASTILLE DAY, JULY 14, 1954

Today is the Fete Nationale of the French people, the celebration of the commencement of the French Revolution which led to the foundation of the first Republic and the establishment of the social and individual rights of that great people. The occasion is perhaps better known throughout the world as Bastille Day.

One hundred and sixty-five years ago today the citizens of Paris rose up in unappeasable wrath to destroy the hated prison, the Bastille, which symbolized for them the essence of the tyranny which they had so long borne. They spoke not only for the whole of the French nation but for all humanity which then suffered under the despotic rule of the ancient regime. The storming of Bastille was the death knell of absolute monarchy throughout Europe. However long it took and whatever the setbacks, thereafter the cause of human freedom marched steadily across the face of that continent, toppling the system of rule by royal prerogative and establishing self-government in its place.

There was, as we know, a close historical and spiritual relationship between the American and French Revolutions. The uncompromising advocacy of human liberty by the great French philosophers, Voltaire and Rousseau, did much to inspire our Founding Fathers, and the sympathetic aid of the French Government provided much of the material wherewithal for the success of our Revolution. Ironically for that Government, it was that very success which in large measure gave hope and decision to the French nation's desire for individual liberty and self-government. Indeed, if the blow we struck in 1776 staggered the principle of absolute monarchy, it may fairly be said that the storming of the Bastille on July 14, 1789, sent it reeling to ultimate and complete defeat. The French Declaration of the

Right of Man is known and revered throughout the free world, along with our Declaration of Independence, as one of mankind's great clarion calls for the full measure of human dignity.

We need hardly say more. This is a festival day in France and a symbolic occasion for the free world. In extending our greetings to the French nation today, we also replenish our awareness of the principles of human freedom.

INVENTIONS FOR NATIONAL DEFENSE — LETTER FROM ENGINEERS JOINT COUNCIL

Mr. WILEY. Mr. President, I have previously commented on the very important issue of encouraging American inventive technology. One of the crucial aspects of this problem is the availability of sufficient reservoirs of trained manpower, engineers, and scientists, in laboratories and installations, capable of making the fullest contribution to United States defense.

For a number of years I have noted what many observers and I feel to be a rather shortsighted policy of our Government in failing to use scientists and engineers where they could prove of maximum service to Uncle Sam, rather than drafting them, willy-nilly, and failing to utilize their specialized talents.

In this connection, I have received an important letter from T. H. Chilton, chairman of the Engineering Manpower Commission, of the Engineers Joint Council, who commented on my recent remarks in the Senate on United States inventions. I present Mr. Chilton's letter, and ask unanimous consent that it be printed at this point in the body of the RECORD, to be preceded by a list of the constituent societies of the Engineers Joint Council.

There being no objection, the letter and list of constituent societies were ordered to be printed in the RECORD, as follows:

(Constituent societies: American Society of Civil Engineers, American Institute of Mining and Metallurgical Engineers, the American Society of Mechanical Engineers, American Water Works Association, American Institute of Electrical Engineers, the Society of Naval Architects and Marine Engineers, American Society for Engineering Education, American Institute of Chemical Engineers.)

ENGINEERS JOINT COUNCIL,
New York, N. Y., July 2, 1954.

Senator ALEXANDER WILEY,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: It was most interesting and quite encouraging to read in the CONGRESSIONAL RECORD of June 24 your remarks which appeared under the heading "The Importance of Inventions for National Defense." I was particularly pleased to note your cognizance of the increasing tempo and improving quality of Soviet engineering and science and your realization that the free world must keep ahead as far as we can. It is indeed true that "To do this we must have sufficient reservoirs of well-utilized technicians, scientists, engineers, so that we do not lose out in the life-and-death race."

It is most reassuring to realize that within the Senate of the United States there is recognition of the fact that as of now we are probably losing ground to our major potential adversary in this most vital field. I am sure you will appreciate the information that a great contributory cause of this loss is that at the very time when we, as a badly outnumbered Nation, must, as you point out, be sure to make the most of what we have, we are being forced to dissipate our limited manpower resources in science and engineering by a military manpower policy that is fantastically shortsighted when measured against the realities of the world in which we live.

The Engineering Manpower Commission of Engineers Joint Council, of which I am chairman, has watched, for 4 years, the gradual development and implementation in Selective Service and in the Department of Defense of the concept of Universal Military Service. It is this concept and the practical policies that have flowed from its application that is threatening our entire graduate student program, taking many hundreds of engineers and scientists from the laboratories and installations that produce modern weapons and, in general, is enforcing a level of mediocrity of performance which is making it increasingly difficult for our technological manpower to make its highest contribution to the national well-being.

Hopefully, it is becoming increasingly evident that concern about this problem is not confined to professional groups. The New York Times indicated this in an editorial on June 28 when it said: "The survival of this country depends in great part upon how well we do in the unceasing technological competition with the Soviet Union and its allies. Only a week ago an Assistant Secretary of Defense warned us gravely that our technological edge is being reduced seriously. In this situation can there be a more inexcusable waste of resources than to subject a brilliant young scientist or engineer to military duty unrelated to the technological defense of this country? The concept of equality of sacrifice must yield to the basic security needs of our Nation."

In March of this year, Senator FLANDERS introduced Senate bill S. 3068, "A bill to amend the Universal Military Training and Service Act, as amended, relative to the process of selection, and for other purposes." The purpose of this bill is to reemphasize the need for selectivity which Congress expressed in the Universal Military Training and Service Act of 1951. We are advised that there will not be an opportunity for hearings on this bill during this session. May we recommend, however, your further study of this aspect of our national defense pending its discussion during the first session of the 84th Congress.

Sincerely yours,

T. H. CHILTON,
Chairman, Engineering Manpower Commission.

SOVEREIGNTY OF THE FEDERAL REPUBLIC OF GERMANY

Mr. WILEY. Mr. President, I received a letter yesterday from the Secretary of State relating to the German question.

For some years I have urged that proper action be taken to bring the Federal Republic of Germany back into the family of nations as rapidly as possible, so that it can make its contribution to the common defense of the free world.

Of course, I am still hopeful that the French Assembly, under the leadership of the Mendes-France Government, will approve the participation of France in the European Defense Community agreement. If that is not done, I think the course of action suggested by Secretary Dulles is a wise one. In all fairness to the German people, we should not delay any longer.

The sovereignty of the Federal Republic of Germany should be restored so that it can cooperate fully, as an equal partner, with other free nations in building our joint defenses against the Communist threat.

I ask unanimous consent that the letter of the Secretary of State and the statement issued by the President and Prime Minister Churchill after their recent conferences in Washington be printed in the RECORD following my remarks.

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

JULY 12, 1954.

The Honorable ALEXANDER WILEY,
Chairman, Committee on
Foreign Relations,
United States Senate.

DEAR MR. CHAIRMAN: For over 2 years it has been the policy of the United States, Great Britain, and France to improve the international status of the Federal Republic and to enable the Germans to make their proper contribution to the common defense of the free world. These objectives were to be accomplished by certain agreements with which you are already familiar. The conventions signed at Bonn on May 26, 1952 (the Convention on Relations Between the Three Powers and the Federal Republic of Germany and the Related Conventions) would terminate the occupation regime and establish sovereign equality for the Federal Republic (subject only to certain rights retained by the occupying powers because of the division of Germany and the presence of Soviet forces there). At the same time, the Treaty on the Establishment of the European Defense Community, signed at Paris on May 27, 1952, would bring into being an international body through which the Federal Republic could make an effective defense contribution without creating a national military establishment for that purpose.

The conventions and the treaty are connected by a provision in the conventions that they will become effective upon the entry into force of the treaty. However, since the French Government has not ratified the conventions and neither it nor the Italian Government has ratified the treaty, none of the agreements has yet entered into force. There is still an opportunity for the French Assembly to approve the treaty (which is the principal source of difficulty to the French) before the close of its session this summer, now scheduled for August 15 or thereabouts, and, if it should do this, I believe that further necessary action would follow and the agreements would all become effective without too great an additional delay. It is my earnest hope that events will take this course and the administration is doing all it can to bring this about.

On the other hand, we must be prepared for the situation that would arise if the French Assembly should reject the treaty or adjourn without having voted on it. I know you fully appreciate what serious consequences any further delay in the application of these agreements might have. A continued denial of sovereignty for the Federal Republic would bring a risk of political developments within that country which could cause apprehension to other nations as well, while a continued failure to include the Federal Republic in the common-defense arrangements would prolong the danger to Germany and to the free world as a whole.

Because of these possibilities, the question of what measures should be taken with respect to the Federal Republic in the event of failure to ratify the present agreements has been the subject of urgent attention. It was discussed during Prime Minister

Churchill's recent visit and has been further considered during the past week in London by representatives of the Department and the British Foreign Office. As a result of these talks, it has been recommended on both sides that, if the French Assembly adjourns without taking action on the European Defense Community Treaty, the French Government should, as a first step, be asked to join with the United States, the United Kingdom, and the Federal Republic in bringing the Bonn Conventions into force in the absence of the treaty. If the four parties will consent to this move, it could be accomplished by agreement among them in the relatively near future, and the Federal Republic would acquire the status it has been expecting for more than 2 years. Provision would also be made that German financial support of the Allied forces in Germany would continue and that German rearmament would be deferred for the time being. This would afford an opportunity to complete arrangements for a German defense contribution.

This course should make possible an important measure of realization of what we have been trying to achieve in the Federal Republic of Germany. The British Parliament and the French Government are to be informed of these intentions within the next day or two.

I am sending a similar letter to the chairman of the House Foreign Affairs Committee. There is enclosed, for your convenience, a copy of the statement on this subject issued by the President and Prime Minister Churchill at the conclusion of their recent talks in Washington.

Sincerely yours,

JOHN FOSTER DULLES.

THE WHITE HOUSE STATEMENT

At the end of their meetings today, the President and the Prime Minister issued the following statement:

"In these few days of friendly and fruitful conversations, we have considered various subjects of mutual and world interest.

"I

"Western Europe

"We are agreed that the German Federal Republic should take its place as an equal partner in the community of western nations, where it can make its proper contribution to the defense of the free world. We are determined to achieve this goal, convinced that the Bonn and Paris treaties provide the best way. We welcome the recent statement by the French Prime Minister that an end must be put to the present uncertainties.

"The European Defense Community Treaty has been ratified by four of the six signatory nations, after exhaustive debates over a period of more than 2 years. Naturally, these nations are unwilling to disregard their previous legislative approvals or to reopen these complex questions.

"In connection with these treaties, the United States and the United Kingdom have given important assurances, including the disposition of their armed forces in Europe, in order to demonstrate their confidence in the North Atlantic Community and in the EDC and the Bonn treaties.

"It is our conviction that further delay in the entry into force of the EDC and Bonn treaties would damage the solidarity of the Atlantic nations.

"We wish to reaffirm that the program for European unity inspired by France, of which the EDC is only one element, so promising to peace and prosperity in Europe, continues to have our firm support.

"II

"Southeast Asia

"We discussed southeast Asia and, in particular, examined the situation which would arise from the conclusion of an agreement on Indochina. We also considered the situation which would follow from failure to reach such an agreement.

"We will press forward with plans for collective defense to meet either eventuality.

"We are both convinced that if at Geneva the French Government is confronted with demands which prevent an acceptable agreement regarding Indochina, the international situation will be seriously aggravated.

"III

"Atomic matters

"We also discussed technical cooperation on atomic energy. We agreed that both our countries would benefit from such cooperation to the fullest extent allowed by United States legislation.

"IV

"In addition to these specific matters, we discussed the basic principles underlying the policy of our two countries. An agreed declaration setting forth certain of these will be made available tomorrow."

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. PASTORE. Mr. President, I offer an amendment to Senate bill 3690, which I ask to have printed and lie on the table.

I ask unanimous consent also to have the amendment printed in the body of the RECORD, and that immediately following the amendment there be printed also my separate views on international activities.

The VICE PRESIDENT. The amendment will be received and printed, and lie on the table.

Without objection, the amendment and the separate views will be printed in the RECORD.

There being no objection, the amendment and the separate views on international activities were ordered to be printed in the RECORD, as follows:

On page 53, line 17, to strike out section 124.

On page 6, line 1, after the word "nation", to insert "group of nations."

On page 29, line 11, after the word "nation", to insert "or group of nations."

On page 29, line 14, after the word "nation", to insert "or group of nations."

On page 34, line 12, after the word "nation", to insert "or group of nations."

On page 34, line 14, after the word "nation", to insert "or group of nations."

On page 40, line 6, after the word "nation", to insert "or group of nations."

On page 40, line 8, after the word "nation", to insert "or group of nations."

On page 52, line 7, after the word "nation", to insert "or group of nations."

On page 57, line 10, after the word "nation", to insert "or group of nations."

On page 57, line 11, after the word "nation", to insert "or group of nations."

SEPARATE VIEWS ON INTERNATIONAL ACTIVITIES

I have been impressed by the spirit of patriotic unselfishness and the display of bipartisanship demonstrated by the committee and its staff through the long days spent in preparation of this bill.

The atomic energy program is both highly technical and complex. The framers of this law had to examine and understand the past and present complexities of nuclear energy activities and try somehow to predict the future. Issues arose which went to the very roots of individual political and economical philosophies, and yet these were resolved by the members of the committee in a spirit of compromise and good will which is the very essence of our democratic legislative process. The difficult questions of compulsory licensing of patents, of antitrust provisions, and of licensing and regulatory provisions were settled in this fashion.

I am frank to state that several portions of this bill do not have my unqualified endorsement, but I am compelled to join the majority in its favorable report on S. 3690 because, on balance, the compromises reached have been for the greater good, and I can accept—as should any reasonable man in a position of responsibility—something less than what I think is perfect in each of its parts if the whole structure is worthwhile. But to compromise on anything of deep principle is personally and morally repugnant to me. Therefore, in all conscience, I must append a statement of my views on the all-important matter of international cooperation.

I urge that section 124 of the bill be struck, and that the words "group of nations" be inserted in sections 11b, 54, 57, 64, 82, 103, 104, and 144 to make those sections read as in the committee print of May 21, 1954.

I have not taken this position lightly; I take it because I believe the very existence of our civilization depends on our finding some way to end safely the mounting atomic and hydrogen armaments race which bodes to annihilate man and all his works. To my mind, the key to finding such a solution lies in the hearts of men of good will everywhere; it is a solemn duty for us, the most powerful Nation on earth, to seize the initiative in bringing about a renascence of the cooperative spirit of common humanity that is needed to solve the basic causes of war—want, hunger, poverty, and disease. President Eisenhower gave voice to these thoughts when he addressed the United Nations General Assembly last December. There he boldly outlined a plan to bring the great benefits of atomic energy to mankind everywhere. To my mind, in this address the President did what we must now do—he rose to meet the basic problem head on. His proposal gave heart to all.

In testimony before the joint committee on June 3, 1954, the Secretary of State, Mr. John Foster Dulles, made some highly important comments on the subject of international arrangements for the sharing of atomic knowledge:

* * * * *

"As I see it, a main purpose of the proposed legislation is to do just that—'to increase our emphasis on the peaceful uses of atomic power at home and abroad.'

* * * * *

"We cannot any longer adhere to the theory that knowledge, because it is capable of use for destruction, must be denied for uses of construction.

* * * * *

"By amending the Atomic Energy Act now as proposed, we will be laying some of the groundwork for a future era of peace when atomic energy inevitably will be doing constructive work in the world.

* * * * *

"Three circumstances, (1) the developing Soviet program, (2) our dependence on foreign uranium, and (3) legitimate hopes for nuclear power abroad, combine to create the need to amend the international cooperation provisions of the Atomic Energy Act of 1946.

* * * * *

"Other countries are making progress in atomic power technology. There is a growing tendency for certain raw materials supplying nations which are not industrially

well advanced to turn to such other countries for nuclear power information because they have been disappointed by our inability to give them significant help. It is clear to me that if this trend continues the interests of the United States will be seriously and detrimentally affected. There is no need here to emphasize how important it is for us to stay ahead of the U. S. S. R. in providing knowledge of how to put atomic energy to peaceful uses.

"In extending abroad, under proper security safeguards, the evolving technology of atomic energy for peaceful purposes, we shall tighten the bonds that tie our friends abroad to us, we shall assure material resources that we need, and we shall maintain world leadership in atomic energy—leadership which today is such a large element of our national prestige.

* * * * *

"In modernizing our atomic-energy law I feel that we will be taking three steps in the direction of peace: First, we will be increasing the deterrent factor represented by our weapons stockpile by the provisions we have requested permitting us to integrate certain tactical weapons information into our foreign military planning. Second, by being able to give our friends abroad atomic energy information and material, we shall be strengthening our capacity to build the raw material base on which our entire atomic energy program rests; and, third, we will be strengthening the ties which unite the free nations by a sense of fellowship.

* * * * *

"Perhaps most significant of all, however, are the hundreds of millions of people in the world who, having heard of the promise of atomic energy, wait eagerly to see if there are benefits in it for them in addition to the military shield which has held off the aggressive forces of Soviet communism for almost a decade. The military atom is a fearsome thing, even to those who owe their liberties to it. The constructive uses of atomic energy could promote both peace and plenty, and so holds a special place in man's dream of the future.

"The bills which your Committee is considering need to be enacted if our Nation is to serve its own interests and at the same time to show the world anew that our national interests harmonize with the interests of men everywhere."

* * * * *

I believe the Secretary of State clearly and forcibly pointed out that the provisions of the bill which are most important to our very survival are those that treat with international cooperation. I share that view.

I also believe that the development of atomic power in this country is important. Coming from an area of the United States which has high power costs and no foreseeable way of reducing these costs except by the speedy development of this new, primordial source of energy—I believe I am as aware as any man of the responsibilities of this Congress to provide fully for the fastest development of atomic energy for peacetime uses in this country.

The United States Government has expended many billions of dollars in the development of its atomic program. While the primary purpose of this was the creation of armaments, there were secondary discoveries and advancements of importance in the peacetime uses of nuclear power. Despite this activity, the field of peacetime development is still embryonic. To hasten advancement in this art, it is being proposed to Congress that the private business community of the United States be allowed to share in the opportunities of developing useful applications of what has been but barely touched on in our Government monopoly of the field. In this we can say that the greater good is in making available to the people of the United States at the earliest moment the fruits of such combined Government and private development. We can hardly say that permitting friendly nations to collectively share in some small part of our knowledge for the purpose of the peace and good of all mankind is not equally advantageous.

Our responsibilities transcend our national borders. We have developed materials, knowledge, and techniques which, if exploited fully for the benefit of all mankind, will redound not only to our international credit, but more importantly to the establishment of peace and prosperity in all portions of the globe. We are not alone in this race for atomic-power development. Twenty nations, as the majority report points out, are embarked upon atomic-development programs. Nor the least of these programs is that of the Soviet Union which now stands second in world effort on the searching out of the atom's secrets. Coupled with this is the fact that we and the free world are joined against the Soviet Union in a competition for the minds and souls of men. This competition will not be won by words, but by deeds. Consider the effect on the downtrodden of Asia, for example, if the Soviet Union should seize the initiative in bringing to these power-starved nations the great benefits of atomic energy. I say on that day we shall have lost the battle.

It is argued that our national security is in greater jeopardy if we deal with a "group of nations" as against dealing with one nation at a time, in transmitting information on peacetime developments of atomic energy. I find it very difficult to reconcile this distinction and I would further point out that this is not so, for the information with which we are here concerned is of a low degree of sensitivity and is far removed from the area of information on atomic weapons and atomic production that we must carefully circumscribe.

It is argued by the majority that S. 3690 offers, in section 124, a possible mechanism for the President to employ in bringing to reality his great plan for spreading atomic blessings to all. I maintain that the bill as presented does little more than restate the powers he already has under the Constitution and existing law. It is no more than an indication—and a half-hearted indication at that—of congressional encouragement. It is, to my mind, inadequate and I urge favorable consideration to the amendment on this subject which I will introduce on the floor of the Senate.

In explanation of why I believe that amendment, which will insert the important phrase "group of nations" in the international portions of the bill, is of transcendent importance, I would point out the following:

Section 123 of the bill contains carefully drawn conditions under which the Government is authorized to cooperate bilaterally with another nation in the field of peacetime development of atomic energy or with a regional defense organization on tactical uses of atomic weapons. These stringent safeguards are:

(1) The agreement for cooperation must include (a) the terms, conditions, duration, nature, and scope of the cooperation; (b) a guaranty by the cooperating party that security safeguards and standards as set forth in the agreement will be maintained; (c) a guaranty by the cooperative party that any material to be transferred will not be used for atomic weapons or for any other military purpose; and (d) a guaranty by the cooperating party that any material or any restricted data to be transferred will not be further transferred to any unauthorized person or beyond the jurisdiction of a cooperating party.

(2) The agreement for cooperation must be approved by the Commission or, in the case of a transfer of military data, the Department of Defense.

(3) The President himself must approve the agreement for cooperation and he must also determine in writing that the performance of the agreement for cooperation will promote and will not constitute an unreasonable risk to the common defense and security.

(4) The proposed agreement for cooperation, together with the President's approval and determination, must lie before the Joint Committee on Atomic Energy for 30 days while Congress is in session.

These conditions are indeed adequate to protect the national interest. It should be noted that these agreements for cooperation can be entered into only bilaterally; that is to say, the statute does not authorize the President to enter into agreements for cooperation with a group of nations or with an international agency unless, as specified in section 124, an international agreement has previously been entered into with a group of nations. This means that the President must negotiate a treaty (which must receive the approval of two-thirds of the Senate before it can be effective), or an executive agreement (which, under the terms of the law, must be submitted to both Houses of Congress and receive a favorable majority vote before it can become effective), before he can cooperate under the bill with any group of nations.

I would submit that this is an unwarranted and unwise restriction and destroys the pool idea suggested by the President. If the President can deal with a single nation in the atomic field under the stringent safeguards prescribed in this bill, then he should be able to deal with a group of nations under the same stringent arrangement.

Section 124, which purports to deal with the international atomic pool, is, in my considered opinion, nothing more than a restatement of what the President can do now under existing law, without the necessity of passing this bill.

In short, section 124 is illusory and a naked grant, since unless we add the phrase "group of nations," we are, under the language of this bill, giving voice to a pious hope, but in fact giving no additional authority to the President to carry out his atomic-pool plan which he does not already have under existing law.

While I consider it desirable and important for us to cooperate bilaterally in the field of peacetime atomic energy, I feel nevertheless that the real solution to the problem which drives men to war will not be found until we deal broadly and collectivey with many nations in a spirit of cooperation and partnership to bring the God-given benefits of this new source of power to our friends all over the world. It is for these reasons that I urge the reinsertion of the phrase "group of nations" in the international section of the bill.

The very foundation of our foreign policy has been built on a philosophy of collectiveness. As a result we have seen the free world grow stronger step by step. It would be wiser for us to take no action at all, rather than injure the spirit of unity which now prevails in the free world. Psychologically, I am afraid that we do exactly this if we make it more difficult for us to deal with a group of nations as against dealing with one nation in this very important field.

Because of this deep-seated feeling I am constrained to disagree with the committee on this point and submit my own minority view.

JOHN O. PASTORE.

I subscribe to the foregoing views of Senator PASTORE.

MELVIN PRICE.
CHET HOLIFIELD.

SALE OF CERTAIN WAR-BUILT PASSENGER-CARGO VESSELS

The PRESIDING OFFICER (Mr. BUSH in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the joint resolution (H. J. Res. 534) to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BRICKER. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BUTLER, Mr. POTTER, and Mr. MAGNUSON conferees on the part of the Senate.

A FARM PROGRAM FOR AMERICA

Mr. FERGUSON. Mr. President, in the past few months we have heard a great deal of debate on the farm issue. Some of it has been calm consideration of the problem. Quite a bit of it has been more on the hysterical side. We have received information and misinformation. We have heard that the farmers will be ruined under one program and also that they will be better off under the same program.

It is about time that we consider what we are trying to achieve in the development of the Nation's agriculture, and then determine whether our present program or the President's proposals moves us closer to these goals.

Let us ask ourselves, first, whether we want to shift from a wartime to peacetime agriculture.

I think the answer must be "Yes." We have to make the transition sometime. The longer we wait, the more difficult it will become. Our economy has undergone some sizable adjustments since the all-out production days of the Korean war. In my own State of Michigan the industrial cutback has been quite severe. Still, no one seriously suggested that we continue the production of military equipment we do not need. The record with respect to the armed services appropriation bill for fiscal 1955, which comes under my chairmanship, amply bears out this statement.

The situation in agriculture is similar. We are still producing some important commodities on a wartime, emergency basis. It does not make much sense to continue to produce food and fiber that we do not need and cannot dispose of.

The mere fact that a shift from a wartime to peacetime agriculture is needed speaks against our present program of supporting the six so-called basic commodities at a rigid 90 percent of parity. This is a wartime and an emergency program. It was so conceived, and it operated to provide us with the necessary farm products. It worked well. It did the job. But the job had been completed. A continuation of this program will only mean more wartime production for peacetime needs.

The President's program, on the other hand, will start us back to peacetime conditions. It will not do the job all at once, but it will head us toward more normal production. I may say that the President's program was made last December, at which time the leadership on both sides in the Senate and in the House of Representatives helped make up and agree to the program. It will do this by gradually reducing the premiums paid by the Government for wartime production. If we want to pay premiums, at least they should be directed toward adjusting our production to peacetime requirements.

Closely associated with this shift from a wartime to a peacetime agriculture is the question of whether a balanced agriculture is desirable or whether it should be our national policy to produce excessive surpluses.

The answer here must be for a more balanced agriculture for the benefit of farmers and the Nation as a whole. As a matter of pure and simple national policy, it does not seem at all wise to encourage production that cannot be used. This only depletes our soil needlessly.

From the point of view of the farmer alone, however, excessive surpluses are damaging. An oversupply of any commodity tends to drive down the price. The more excessive the surplus, the more price depressing it becomes. Our surplus of wheat is now so large that even with the Government supporting wheat at 90 percent of parity, and buying about half of the total crop, the price is still only about 77 percent of parity.

Perhaps the worst feature of large surpluses, from the farm viewpoint, is that there can never be a natural and vigorous market except in time of disaster, when the surpluses might be used up. How can the farmer ever reach full parity, short of Government price fixing, when there is always an excessive supply available to be placed on the market if the price should ever increase? The answer is that he cannot.

This constitutes borrowing from tomorrow's market. It means that the farmers of today are mortgaging the markets which rightly belong to the farmers of tomorrow.

It is certainly true that our policy should be one of maintaining adequate reserve to take care of forseeable emergencies. But we can never store enough to meet all possible emergencies. As in anything else, we must depend in large measure on our capacity to produce to meet most emergencies rather than on our storehouses.

If our national policy is to be that excessive surpluses are not desirable, then we must change our present farm program because it is this program that has built up the surpluses. Certainly we cannot cut down our excessive supplies by the very same program that created them.

Here again, the President's program will start us on the road to reduction of surpluses by lowering price supports when production is excessive and increasing supports when and if production lags.

I have heard it said many times in the Senate that farm production will not respond to the price incentive—that if the price goes down the farmer will produce more to offset the drop in price. If that is true, Congress should have lowered the support level rather than raised it when we wanted wartime production of farm products. Also, if we want to lower production we should increase price supports. Does not that sound a little fantastic?

It seems to me that those who say a farmer will produce more if the price declines underrate the management ability of our farmers. Farmers have shown time and again that they respond to price incentives; that they will produce the crops on which they can make the most profit. That is to say, farmers are selective in what they will grow and are more conscious of particular prices rather than agricultural prices in general.

Another question that confronts us as a matter of national policy is whether we want an abundant agriculture. The answer here should most certainly be "Yes," since we understand abundance as meaning the way we meet the needs of our citizens and contribute to an ever-increasing standard of living. But abundance is really abundance only if it is put to use. It does not help our standard of living much to have our production stored in warehouses. We could have our warehouses filled with wheat and cotton and still be woefully short of other commodities. That would not be abundant production in the true sense. We need an abundance of production of the right things at the right time.

The present program fails to accomplish this. It gives us surpluses that we cannot use. Then after we acquire these surpluses we are forced into an economy of scarcity while we drastically cut back our acreages in order to get rid of the surpluses.

The program proposed by the President and the congressional leaders in the House and the Senate would lead us to true abundance by offering the most attractive price supports to commodities consumers were ready to buy.

This leads us to the question of whether we want a program which adjusts itself to changing conditions. Again the answer must be "Yes." I am told farm horses are now selling at about 13 percent of parity. How fortunate we are that we did not have a support program on horses that took no recognition of the automobile, the airplane, and other modern means of transportation.

Not to key our programs to changing conditions sounds ridiculous. Yet our present wheat program fails to take into account vitally important changes in both production and consumption. Parity on wheat is still based on the horse era rather than the tractor age. On the consumption side, the program fails to take into consideration that the per capita use of wheat has fallen sharply, and that to a great extent wheat in our diet has been replaced by meats, fruits, vegetables, and other foods. The President's program takes these vital changes into account and allows for the necessary adjustments.

Another question we must answer is whether we want to point out agricultural programs toward increasing Government control or toward greater freedom for our farmers. There may be

room for differences of opinion, but I believe that all of our citizens should have the maximum amount of freedom consistent with our organized society.

The present program works to take freedom of decision away from farmers. Production controls must be a part of high and rigid price supports. The higher the support the tighter the controls must be. That does not make for efficient farming. It does not make for consistency in Government to offer production premiums and then turn around and sharply cut back production through controls. Let us not forget that our farmers know more about operating their farms than the Government does.

The President's program is directed toward a relaxation of Federal controls. Once our present surpluses are disposed of and the flexible supports become fully operative, most of the necessary production adjustments would be made voluntarily on the basis of supply and demand. I am sure that is the way most of the farmers prefer to operate.

Do we want a program that will be fair to all farmers? Certainly, the answer to this is "Yes." Yet our present program channels most of the benefits to the large producer and leaves little or nothing for the small operator.

I wish to emphasize the words "large producer," because it is a fact that the small farmer receives a mere pittance, while the large producers receive thousands of dollars.

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

Mr. FERGUSON. I would prefer to complete my statement before yielding.

Not only is this true, but the little fellow has to pay taxes to support the program. In some instances the tax will exceed his benefits.

In many States the average crop loans run $500 or $600. Whether these crops are supported at 90 or 80 percent makes a difference of only $50 or $60.

In return for this $50 or $60 the farmer faces loss of markets, restrictions of his management decisions, and all the other disadvantages of the present program. That can amount to selling your birthright for something less than a mess of pottage.

The present program channels most of our agricultural assistance funds into commodities that account for less than 25 percent of our cash farm receipts. Not only does the program not benefit many farmers, but it actually penalizes them by holding feed prices at artificially high levels. This is important to the farmers of Michigan, who receive about a third of their income from dairying.

Recently I pointed out in the Senate, on the basis of information from the Department of Agriculture, that 85 percent of the cash farm receipts in Michigan comes from nonsupported commodities and dairy products. Only 10 percent comes from the basic commodities in which the Government has now more than $5 billion invested.

The President's proposals would work to level off this one-sided program and lessen some of the inequities now imposed on farmers in Michigan and about three-fourth of the other States. Perhaps the most vital question we must ask ourselves is which program will do the most to maintain farm income. We know that the present program does not accomplish this. In 5 of the past 6 years, farm income has declined. It is declining now, in spite of the largest expenditures in history for price supports.

Mr. President, let us face the facts. High and rigid price supports cannot even maintain prices in the face of large surpluses, to say nothing of maintaining income. Let us not concentrate our program too much on price. High prices alone will never make farmers prosperous. It also takes volume to produce income.

It is not the theory of large profits and small turnover that has led to economic wonders in America. It is rather just the opposite—small profits, large turnover. That is the way to raise the standard of living. The key to our mass production in industry is a price that will reach the mass markets.

The way to have a really high standard of living and prosperity is to have great and ever-increasing consumption. We must be careful in agriculture that we do not pursue the fallacy that price alone will lead to prosperity. We must have good markets. And we cannot build these markets with artificially high prices that tend to cut off world markets, restrict domestic consumption, and invite the use of substitutes.

Of course, we do not know specifically what would happen to farm income under flexible supports, but the proof of the pudding is in the eating of it. Therefore, the way to determine that question is by trial. We do know, however, that we were not trying to reduce farm income when we approved these supports in 1948 and again in 1949. We know that our agricultural leaders are not trying to reduce farm income when they endorse flexible supports. We should know that the President and the Secretary of Agriculture Benson are not trying to reduce farm income when they tell us we must switch from rigid to flexible supports. I do not think President Truman was trying to reduce farm income when he called for flexible supports in 1948. I do not think the Democratic Secretaries of Agriculture of the past 20 years were trying to reduce farm income when they supported the flexible principle.

Mr. President, we also know that flexible supports will help restore our markets, both domestic and foreign; that they will make our farm commodities more competitive with substitutes, and that they will help keep production in line with demand. I am sure we do not have to be economic specialists to know that this is the road to a sound agricultural policy.

But even if we close our eyes to all the prospective benefits of flexible supports, it would still behoove this Congress to change the present program solely on the ground that it has failed.

It has failed in spite of the fact that the Government now has about $6½ billion tied up in price supports, and that by the end of this year the figure will probably rise to around $9 billion.

The cost of our present farm program might not be too alarming if the program was actually working for the overall benefit of farmers. But when the program actually hurts rather than helps agriculture, the cost seems indefensible.

We hear the statement oft reiterated that our price-support operations over the past 20 years have cost only about a million dollars a year. But let us look at the facts. The Government storage bill alone on surpluses is now approximately $250 million a year, $700,000 a day. Actual losses of Commodity Credit Corporation last year were more than another quarter of a billion dollars. That is a half-billion dollars right there, or $499 million a year more than some persons claim to be the cost.

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

Mr. FERGUSON. I would rather finish my statement first. Then I shall be happy to yield.

In 4 years we spent nearly $550 million in subsidizing exports under the International Wheat Agreement. That certainly is a price-support operation. If the wheat had not been exported, it would have wound up in Government hands at even a much larger cost.

In addition to deciding the support level for the basic commodities, we have a vital decision to make on dairy products. I hope we can take a long-range view on this issue, as it is tremendously important to Michigan and a number of other dairy States.

The action Congress takes may well determine whether the dairy industry in the immediate years ahead is to be a subsidized industry or one standing on its own feet.

Spurred on by the cut in dairy price supports from 90 to 75 percent last April, the dairy industry now has a vigorous campaign underway to promote and expand its markets. This campaign is beginning to pay off. Consumption is going up.

Several statements were made in the Senate last April that the cut in the support level would not increase consumption. But the facts are that the price reduction together with the sales campaign by the industry is increasing the consumption of these products.

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

Mr. FERGUSON. I shall be glad to yield in a moment.

Just a few days ago the Department of Agriculture reported that although production of butter, cheese, and dried skim milk has been running about 5 percent ahead of last year, Government purchases of butter and cheese are smaller and dried milk purchases are only slightly higher.

During April, May, and June of this year the Government bought 125 million pounds of butter compared with 134 million pounds a year ago, 65 million pounds of cheddar cheese compared with 103 million pounds a year ago, and 215 million pounds of dried milk as against 205 million pounds a year ago.

The American people are beginning to eat more dairy products. The dairy industry is moving ahead. Let us not put a crimp in this progress now by an un-

wise increase in the price of these products. Let us not increase the price of butter, unless we are interested in seeing the consumption of butter reduced and the use of butter substitutes increased.

The dairymen of Michigan took quite a jolt when the support level was reduced. But it is to their credit that most of them could see it was the best thing to do—that their investments would be a lot safer if good, vigorous markets were built up than if their products were sold to the Government at 90 percent of parity.

If a person was to be in the dairy business for only a year or two, then the 90 percent supports would be just the thing to assure him a short-term income. But Michigan dairymen intend to stay in business year after year. They know the industry can pull out of its present troubles. They know great things are ahead for dairying—that science is on the brink of advances that may actually result in a shortage of milk in the new future. They know that once sterile milk or frozen milk concentrates get on the market consumption of milk in many areas will increase greatly.

Certainly, most of us must recognize the need for a more realistic farm program, a program that will give more real assistance to the farmer, a program that will be fair to all farmers, fair to consumers, and good for America, economically and socially.

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

Mr. FERGUSON. I yield.

Mr. YOUNG. Did I understand the Senator correctly to say that the 90 percent price supports were largely or entirely responsible for our present surpluses?

Mr. FERGUSON. I certainly will say that that is true.

Mr. YOUNG. Does the Senator realize that only 2 years ago, as a part of our security program, the Government asked farmers to increase their production?

Mr. FERGUSON. There is no doubt that we wanted a production increase. By supporting the price is the way to get the increased production.

Mr. YOUNG. That was only 2 years ago, in 1952. I doubt if there is a Member of the Senate who realizes that the farmers were asked to increase production as much as they were 2 years ago. I should like to read some figures to the Senator.

Mr. FERGUSON. Will the Senator tell us why the farmers were asked to increase their production?

Mr. YOUNG. As a part of our war program. The figures I have before me were given to the Committee on Agriculture and Forestry on February 29, 1952.

Mr. FERGUSON. We were at war 2 years ago.

Mr. YOUNG. That is true. Let me now read some figures. The farmers were asked to increase their production of corn 115 percent over the previous year; cotton, 105 percent; wheat, 118 percent. It was only 2 years ago that we asked the farmers to increase their production greatly as a measure to further the war effort. Today we find Members of Congress condemning the program of 90-percent support prices for our present surpluses.

Mr. FERGUSON. If the Senator had heard what I said earlier in my remarks he would have noted my statement that that was done in furtherance of a desire—and it was a proper desire—to stimulate production. We were engaged in a war at the time. That is why it was thought desirable to increase production.

Mr. YOUNG. This is the first year the wheat farmers have been asked to reduce their production, and there has been a reduction of 200 million bushels forecast by the last United States Department of Agriculture report.

Mr. FERGUSON. It is not a consistent policy to pay fixed prices and encourage increased production, and then tell the farmers they must cut down their acreage production.

Mr. YOUNG. Does the Senator believe that this program can be sold to the wheat farmers when they have been asked to cut their production 34 percent; that is, 21 percent last year and 13 percent this year? On top of that the Department of Agriculture is proposing to reduce the price-support level and to switch over to a flexible parity program.

Mr. FERGUSON. The sooner we adopt a program which will allow the farmers to produce for a profit, and not say to them, "We will guarantee you 90 percent; we will put your products in storage, and cut down your acreage so you cannot produce so much," the better off agriculture will be.

Mr. YOUNG. I know all that, but for almost 10 years we asked the wheat farmers and other farmers to increase their production, and now that they have increased it we take away approximately half of their income by the methods I have outlined. That would break any business institution in the Nation required to sustain a similar cut in production and sales price.

Mr. HUMPHREY. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. HUMPHREY. I was impressed, but not convinced, by the Senator's remarks, and I should like to ask him two questions. He has, first of all, condemned the 90 percent price-support program as a rigid price-support program, and then he says that those supports were responsible for about 20 percent of the national income.

Mr. FERGUSON. About 25 percent.

Mr. HUMPHREY. Then the Senator uses the argument that agricultural income is dropping and dropping and has been dropping during 5 out of the past 6 years. He does not answer the question, How much has the agricultural income dropped on fixed parity commodities?

Mr. FERGUSON. I stated in my remarks that we are pyramiding surpluses. Take butter as an example. I voted against the bill allowing oleomargarine to be colored, and the Senator from Minnesota did also, because we saw the effect it would have on the dairy farmers of America. There can be no doubt that we are paying the bill today.

Mr. HUMPHREY. What program does this administration offer as to butter that we did not already have? I challenge any Member of the Senate to show me any improvement that this administration offers with reference to butter. It offers from 75 to 90 percent of parity. This is what we had for 3 or 4 years. The administration's program with reference to butter does not offer one thing that is not already being done.

Mr. FERGUSON. The administration program since last April shows——

Mr. HUMPHREY. Shows what?

Mr. FERGUSON. That less butter is being placed in storage.

Mr. HUMPHREY. And that more dried milk is placed in storage.

Mr. FERGUSON. And more people are using butter, because under the program people are enabled to buy it at a less price, and, at the same time, there is not the incentive to buy substitutes. We priced ourselves out of the market.

Mr. HUMPHREY. Fluid-milk consumption is down and fluid milk prices are up.

Mr. FERGUSON. I do not so understand.

Mr. HUMPHREY. Whether the Senator understands it or not, it is the truth.

Mr. FERGUSON. I asked the chairman of the Committee on Agriculture and Forestry, and he says that is not the case.

Mr. HUMPHREY. I may say to the chairman of the Committee on Agriculture and Forestry that the Department reports that fluid milk consumption is down and the supply of powdered milk is up. The Senator pointed it out himself. So we get a little increase in butter consumption, and also an increase in dried-milk purchases.

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

Mr. FERGUSON. I yield.

Mr. AIKEN. Of course, the purchases of powdered milk are up a little bit—I think, approximately a million pounds overall for the first 3 months of the dairy year. They are up because more is being made. There is an increase of roughly 5 percent in the production of milk this year, but in the Senator's own State of Minnesota the Commodity Credit Corporation is having to buy only about two-thirds to three-fourths as much butter as it bought last year. Butter and cheese are going to the consumer's table once more, whereas, it had been priced off the table during the past 2 or 3 years.

Mr. HUMPHREY. Would the Senator be interested in knowing that the price of fluid milk is going up?

Mr. AIKEN. Is not that what the Senator has been arguing for?

Mr. HUMPHREY. Would the Senator be interested in knowing that one of the reasons why there has been less butter stored is that farmers are selling off a number of their cows?

Mr. AIKEN. That is a part of the program advocated by the Department of Agriculture. The State of Minnesota produced 3 percent less milk in June than it produced in May, and the whole country is putting production in line with consumption. So far as I know, most of the dairy farmers would rather see

their products go to the consumer's table than into Government refrigerators.

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

Mr. AIKEN. I do not have the floor, but I shall be glad to yield.

Mr. FERGUSON. I have yielded the floor.

Mr. AIKEN. If I have the floor, I will yield.

Mr. FERGUSON. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Vermont has the floor.

Mr. AIKEN. I yield to the Senator from Minnesota.

Mr. THYE. Mr. President, I was in Minnesota last Saturday morning. I had intended to remain out of this argument today. I listened to the Senator from Michigan making his statement. I could enter into a debate with him on many phases of his statement, but that I will not do. At first I had intended not to open my mouth on the question, but when I listened to the colloquy between my colleague [Mr. HUMPHREY] and the Senator from Vermont [Mr. AIKEN], I could not help relating to the Senate what I heard on radio station WCCO Saturday morning of last week. Station WCCO is one of the large stations in the Northwest. I was driving on the highway through a great dairy section of Minnesota when I heard this broadcast:

> The fluid milk dealers in the Twin Cities area announce that the price of fluid milk will have to be raised 1 cent a quart.

It can be imagined what my reaction was when I knew that the Twin Cities Milk Producers, a farmers' organization, produce about 90 percent of the fluid milk consumed in the Twin Cities area. They are the so-called wholesalers to whom the distributors were referring. The distributors announced that the reason why they had to raise the price was because wholesale prices were up.

The Twin Cities Milk Producers are a cooperative organization and have suffered a dollar a hundred loss in the price of milk within the past year, and most of it has been since April 1. Now the distributors are intending to charge housewives a cent more a quart on the pretense that the wholesale price has gone up. The wholesale prices has dropped $1 a hundred. There is neither rhyme nor reason to the entire argument, and that is why I do not want to enter into it.

Mr. AIKEN. I do not think the Senator from Minnesota is so naive as to believe that a cent a quart has been arbitrarily taken out of the consumer. Anyone familiar with the milk industry knows that in April, May, and June the wholesale price goes down. There is an automatic reduction in consumer prices over the flush months. About the first of July the price automatically starts going up again. It is happening all over the United States. The price is going up in New England, in New York, in Virginia, in Maryland, and all over the country. It is a seasonal change in the price. It is unfortunate that frequently distributors charge consumers more than the increased amount they pay the producers. But that has been going on ever since I can remember, and we have found it very difficult to get the change in price to the consumer exactly to reflect the situation. I am sure the milk producers for the Twin Cities' market are getting an increase during this month. They got a reduction of as much as a dollar a hundred through April, May, and June.

Mr. THYE. Mr. President, will the Senator from Vermont yield further?

Mr. AIKEN. I yield.

Mr. THYE. Mr. President, I served as a director of the Twin Cities Milk Producers for a number of years. I know the milk business. I know the trends in prices in both spring and fall.

This is the flush period of the year. There is an ample supply of milk. Milk should go down in price, rather than up. The producers have taken a cut of $1 a hundred pounds in the past few months. There is no rhyme or reason why the distributors should increase the price of milk at this time, except the general, overall influence of the attack upon the farm support program, which has created the impression that the farmer and the support program are responsible; and any profits taken, whether they be excessive or not, are condoned and accepted as being proper because the criticism rests upon the farm support program rather than upon the gouging on the part of the distributors.

Mr. AIKEN. I agree with the Senator. In many cases producers and distributors take unwarranted profits.

Mr. THYE. Indeed they do.

Mr. AIKEN. But I say to the Senator from Minnesota that he will find that if the price of milk to the consumers in the Twin Cities goes up 1 cent a quart in July, the price to the farmers also, undoubtedly, will go up. If it does not, then that is a situation into which the officials of the State of Minnesota should look.

In my own State, the milk control board—and Vermont is one of a dozen or so States which have milk control boards—has given the milk distributors the right to sell a gallon of 3.7 milk for 60 cents, cash and carry. If it is 4.2 milk, they have to charge 64 cents. Many distributors are doing that, and it is bringing about an increase in the consumption of milk.

In my area of the country, there has been a 9 percent increase in consumption of butter as compared to the consumption of last year, and an increase of 3 percent in the consumption of fluid milk. I do not know whether that is true of all sections of the country. I understand that for the Nation as a whole there has been an increase of 7 percent in the use of butter, and a slight decrease in the use of oleomargarine. The producers of butter are experiencing an increase in the consumption of butter for the first time in a long, long time.

I wanted to point out that the changes in milk prices are seasonable. Beginning July 1 they go up, up, and up, until December. Usually on January 1 milk prices begin to drop a little, reaching their lowest point in May and June. I am very happy to say that the country as a whole, and particularly the States of Minnesota, Wisconsin, and Iowa, are putting their production more in line with the requirements. There has been a reduction of 4 percent in the production of milk in Wisconsin over that of last month; 3 percent in Minnesota; and 2 percent in Iowa. That is due, in considerable part, to the smaller numbers of cattle in the herds, showing that, at last, some of the undesirable cattle in the herds have been culled; animals which, while not profitable, nevertheless contributed to the milk surplus.

The situation is improving. It will get better during the next few months. Until the marketing methods are changed in many parts of the country, the consumer probably will not get milk cheaper. Very likely milk will be higher by a cent or two a quart during the period of the next 6 months. But since the inauguration of the new program on April 1, there has been a steady tendency to bring production in line with consumption. When that has been accomplished, the dairymen of the United States will be in infinitely better condition than when they were constantly trying to see how much milk they could produce in order to sell it to the Government.

PROPOSED CONSTITUTIONAL AMENDMENT TO REQUIRE ANNUAL BALANCING OF THE BUDGET

Mr. LENNON. Mr. President, it is now perfectly obvious that the present legislative procedure to deal with the Federal fiscal situation is totally inadequate. It is also apparent that the need is urgent for some sound reform to lead our Federal Government to a balanced budget in periods of normal military and economic conditions.

Yesterday, a ray of hope shone through the gloom of national financial instability. It is Senate Joint Resolution 174 introduced by the senior Senator from New Hampshire [Mr. BRIDGES], and the senior Senator from Virginia [Mr. BYRD].

This joint resolution proposes an amendment to the Constitution of the United States to provide for the imposition of Federal taxes to provide revenues at least equal to appropriations, except in time of war declared by the Congress or when the United States is engaged in open hostility against an external enemy.

In my opinion, without having had the benefit of careful study of the proposal, it will go a long way toward balancing the Federal budget and restoring the natural balance between budget revenues and budget expenditures. It will not penalize any legitimate or necessary service now being rendered by the Federal Government, but it will, in a large measure, weed out and cast aside much unnecessary spending.

As Senator BYRD ably pointed out, it will prohibit deficit spending. Mr. President, this is the heart of the resolution—and I believe it represents the thinking of the American people. This is indeed one of the most important matters we must face.

Here, at last, is a practical approach to a grave problem. It is an effective way to establish faith and understanding among the people in fiscal procedures

in the Federal Government at a time when the maze of technicalities simply astound us all.

Mr. President, I am not an expert on budget matters, but I am disturbed, as I believe all of us should be, by the fact that our Federal budget has been in balance only four times in a quarter of a century. There seems to be no end in sight to deficit spending.

We have just come to the end of a fiscal year. The national budget was unbalanced. We operated last year in the red $3,750,000,000, and the best information that has been available here, is that the budget will be in the red even more next year, unless effective savings and cuts in unnecessary spending are made at once.

To bring home to every Member of the Congress the great responsibility which rests upon our shoulders, the national debt now stands in excess of $270 billion.

The Senate will soon be debating the Mutual Security Act which will further saddle the taxpayers of the country with a Federal deficit. It is my intention to support any effort which will eliminate foreign economic aid not directly geared to our military support of free nations resisting international communism.

Mr. President, in order to show the budget deficits and surpluses of those nations scheduled to receive economic aid under 1955 authorization, I requested the Legislative Reference Service of the Library of Congress to prepare this information.

Mr. President, I ask unanimous consent to have the tables printed at this point in the RECORD.

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

Budget deficit in 1953 (or most recent year) of countries scheduled to receive economic aid under 1955 authorization

[Budget deficit (−) or surplus (+) in dollars]

Europe:[1]	
France	−$2,320,000,000
Germany, West Berlin	[2]+354,000,000
Spain	−92,436,000
United Kingdom	−814,280,000
Yugoslavia	−42,097
Near East, etc.:	
Afghanistan	(3)
Egypt	−46,409,000
Ethiopia	(3)
Greece	−14,533,000
India	−318,510,000
Iran	−13,270
Iraq	+12,229,000
Israel	−2,874,400
Jordan	(3)
Lebanon	(3)
Liberia	−384,005
Libya	(3)
Nepal	(3)
Pakistan	−149,393,000
Saudi Arabia	(3)
Turkey	−71,239,000
Asia and Pacific:	
Formosa	(3)
Indochina	(3)
Indonesia	−157,800,000
Philippines	+27,174,000
Thailand	−52,286,000

[1] Selection based on H. Rept. No. 1925, pt. 1, p. 9; and Mutual Security Act of 1954, hearings, pp. 123, 124.

[2] Federal Republic.

[3] Not available.

Budget deficit in 1953 (or most recent year) of countries scheduled to receive economic aid under 1955 authorization—Continued

Latin America:	
Bolivia	−$13,080,000
Brazil	+97,393,000
Chile	−16,678,000
Colombia	+29,250,000
Costa Rica	+3,677,000
Cuba	+337,000
Dominican Republic	+7,596,000
Ecuador	−66,440
El Salvador	−100,000
Guatemala	−4,463,300
Haiti	−2,731,000
Honduras	−3,370,000
Mexico	−12,320,000
Nicaragua	+789,000
Panama	+3,000
Paraguay	−465,000
Peru	+440,000
Uruguay	−2,336,000
Venezuela	−3,636,000

Sources: International Monetary Fund, International Monetary Statistics; Moody's Governments.

Mr. LENNON. Mr. President, we can successfully resist the pressure to increase the statutory national debt limit from $275 billion to $290 billion by eliminating unnecessary foreign economic spending.

With the belief that we should reduce foreign economic spending by the substitution of more international trade, I supported the amendment to extend the Reciprocal Trade Agreements Act for 3 years.

The Senate will recall that the President sent a message to the Congress last July 30, requesting legislation raising the statutory debt limit. It was at a time when sufficient study could not be given the necessity for such action. Many Members of Congress had left, some having had plane and train reservations, to return to their respective homes, when Congress was called upon to enact legislation on the subject.

I now read a portion of the message of the President, in which he expressed concern about the ability of the Government to remain solvent unless an extension of the debt limit were granted:

> Under present circumstances, the existing statutory debt limit is so restrictive that it does not allow the financial operating leeway necessary to conduct the Government's fiscal affairs effectively. This is specific with respect to the seasonal variations of Federal receipts and disbursements and also in view of the uncertainty as to future income and expenditure levels.

Mr. President, the Senate Finance Committee on August 1, 1953, postponed action indefinitely on this request. The Congress went home. There was no extension of the debt limit. Today, thankfully, we are still operating below the statutory limit of $275 billion. It is my understanding there is now about an $11 billion gap, consisting of approximately $6 billion in the Treasury and about $5 billion below the statutory debt limit.

I should like to pay tribute to the great men of the Senate who are members of the Senate Finance Committee, who had the courage successfully to resist the pressure of the White House, the Director of the Bureau of the Budget, and the Secretary of the Treasury, and to postpone action indefinitely on the bill then before the committee, which would have raised the national debt limit from $275 billion to $290 billion.

I recall that upon adjournment on August 3, 1953, the Members of Congress returned to their homes somewhat under a cloud, and under a feeling that they would likely be called back for a special session in order to enact the legislation increasing the debt limit. I recall, too, that the press and the great radio stations of America took the message to the grassroots. I recall, too, that it was the first occasion, certainly in a long period of time, perhaps as much as 20 years, that the Congress of the United States had said, "Mr. President, you must try to live within your budget. You must make an honest effort, if you can, to reduce expenditures."

I was not called upon, Mr. Presdent, to cast a vote on that proposed legislation, for the reason that it did not come from the committee; but had I been permitted at that time to cast a vote, my vote would have been against raising the national debt limit. I cannot escape the conclusion that if the Congress at the last session had raised the debt limit, when we met here in January of this year every department and every agency and bureau of the Federal Government would have raised its sights on its requested appropriations.

As I have said many times, I sincerely hope it will not be necessary to raise the national debt limit.

One problem which I believe concerns the people of the United States is the cost of debt management. I am reminded of the fact that the interest on the debt is a fixed item of cost. I sometimes wonder if the people of America are truly concerned about the magnitude of the national debt, but certainly they must be vitally concerned about the cost of debt management. I am told that, including the interest on the national debt and the management of the national debt, the cost amounts to approximately $7 billion. Every Member of the Senate recalls that at one time the annual budget of the Federal Government was less than the present debt management cost. That is a surprising and astounding fact, Mr. President, a fact which should be of grave concern not only to the Members of Congress, but to the people of the entire Nation.

The Congress and the people must face up to the problem of national solvency, effect reasonable economies, and provide the revenue with which to operate our great Nation.

It is my judgment, Mr. President, that the people of America are not demanding economy in Government such as to cause cessation of absolutely needed services, reduction in our national defense or military assistance to our friends in the free world. Rather, I believe, it is their desire to face up to the requirements of citizenship with the certainty that their Government is realistically handling its finances.

Mr. President, ours is a great Nation. Its destiny has not been fulfilled. We must be strong in order to provide effective and militant leadership for the free world. I am reminded that our physical

strength to a very great degree rests on our budgetary soundness.

Mr. President, I am grateful for the opportunity to endorse the principle of the joint resolution. It is my belief that a more effective fiscal policy can emerge from the resolution. It is my hope that North Carolina, along with many other States of the Nation, will have an opportunity soon to support the resolution as an amendment to the Constitution of the United States.

Mr. President, I yield the floor.

THE PRESIDENT'S HEALTH REINSURANCE PROGRAM

Mr. SMITH of New Jersey. Mr. President, as chairman of the Committee on Labor and Public Welfare, I feel very much concerned over the action of the House yesterday in sending back to committee and virtually killing President Eisenhower's Federal health reinsurance bill, which is really the heart of the President's health program. Our committee in the Senate has just reported our version of this bill, S. 3114, to the floor, and we had expected to have it come up for debate here within the next week or 10 days.

I have been in the Senate for 10 years and have been on the Committee of Labor and Public Welfare for that entire period. We have had facing us each year the consideration of an overall health program for the American people which would avoid the dangers of socialized medicine, but which would establish a voluntary system providing for our families the necessary health care, and particularly would provide for those catastrophes overtaking families with a sudden or prolonged illness, especially of the breadwinner.

We have seen the failure of socialized medicine in England, and I have been opposed to any such approach to the question. I am a son of a physician and my younger years were lived in a physician's family where I came to understand the values of the relationship of doctor and patient. There is no profession I respect more than the medical profession, and I admit I am prejudiced from the noble life that my father lived. I never could tolerate the thought of mechanized medicine where the patient becomes a number merely and he may be assigned to a doctor that may be good, or may be second rate. Anything that even tends to threaten the intimate relationship between patient and doctor is a distinct loss to this country. For that reason in talking over some kind of voluntary health insurance with Secretary Hobby and her very efficient staff, it was decided that we should endeavor to build on the voluntary health insurance plans that have been growing up in this country, such as the Blue Cross, and the Blue Shield, and on the plans of the many insurance companies which have been studying this subject for years. The problem was whether these insurance coverages could be expanded in two directions: First, to cover more of our population at a reasonable premium, and second, to widen the scope of the coverage. As of today I am advised that there are 54 million persons covered by the Blue Cross and 29 million persons covered by the Blue Shield in addition to the various insurance company coverages, and so forth.

Secretary Hobby has mobilized all the important insurance experts in the country, as well as other advisers who have studied both the medical side and the social side of the problem involved. We have come up with a plan, which, admittedly, may not be perfect, but which has all the earmarks of intelligent experimentation with the principle involved. With our 48 States as laboratories we should find an ultimate sound solution.

We want no interference with the individual family having its own family doctor, but we do want to develop that sense of security in our people so that if catastrophic illness overtakes them they will have at least reasonable coverage against such a disaster.

Much to my amazement the opposition to this intelligent conception has come principally from two groups of people. First, the American Medical Association, which shortsightedly and without adequate study, has suggested that this plan is a step in the direction of socialized medicine, and, two, from our large labor groups who have been favoring the compulsory program of socialized medicine. I have been conscious in my own office as chairman of the Labor and Public Welfare Committee of a barrage of high-pressure endeavors to kill this bill based on statements which are totally inadequate and totally untrue, which can have no motive other than the desire to frustrate this important program which President Eisenhower and his group are trying to offer to the American people at this critical time.

As chairman of the Labor and Public Welfare Committee, as I said at the opening of these remarks, I must protest vigorously against this sort of thinking and against this hysterical runaway under pressure of poltical groups from the responsibilities that lie before us.

I am not sure what the best course is to pursue, but my feeling is that we should go through with our bill in the Senate and in the debate here demonstrate to the people of the United States what this program is. Whether or not we would be successful in getting the legislation through, we would at least be able clearly to place the responsibility where it belongs—on the people who sabotaged one of the soundest experimental health programs ever offered to the American people.

JOINT COMMITTEE ON CIVIL DEFENSE

The PRESIDING OFFICER (Mr. BUSH in the chair). The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to submit for appropriate reference a concurrent resolution to create a Joint Committee on Civil Defense.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none.

The concurrent resolution (S. Con. Res. 94), submitted by Mr. HUMPHREY, was received and referred to the Committee on Armed Services, as follows:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a Joint Committee on Civil Defense to be composed of 9 Members of the Senate to be appointed by the President of the Senate, and 9 Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. In each instance not more than five members shall be members of the same political party.

SEC. 2. The joint committee shall make continuing studies of the activities of the Federal Civil Defense Administration and of problems relating to civil defense. The Federal Civil Defense Administration shall keep the joint committee fully and currently informed with respect to its activities. All bills, resolutions, and other matters in the Senate or the House of Representatives relating primarily to the Federal Civil Defense Administration or to civil defense shall be referred to the joint committee. The members of the joint committee who are Members of the Senate shall from time to time report to the Senate, and the members of the joint committee who are Members of the House of Representatives shall from time to time report to the House, by bill or otherwise, their recommendations with respect to matters within the jurisdiction of their respective Houses which are (1) referred to the joint committee or (2) otherwise within the jurisdiction of the joint committee.

SEC. 3. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

SEC. 4. The joint committee, or any duly authorized subcommittee thereof, is authorized to (a) hold such hearings, (b) sit and act at such places and times, (c) require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, (d) administer such oaths, (e) take such testimony, (f) procure such printing and binding, and (g) make such expenditures, as it deems advisable.

SEC. 5. The joint committee is empowered to appoint such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable. The committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government.

SEC. 6. The expenses of the joint committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of the disbursements so made.

Mr. HUMPHREY. Mr. President, it is significant that I ask the Senate to concern itself with problems of civil defense on this July 14, the second anniversary of Operation Skyhook, the most intensive practice alert our country has yet held. This occasion has been marked all over the Nation, by civil-defense groups in my own State of Minnesota, and elsewhere. It is appropriate that we make careful note of it in the Senate.

Mr. President, I wish to address myself to the substance and purpose of the concurrent resolution which I have sent to the desk. Time has moved so rapidly in the last decade as to confound the label makers. Scarcely pausing for breath in this atomic epoch, we have hurried from the uranium age to the plutonium age, until we have arrived at the hydrogen or the thermonuclear age. Each step in this progression has meant the multiplication of the means of destruction in our hands—and in the hands of our enemies. The 1952 hydrogen bomb inflicted complete destruction over an area of 33 square miles, severe to moderate damage over 154 square miles, and light to unknown damage for 314 square miles. Mr. President, I make note of the fact that that was the 1952 hydrogen-bomb test, not the most recent experiments that have been conducted, which, according to the information we are able to obtain, made the 1952 explosion almost of pigmy proportions, as compared to the explosions which could now be made with the materials at present available. Like the dinosaur of a still earlier age, we have been content for the last several years to survey serenely our own strength, our capacity for massive retaliation, without stirring our brains to any serious consideration of our defense. Mr. President, as we know, the dinosaur of prehistoric days, today is extinct. I would suggest that that lesson might be somewhat apropos to existing circumstances.

The policy of the American Government has been a constant search for peace and for means to avert war. If, however, war should come—and we must always project our planning and our thinking upon that terrible eventuality—and if our country should be attacked, then our civil defense will become the business of all Americans, for the American public will have to take the final steps to insure its own survival. The business of Government in the essential enterprise of civil defense is to provide the knowledge, planning, and direction so that our people can take steps to protect themselves.

Mr. President, I emphasize this point because today very few voices are being raised in the United States in terms of the defense of the people of the United States. We spend billions and billions and billions of dollars to build up what we call our security forces, and we spend billions of dollars for research and development to perfect weapons which can deliver lethal destruction. Yet, as I shall point out in the course of these remarks, there is no one who today can assure Americans that our cities are safe from attack. It is perfectly obvious that the weapons of mass destruction which have been created are not weapons for the traditional battlefield alone, but are weapons to be used against mass concentrations of people. They are essentially weapons for use against civilians, and I wish to emphasize the fact that the hydrogen bomb, its cobalt partner, and its atomic junior partner, are essentially weapons to be used against helpless civilians, not against military objectives in the traditional sense.

The somewhat less than heartening nationwide civil defense test that was held recently indicates that the Government has been far from successful in filling the role of providing the knowledge, planning, and direction, so that our people can take steps to protect themselves.

Mr. President, let me digress to say that I believe our present Civil Defense Administrator, Mr. Val Peterson, is doing a good job. I commend him for his diligence, his imagination, and for the dedication to his responsibilities that he seems to demonstrate. Lest any of my remarks be misinterpreted, let me say that throughout the Nation there are literally hundreds of persons who are applying themselves unselfishly and devotedly to the task of civil defense. But, Mr. President, I sympathize with the Nation's Civil Defense Administrator; he simply is not receiving support. He has been talking and talking to persons who seem to be unwilling to recognize the seriousness and the importance of his message.

Mr. President, I have just said that the recent nationwide civil-defense test was anything but heartening. If the Members of the Senate who recently voted approximately $30 billion for military preparedness would take time to examine the results of the test, they would shake in their boots. Not only that, but I suggest that we are even derelict in the performance of our responsibility of providing for the common defense.

Here are the facts: The mock attack was carried out by 425 enemy planes against some 64 cities in the continental United States, supposedly using A-bombs and other means. About 70 percent of the attacking force was presumed to have gotten through our defenses, causing 8,983,000 deaths and 4,053,000 injuries. Mr. President, I submit that these figures are considered by the authorities to be conservative. What is more, the fact that some 30 percent of the theoretical attacking planes were stopped is an unbelievably large number of enemy planes to be intercepted or destroyed before they could arrive at their target. I am sure the Air Force will say that is an unusually large figure for the interception or destruction of attacking planes.

On the credit side, the drill demonstrated that the warning system worked well, and the sirens were usually audible; the 5 million people in the Federal or State civil-defense organizations generally demonstrated themselves as well-trained cadres. However, the other side of the ledger showed that we were still short some 12 to 15 million civil-defense workers, and that the public was generally apathetic to the whole experiment.

The source of this apathy is not hard to find. The menace of the atom has been threatening our cities for years now. Our steps for civil defense have been halting and indecisive. A score of great debates boiled and simmered. Should we stay in our cities and take the atomic blow on the chin? Should we build mass air-raid shelters?

Of course, this great debate has been resolved. But if we join any general conversation, flippant or otherwise, on the topic of what to do in the event of an atomic attack, the free advice we receive will be of the order of go to the cellar, line up in the hallway, and crawl under the bed. Apparently most Americans are not aware of what President Eisenhower called a new concept of civil defense, which emphasizes improved warning of pending attack and planning for the dispersal of populations of potential target cities in advance of enemy attack.

It is small wonder that the American public is unaware of plans for evacuation, when to date only two cities—Spokane and Mobile—have made any real effort to rehearse the procedure. In the face of the most appalling threat imaginable we cannot seriously expect that such a vacuum of public information can breed anything but a narcotic apathy to our real and present danger.

Mr. President, the immediate effect of apathy may mean little more than a reduction in the statistics of national hypertension. But if a bomb should fall, today's unconcern and lack of information will mean confusion, panic, and death. The eminent psychologist, Dwight W. Chapman, put it this way:

> The Federal Government has a unique role in providing authoritative information. Whether an individual will act wisely or foolishly during an attack will depend on what he knows. * * * If no proper precautions are made, the already certain casualties and physical damage will be compounded by foolish actions verging on panic.

Mr. President, now that we have accepted a policy of evacuation of our large cities in the event of attack—and it is now the official policy—the natural next need is an early warning system which would give us a hoped for irreducible minimum of 2 hours' notice. Mr. President, we are still without such an early warning system. We are still without it, despite the fact that, in the newspapers, we read every day about the development in the Soviet Union of intercontinental bombers, and despite the fact that we are beginning to hear of the development of intercontinental rockets with atomic warheads.

More than a year and a half ago, a group of scientists known as the Lincoln summer study group did a study of United States defenses. They concluded that a chief requisite of civil defense was an early warning system. Yet, at the time, this policy was resisted by the Air Force.

I digress again to say that, of course, a strong Air Force, including interceptor planes with the finest full radar equipment, is the first essential of any continental defense. But the Air Force resisted the policy of the early warning system. According to Fortune magazine, the military felt that the expense estimate of an Arctic early warning belt was out of line. It felt that Arctic operations had not been successful in the past and were skeptical of their value in the future. It seems that these doubts have been stilled, and our Government has finally joined Canada in beginning the construction of such a belt of warning stations. But this is being done more

than a year and a half after the necessity of these stations became clear. During that year and a half we have been without an adequate warning system—and according to the Civil Defense Administration we are still without one.

When the argument over the feasibility of an Arctic warning system was producing equatorial heat, it was generating very little light so far as the public was concerned. Indeed, most Americans were not even made aware of the fact that there was a difference of opinion on this vital matter. Imagine it. A great public question affecting the lives of every man, woman, and child in the United States was kept a guarded secret. Actually the whole problem was nothing more or less than a problem of coordinating civil-defense policy with military policy, and of obtaining a military policy that would make civil defense possible. Adequate public discussion of this problem in the fall of 1952 might have resulted in a total defense policy which took more account of civil-defense needs.

In addition to the need for knowledge as a means of defense, a guard against panic, an informed public is a necessary ingredient in the formulation of the Government's attitude and policy toward civil defense. I am sure that such an informed public would have made a greater stir when the administration this year asked for a paltry $68 million for civil-defense purposes. This is how the President's budget message defined the job of the Civil Defense Administration:

> It will be the Federal responsibility as reflected in this budget to provide warning of impending attacks, and to stockpile medical supplies. The Federal Government will not assume the responsibilities which belong to local governments and volunteer forces, but will supplement State and local resources, provide necessary information on weapons effects, and advise and assist States and localities.

Even if we construe these words in their narrowest sense "warning, medical supplies, advice," $68 million does not seem adequate to perform these functions for more than 160 million Americans in the event of a hydrogen holocaust. However, I do not believe that the role of the Federal Government ends with the performance of these functions. I have talked with city and State officials who are fully aware of the danger to their communities, and yet are powerless to do anything about it. State and local resources are simply not adequate for the kind of expenditures required for civil defense. Everyday expenses for education, civic maintenance, and the like, press upon and often surpass the balance in the local treasuries and necessitate making civil defense a marginal or token activity.

I think the time has come for a definite and distinct affirmation of the Federal Government's primary responsibility for civil defense. The obliteration of a large city is not simply a local disaster. Any of our larger cities is part of a commercial, industrial, and governmental complex in which the whole Nation is involved. The Federal Government, not the local governments, operates our military defenses, and it is the only Government that can assure the proper integration of military and civil defense. In many instances local governments simply do not have the authority to initiate certain programs. The mayor of a large city, for example, finds his plans for population redistribution through housing developments stop at the city limits. The State government is unable and often reluctant to urge industrial dispersal in areas that border on other States. The Constitution guarantees us, however, that the Federal Government will "provide for the common defense." We must now have the assurance that the Federal Government has taken the responsibility for the common survival.

There are many simple and direct steps that the Federal Government can take. The Civil Defense Administration must, of course, receive appropriations large enough for the fulfillment of its enormous task. Only $68 million was requested by President Eisenhower for 1955, compared to $74 million for 1954. Oh, things have changed since last year. We now know that the Russians have bombers, the equivalents of our B–47's and B–52's capable of delivering atomic bombs. We know the Russians have exploded their thermonuclear device, and that their atomic stockpile has grown. This was certainly not the year, therefore, to cut civil defense appropriations. President Harry Truman had sought $600 million in the fiscal year 1953 and $150 million for this year. Even these figures do not measure up to the problem, but they are a considerable improvement over the ones presented by this administration.

America's industrial might is now concentrated in a few major areas, virtual sitting ducks if even a small fraction of an attacking force should get through. Industrial dispersal, a policy long and meaningfully carried out by the Russians, is an absolute necessity if America is to have the strength to launch its vaunted massive retaliation.

I digress again to remind the Senate that it is about time we got some information as to the amount of industrial dispersal that is going on in the Soviet Union. I know a considerable amount of it has taken place. When we talk about massive retaliation as a theory of military warfare, I suggest that we had better know where we are going to retaliate and have some idea as to what exactly will be the impact of such retaliation.

Is it true that Soviet industry is much more dispersed than ours? Is it true that the Soviet Union has for 10 years, or since 1940, been engaged in a dispersal program of its economic and industrial development? Is it true that we have done little or nothing in this area?

In fact, Mr. President, we have aggravated an already bad situation by placing more new military plants and industrial installations in the ever-growing urban areas.

I do not believe that we can have a successful defense policy until we know the answers to those questions.

We spend all our time talking about ourselves, about what we are doing. I suggest that an intelligent military and defense policy demands an understanding of what the potential enemy is doing and what he has in mind or might have in mind. We spend far too little time in Congress studying the economic and political developments of the Soviet Union and her satellites.

We spend too little time understanding the political tactics of the Soviet Union and her satellites. We spend all our time investigating some of our own little problems, and developing a military policy, it seems to me, on the basis of what we think ought to be right.

I cite the most recent example by referring to our complete adherence to the Navarre plan in Indochina. That plan has proved to be a failure, and it has been scrapped. Yet the foreign-aid bill which will soon be before the Senate, and, in fact, the military appropriation bill, which has already passed, were dovetailed with and were conditioned on the acceptance of the Navarre plan in Indochina, which is no longer a plan and has been relegated to the archives or to the military scrap heap.

Mr. President, I say it is absolutely necessary that industrial dispersal in America take place, if we are to protect ourselves.

Henry Parkman, Assistant Director for Nonmilitary Defense in the Office of Defense Mobilization, writing in the Bulletin of the Atomic Scientists, noted:

> A quick glance at the 1950 census reveals that 40 percent of the Nation's population and over 50 percent of those employed in manufacturing are concentrated in the 40 top metropolitan areas.

In other words, we now telephone to the Soviet Union that all they need to do is to get their bombers through to 40 cities, and we are done.

> Thirty percent of the population and 40 percent of the manufacturing employees are in the top 15.

That refers to 15 cities.

> Big concentrations of manpower, vital industry and Government within small areas make excellent targets for weapons of mass destruction. * * * A few high-yield bombs exploded over the centers of several of them can disrupt manufacturing, transportation, communications, Government, business management, labor forces, and most of the other elements of a smooth-running economy.

A certain amount of industrial dispersion has taken place since the A-bomb threat developed. But it is still not adequate, and probably cannot be without the proper Government encouragement. The noted military expert, Hanson Baldwin, writing in the New York Times, commented:

> The decrease of population density in our urban areas was advocated by the East River report, but little has been done about this. At present American cities are increasing population density by replacing slums with multistoried apartment-type buildings. Strict building codes, city planning, and laws with teeth in them could reverse this trend, reduce crowding, and spread out our cities.

I may say to Mr. Baldwin that even if we do not look forward to the prospect of an attack, dispersal would still save many people in America from hypertension and heart attack. The growing concentration of our cities, the density of population, the crowding, the hubbub

of traffic, and the movement of commerce are enough to drive anyone out of his mind. For the mental health of the Nation, it would be good to do a little planning with respect to population dispersal. Returning to Mr. Baldwin's statement:

> But the process would be slow and painful for some; real-estate values would change and the political and psychological hubbub would be major. With such planning, however, we could reduce our urban vulnerability by about 2 percent each year.

A plan to encourage population and industrial dispersal through the creation of Federal metropolitan development authorities, has recently come to my attention. It is a plan that calls for careful consideration of the Senate.

I ask unanimous consent that the details of the plan be printed in the RECORD at the end of my remarks.

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

(See exhibit 1.)

Mr. HUMPHREY. I merely bring this plan to the attention of the Senate for study by the appropriate committee and by individual Senators. I myself am not prepared to say whether it is an acceptable project, or whether I could support it. I believe that at least it is something to work on, something to plan from, and something to direct our attention to.

In addition, the vast power of Government contracts, housing and business loans, and relief on amortization rates could be used to hasten this vital business of breaking up our provokingly vulnerable industrial congestion.

It would have been interesting if in the recent tax bill, in which we provided for quick writeoffs for new plants and new equipment, as a means of inviting investment capital, if we had tied the provision down to industrial dispersal and a wider placement of industrial enterprise, in place of the continuous concentration in an ever-smaller area.

There is another whole series of problems connected with a possible atomic attack that has scarcely been touched by the Federal Government. The Washington Post and Times Herald reporting on an article by Dr. Hornell Hart, said a Soviet attack on the Nation's Capital would, "paralyze the Federal Government by obliterating Washington, D. C., as far south as Alexandria, as far north as Chevy Chase, and beyond the city limits to the east." The Supreme Court, most of the Congress, the President and perhaps all of his successors, all destroyed. Who would carry on? Who would constitute the new Government? The new Commander in Chief? What would happen to the records of revenue collection? Selective Service? Or picture the explosion of an atomic bomb over the financial heart of New York City. The stock exchange would be closed and with it the exchanges across the whole country. New York's banks, the greatest clearinghouses of the Nation would be in ruins. What would happen to America's whole credit structure? How would the vast number of bankruptcies caused by the bomb be handled? If we can devise the solutions to some of these problems now, it will literally be money in the bank when and if the awful eventuality should ever arise.

Mr. President, our problem is not the printing of ration books ahead of time; that is no problem. Our problem is figuring out what would happen if our great, complex industrial society, with great areas of communication, transportation, and industrial production, were disrupted or laid low by atomic attack. The whole Nation depends upon our credit structure. No other nation is so integrated as is ours. All means of communication, whether it be by rail, highway, telephone, telegraph, radio, television, are vital to the efficient functioning of the American economic system. We have done little or nothing to plan ahead as to how we would protect ourselves and protect this lifeline of the vitality of our national well-being.

A resolution has passed the Senate and is now before the House Judiciary Committee which would provide for a constitutional amendment allowing State governors to appoint replacements to the House of Representatives in the event of a large number of congressional deaths due to some disaster. Until this amendment is passed by the House and three-fourths of the State legislatures there is no provision for the appointment of provisional Members of the House of Representatives in the event of a national emergency.

If there is to be any such trouble as I have been contemplating I hope the enemy will give us sufficient time to get these constitutional amendments out of the way. It should not step it up too fast.

Prof. David F. Cavers, writing in the excellent periodical the Bulletin of the Atomic Scientists, has proposed several measures which would help extricate us from the nightmare of business confusion that would follow an atomic attack. Professor Cavers writes:

> A plan of protection should start with the banking system. Provision should be made for a bank holiday (probably on a nationwide basis). Advantage should be taken of this to transfer accounts from bombed-out banks to untouched banks by prearranged plan. The microfilm account records that are now going daily to holes in the ground would have been sent to banks chosen for this purpose. * * * Arrangements could be made to initiate a system of emergency loans to be administered by the banks, using Government funds; * * * preservation of a functioning civilian economy would be the objective * * * prompt substitution of drastically revised bankruptcy laws for the cumbersome machinery we worry along with in peacetime * * * the system would have to be free to allocate cases without regard to State lines * * * [authorize] a court to rewrite [long-term] contract terms to conform equitably to the new conditions.

These are just a few of the many proposals made by Professor Cavers and others. The adoption of foresighted measures like these, or the examination of equivalent alternatives, is a step toward the elimination of atomic havoc which must not be forestalled by complacency or preuranium mentality. When the bombs fall it will be too late for planning. That is my plea.

Industrial and urban dispersion, evacuation rehearsals, provisions for emergency Government credit facilities, duplication of vital Government and business records, succession to office, emergency bankruptcy procedures, these are all matters which must be taken care of now. Of course, it is my prayerful hope that they will never be needed.

Yet, Mr. President, I am sorry to say the initiative for such action seems to have been largely lacking in Congress—and I say this without partisanship. Preceding administrations did not do very much in this area, either. However, Mr. President, as we consider the full portent of a problem we have largely ignored, we recognize the fact that this is a condition we cannot allow to persist.

I, therefore, have proposed the creation of a Special Joint Committee on Civil Defense. This committee would have the responsibility of drafting and introducing legislation to take care of America's defense needs. Its activities would focus the public's attention on this vital problem and would bring to light the full information which is necessary for an intelligent public response. Moreover, such a committee would soon constitute itself the spokesman for America's civil-defense needs. Having become aware of the terrifying portent of the problem, no such committee would allow Congress to shunt aside the urgent requests for civil defense and offer appropriations which put such an insignificant price on the safety of the American public.

I fully realize that the suggestion for the creation of such a Joint Committee on Civil Defense is not one to be made lightly. There are already many demands being made on Congress' time. For a while I thought that possibly the establishment of a Special Commission on Civil Defense might suffice. I proposed such a commission some 2 years ago. Then I considered the manifest task of Congress is to provide for the present welfare of the Nation and to promote the future. But to what avail is our concern for the farmer's, the worker's, the businessman's prosperity if we do not exert every effort in insuring their security in the face of the greatest threat that has ever menaced our civilization?

It almost astounds me when I think how we spend hours and months of our time in the Halls of Congress arguing about legislative proposals to insure the prosperity and solvency of great areas of America's industry, including the farmers. At the same time we are doing this we are contemplating the directing of our effort toward what we call security. Although we have dedicated most of the tax dollar to security, we are not doing anything about the security of our people. What we are really talking about is a program which will carry the weapons of destruction to the enemy, closing our eyes to the fact that possibly the enemy may not be asleep on the job and may want to carry some weapons of destruction to us. It is reasonable and plausible that we should so reason.

Continental United States has never been attacked except by the British in 1812. We were, of course, attacked at

Pearl Harbor on December 7, 1941, but since 1812 there has not been an attack upon the mainland of the United States. In 1812 the British burned the Capitol at Washington and devastated some of our cities. But this is 1954, and every month, every year, we delay, more fantastic weapons of destruction are created. I say it is the height of stupidity, it is the culmination of a complete denial of responsibility to ignore the fact that the enemy is going to place bombs of destruction on American cities if ever there is trouble. When we have a policy of massive retaliation as an announced public policy of the Nation, we can rest assured that the men of the Kremlin, who are not detoured or held back by any moral scruples—there is no Christian compassion in their hearts—are planning a policy of massive retaliation, too.

I say there is no person in the Government who can demonstrate that our cities and our people are protected from such an attack. There is evidence to lead us to one conclusion, namely, that we are sitting ducks. We are more exposed to attack than were the people of Nagasaki and Hiroshima. We blindly pursue our course and talk about security and defense. I go back to my original premise, that the thermonuclear weapons, the hydrogen bombs, and cobalt bombs are not solely weapons in the military sense. They are to be used against industry, transportation, and civilians, and the destruction would be fantastic.

Mr. GORE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. GORE. The newspapers today carry stories that an agreement is imminent in the Geneva Conference, indicating that the representatives of the United States are about to agree to guarantee a defense line in Indochina. I should like to inquire of the Senator how the policy of massive retaliation would work against the Vietnam forces under this guaranty of a defense line in Indochina.

Mr. HUMPHREY. I answer the Senator from Tennessee by saying that I personally do not believe that such a policy or military principle of massive retaliation has any application whatsoever to the situation which exists in Indochina, unless the administration is willing to say it will deliver the lethal weapon to the source of the trouble, and thereby precipitate world war III. I do not believe this administration or any other administration wants to precipitate a war. Therefore, massive retaliation in this area is again but a phrase, a boast, a statement of policy which is not applicable to existing conditions.

My point was—and I am certain the Senator from Tennessee agrees with me—that once such a policy were announced, we could rest assured that the enemy would pursue a similar course, or a course even more disastrous or more destructive, if we were within their capability and potentiality.

There has been nothing to indicate to us that the military leaders and the political bosses of the Kremlin are going to stop at anything, if they think they can accomplish their mission. I am only saying that the United States should be prepared for any eventuality.

Foresighted, intelligent civil-defense legislation, now, is not too much to expect from Congress when the demand is made in behalf of an American public faced with the dread prospect of vaporization.

I want the word "vaporization" to ring out through this Chamber. What we are talking about today is not society being able to pick up the rubble after the bomb has exploded, because there will not be any society. We are talking about the vaporization of man and of man's works. We are talking about the kind of destruction which is beyond human comprehension.

It is in this spirit of urgency and deep concern that I have addressed myself to a topic which apparently has no political appeal and which is of little or no national interest. But I want to be on the record now, as a Member of the United States Senate, as saying that the Government has been derelict in its responsibility for the protection of the public and the safety of the American people. A defense structure has been planned which provides a defense in conventional military terms without any thinking having been done to provide an appropriate organization for the protection of the civilian population.

EXHIBIT 1

A MEMORANDUM ON URBAN DECENTRALIZATION FOR DEFENSE

The world has recently been shocked by demonstrations of the destructive power of hydrogen bombs. The facts regarding destruction potentials have long been known. What is shocking is 10 years of official inaction in the face of this threat. The head of the Joint Chiefs of Staff proclaims that we face a 100-year war. In half of this time, and with insignificant expenditures we could reduce our present disastrous vulnerability and make our country's basic industry and urban population relatively safe from attack. Our normal construction volume provides homes for 30 million people and the shops, roads, factories, and other things that accompany these homes in each decade. At this rate we could relocate 60 million people in 20 years. At some considerably lower and more feasible rate we could so reduce our vulnerability as to reduce materially the attractiveness of war.

The following recommendations are a minimum program for reducing urban vulnerability:

1. Federal metropolitan development authorities: A Federal corporation, called the Federal Metropolitan Development Authority shall be established in each metropolitan area with a population of 100,000 people or more. It shall be the duty of the Authority to encourage the dispersal of population and industry through the development of dispersed satellite communities.

(a) The Authority shall be governed by a board of 5, 2 appointed by the governor of the State or States concerned, and 3 by the Secretary of Housing and Public Works. At least one of the latter shall be a locally elected official.

(b) The Authority shall be a corporate body with authority to acquire sites for satellite communities or as new towns, to plan such communities, to install public utilities, streets, and other community facilities, and to sell or lease sites to private or other developers for housing, shopping centers, and industry.

(c) The Authority shall have the power to contract with local governments for the provision of local government services and to arrange for payments in lieu of taxes to such local governments pending incorporation or annexation proceedings. Pending the establishment of suitable arrangements for local government the Authority could act with all of the defense powers of the Federal Government, could provide local government services but at charges or equivalents of tax rates which would permit transfer to local control in time.

(d) The Authority could erect only such public housing as was shown by its plan to be indispensable for the accommodation of the dispersed population and industry, but in no event more than 25 percent of all housing.

(e) Each Authority would be authorized to borrow $10 million for site acquisition and other general purposes, plus such funds as were made available to it for housing and local public works purposes by the Secretary of Housing and Public Works.

(f) Authorities would be required to abide by the decisions of the Secretary of Defense with respect to maximum size and minimum distance from metropolitan centers.

(g) Each Authority would be required to prepare a comprehensive plan for the decentralization of population in its metropolitan area over a period of 40 years. The plan would show the proportion of the population proposed to be decentralized, the proportion and types of industry, power, transportation, and other facilities proposed to be located in the decentralized location, and a plan showing that in the event of emergency the proposed plan would permit the evacuation of the remaining central population and the continuation of essential military production in the area.

2. Federal defense zones: The Federal Metropolitan Development Authority would be required to establish zones of population density, firebreak zones, protective open zones, and such other zones as proved to be necessary to provide for the defense and protection of the metropolitan area and its survival in the event of attack.

(a) Within such zones the Authority would have the power to prohibit the use of Federal financial aids for housing, community facilities, public works, or for other improvements inconsistent with the defense plan.

(b) The Authority would be required to report annually to the Secretary of Housing and the Congress on the effects of the defense plan upon the peacetime life of the community, and to make recommendations concerning steps necessary to assist communities in adjusting to necessary changes.

3. Upon the establishment of a duly constituted metropolitan government for any metropolitan area, with powers considered adequate by the Secretary of Housing, the functions of the Federal Metropolitan Development Authority would be transferred to the governing body of such metropolitan government.

Mr. HUMPHREY subsequently said: Mr. President, a few minutes ago I read an Associated Press dispatch on the news ticker, which reads, in part, as follows:

President Eisenhower today delegated to the Department of Health, Education, and Welfare 10 responsibilities for developing civil-defense plans and then asked Congress for a supplemental appropriation of $1,800,000 to enable it to carry out the work.

Earlier today I addressed myself to the subject of civilian defense, and also submitted a resolution which would authorize the establishment of a Joint Committee on Civil Defense. I am very happy to read the announcement of the President, and I rise to commend him

for his delegation of the responsibilites to the Department of Health, Education, and Welfare.

Mr. President, I ask unanimous consent that the entire dispatch, which outlines the responsibilities delegated to the Department of Health, Education, and Welfare, be printed in the RECORD at this point in my remarks.

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

CIVIL DEFENSE PLANS

WASHINGTON.—President Eisenhower today delegated to the Department of Health, Education, and Welfare 10 responsibilities for developing civil-defense plans and then asked Congress for a supplemental appropriation of $1,800,000 to enable it to carry out the work.

He delegated to Secretary Oveta Culp Hobby the following responsibilities:

1. Plan a national program, develop technical guidance for States, and direct Federal activities concerned with financial assistance for the temporary relief of civilians injured or in want as a result of an enemy attack.

2. Plan technical guidance for the States and direct Federal activities concerned with the acquisition, transportation, and payment for clothing of civilians in want as a result of attack.

3. Plan a national program regarding research on detection, identification, and control of (a) communicable diseases in humans, (b) biological warfare against humans, (c) chemical warfare against humans, and (d) other public-health hazards.

4. Plan and direct Federal activities for a national program designed to provide Public Health Service reserve professional personnel from support areas to those damaged by enemy attack.

5. Plan and distribute training materials for use in the curricula of schools and colleges in order to integrate the teaching of civil-defense skills and knowledge and fundamentals of behavior during emergencies.

Mr. HUMPHREY. Mr. President, I stated earlier that I believe we have spent far too little time on this subject and have given too little consideration to it. It is reassuring to me to have the President give the subject priority consideration and to take this forward step.

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 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.

PLAN OF PROCEDURE ON SENATE RESOLUTION 261

Mr. FLANDERS. Mr. President, the purpose of the junior Senator from Vermont in offering Senate Resolution 261 was to put an end to the destructive forces in the power and influence of the junior Senator from Wisconsin [Mr. MCCARTHY]. The necessity for doing this has become more and more apparent as the months have gone by, and it is my expectation to go into this matter in some detail when I make the next motion on this subject.

It is evident that a number of different kinds of motions and resolutions could have been drawn up to effect this basic purpose. The one calling for the removal of the junior Senator from Wisconsin from his chairmanship seemed to be the most immediately effective.

In basing this request for removal on the unanswered questions in the Rules Committee print the matter becomes related to an unprecedented exhibition of contempt, first for the members of the subcommittee and the Committee on Rules and Administration. After the 60 to 0 vote in the Senate supporting the committee, that contempt applied to the Senate as a whole.

What is here spoken of is not contempt in the legal sense. It is personal contempt of the Senator for his peers. No statute of limitations runs on this. The purging, like the original display, is a personal matter. In pressing for action in this unusual situation, no judgment is being passed as to the truth of the evidence on which the questions were based. The evidence was so detailed and so serious that the unwillingness to answer them even by a nominal defense is completely unjustifiable.

The mover of the motion to separate the Senator from his chairmanships agreed to have it referred as a resolution to the Committee on Rules, into whose jurisdiction such resolutions fall. He was glad to do this for two reasons. First, this is no matter for snap action. It must have the serious consideration of every individual Senator for a length of time sufficient for him to form in his own mind a judgment on the issue. The second reason was that in referring it to the Rules Committee, an official Senate group was indicated to which the junior Senator from Wisconsin could offer his defense if he had any and was so disposed. That defense, to the best of my knowledge, has not been offered.

It was agreed with the majority leader of the Senate that the matter would rest until about the middle of the month. The middle of the month is now approaching so that the junior Senator from Vermont is free to take such steps as the situation may require. During this waiting period he has been careful to avoid stirring up the controversy and has, in fact, canceled 3 radio appearances and 2 speeches. This silence on his part has not encouraged any action on the part of the junior Senator from Wisconsin.

My present plan is to move on July 20 that the Rules Committee be discharged from further consideration of Senate Resolution 261. The next move will be to ask for a vote of the Senate on that motion, or one of the substitute motions available, which, as stated by the Vice President, must be substantially different.

The procedure may not be so simple as this. There are innumerable hurdles to be cleared should individual Senators desire to erect them. Both the motion to dismiss and the motion to pass can meet a countervailing motion to lay on the table. This motion, of course, is not subject to debate. If a motion to table is made, a request for a show of hands will be made so that a yea-and-nay vote can be taken.

Another hurdle would be erected in case the Senate was asked to recess from day to day instead of to adjourn. This would block consideration of the votes and such a motion likewise is nondebatable, but is subject to a yea-and-nay vote if a sufficient show of hands so requires.

These are the obvious hurdles and are cited for illustration. There are many others besides these.

I am grateful to the majority leader for the assurance that he will facilitate a decisive vote. If, however, hurdles are raised by others, it will be because Senators feel that there are serious objections to presenting this resolution at this time or, in the case of some Senators, at any time. Among the objections raised is the fact that it makes a break in the rule of seniority which we have followed for many years and on which Senators have come to depend.

It is not proposed to break the rule. There is an old saying full of wisdom that the exception proves the rule. If the rule cannot be laid aside momentarily to take account of an unprecedented situation, that makes the rule a bad rule. If it can be set aside for an unprecedented situation, the rule remains a good rule. There need be no fear that a precedent will be established, because the junior Senator from Wisconsin is himself unprecedented.

It has been suggested that bringing this matter to the attention of the Senate at this time will open Pandora's box. This objection is invalid because Pandora's box is already wide open. There has been a sizable crack in it for months, as the public has seen and passed its judgment upon the activities of the junior Senator from Wisconsin. The lid was blown off in the presence of the TV public during the hearings in the caucus room. Pandora's box is open. What concerns us is the possibility of closing it again, and to that purpose Senate Resolution 261 addresses itself.

It has furthermore been suggested that taking up this matter at this time will delay adjournment. There need be no delay so far as the junior Senator from Vermont is concerned. The procedure is for the most part a matter of voting, and only as Senators feel some necessity for explaining their votes is there need for prolonged debate.

It has also been urged that the adoption of this resolution would stop a useful and needed investigation of Communist infiltration. That idea again does not hold. That investigation properly belongs in the Internal Security Subcommittee of the Judiciary Committee, of which the Senator from Indiana [Mr. JENNER] is the chairman. Anyone who knows the junior Senator from Indiana knows that subcommittee would do an aggressive job in discovering and eliminating subversives. What has happened is that the junior Senator from Wisconsin has moved into the field which belongs to the junior Senator from Indiana and has taken jurisdiction where there was no clear jurisdiction. We can trust the junior Senator from Indiana to do work that is even more thorough and much less disturbing than that

which has been done by the junior Senator from Wisconsin.

Meanwhile the functions which the Senate intended to be performed by the junior Senator from Wisconsin have been left undone—undone that is, by the man whose responsibilities they were. The work has gone ahead through the activity of other committees, and particularly by a certain one-man investigator who has no appropriation and no expensive staff. I refer, of course, to the senior Senator from Delaware [Mr. WILLIAMS], who singlehanded has brought to light masses of corruption in the Bureau of Internal Revenue and elsewhere. This properly lies within the field of the junior Senator from Wisconsin, but does not seem to engage his interest.

Finally the junior Senator from Vermont wishes to express certain fervent hopes. The first is that Senators, having had due notice of the proposed action on July 20, will realize the responsibilities which are found in such apparently minor matters as getting a show of hands for a record vote. His second hope is that he may have sympathetic support from the majority leader. He has already mentioned the promise of the majority leader that he will not interpose artificial barriers to a decisive vote, and he is very much gratified by that statement on the part of the majority leader. His third hope is that this whole matter will be seen to transcend party lines and will become a bipartisan effort to promote the national welfare.

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

Mr. FLANDERS. I yield.

Mr. KNOWLAND. For the sake of the record, it should be made clear that the discussion the Senator from Vermont had with the majority leader, which I am frank to say I had not expected to see published in the New York Times this morning, was to the effect that there would be no effort on my part by the artificial means of merely recessing from day to day rather than taking an adjournment to deny the Senator an opportunity to make his motion to discharge the Committee on Rules and Administration from the further consideration of the resolution which is pending there; but I think I made it perfectly clear, speaking for myself at least, that I would consider as decisive of the matter a vote on a motion by the majority leader to lay on the table the motion to discharge the committee. I hope the Senator was under no misconception that it related to his resolution itself, but, rather, on his motion to discharge the committee.

Mr. FLANDERS. I say to the majority leader and to the Senate that I would not consider a motion to lay on the table as an artificial procedural or parliamentary hurdle. A motion of that sort lies well within the perquisites and the rights of any Senator, and I shall not be surprised, nor will I be pained, if the majority floor leader makes such a motion.

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

Mr. FLANDERS. I yield.

Mr. GORE. I take it the distinguished Senator from Vermont is aware of the parliamentary rule that a motion to lay on the table is not debatable?

Mr. FLANDERS. I am perfectly aware of that parliamentary rule.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

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

The PRESIDING OFFICER (Mr. UPTON in the chair). The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Barrett	Gore	Monroney
Bricker	Green	Murray
Burke	Hendrickson	Payne
Bush	Hickenlooper	Reynolds
Butler	Jackson	Robertson
Byrd	Johnson, Tex.	Schoeppel
Case	Knowland	Smith, Maine
Crippa	Kuchel	Sparkman
Douglas	Lehman	Stennis
Duff	Lennon	Symington
Dworshak	Long	Upton
Ferguson	Mansfield	
Flanders	Maybank	

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mrs. BOWRING] and the Senator from Kansas [Mr. CARLSON] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Delaware [Mr. FREAR], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

The Senator from Missouri [Mr. HENNINGS] is necessarily absent.

The Senator from Florida [Mr. HOLLAND] is absent by leave of the Senate, attending the Sixth Pan-American Highway Congress at Caracas, Venezuela.

The PRESIDING OFFICER. A quorum is not present.

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

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

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. ANDERSON, Mr. BEALL, Mr. BENNETT, Mr. BRIDGES, Mr. CAPEHART, Mr. CHAVEZ, Mr. CLEMENTS, Mr. COOPER, Mr. CORDON, Mr. DANIEL, Mr. DUFF, Mr. ERVIN, Mr. FULBRIGHT, Mr. GEORGE, Mr. GILLETTE, Mr. GOLDWATER, Mr. HAYDEN, Mr. HILL, Mr. HUMPHREY, Mr. IVES, Mr. JENNER, Mr. JOHNSON of Colorado, Mr. JOHNSTON of South Carolina, Mr. KENNEDY, Mr. KILGORE, Mr. LANGER, Mr. MAGNUSON, Mr. MALONE, Mr. MARTIN, Mr. MCCARRAN, Mr. MCCARTHY, Mr. MILLIKIN, Mr. MORSE, Mr. MUNDT, Mr. NEELY, Mr. PASTORE, Mr. POTTER, Mr. PURTELL, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SMATHERS, Mr. SMITH of New Jersey, Mr. THYE, Mr. WATKINS, Mr. WELKER, Mr. WILEY, Mr. WILLIAMS, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. UPTON in the chair). A quorum is present.

Mr. HICKENLOOPER. Mr. President, I send to the desk some amendments and ask that they be stated.

The PRESIDING OFFICER. The clerk will state the amendments offered by the Senator from Iowa.

The CHIEF CLERK. On page 22, line 17, after the word "located", it is proposed to insert a comma——

Mr. HICKENLOOPER. Mr. President, I have submitted the amendments to the Senator from Tennessee [Mr. GORE]. They are in the nature of correcting verbiage and punctuation, and, based upon that assurance, I ask unanimous consent that the further reading of the amendments be dispensed with.

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

Mr. HICKENLOOPER. I wanted to call up the amendments to have them made the pending question.

The PRESIDING OFFICER. The amendments offered by the Senator from Iowa will be printed in the RECORD.

The amendments offered by Mr. HICKENLOOPER are as follows:

On page 22, line 17, after the word "located" to insert a comma.

On page 24, line 22, change "42" to "41."

On page 33, line 24, amend to read: "(1) subsection 63 A. (2), or subsection 63 a. (4), and shall make a reasonable."

On page 34, line 6, amend to read: "subsection 63 a. (1), subsection 63 a. (2), or subsection 63 a. (4), considering."

On page 35, line 5, the word "Aquisition" is amended to read "Acquisition."

On page 36, line 24, the word "cause" is amended to read "caused."

On page 37, line 16, delete "prior to its amendment hereby."

On page 48, line 9, after the words "the antitrust laws", insert "as specified in subsection 105 a."

On page 50, line 22, "Subsection 11 w. (2)" should read "subsection 11 v. (2)."

On page 58, line 24, delete the words "Atomic Energy", and line 25.

On page 74, line 9, amend subsection h. to read "consider in a single application one or more of the activities for which a license is required by this act, combine in a single license one or more of such activities, and permit the applicant or licensee to incorporate by reference pertinent information already filed with the Commission."

On page 74, line 16, delete the words "The Commission is authorized to."

On page 70, line 23, put parentheses around the numeral "1" and the numeral "2."

On page 76, line 17, the word "refiinining" should read "refining."

On page 77, line 25, the word "no" should be "not" and the word "elegible" should be "eligible."

On page 78, line 9, delete "the Commission may."

On page 78, line 10, add after the words "or other officers" the words "of the Commission."

On page 81, line 13, delete the word "and."

On page 82, line 24, section "44" should be section "43."

On page 83, line 15, the year "1937" should be "1931."

On page 83, line 17, delete the sentence starting at the beginning of the line.

On page 89, line 23, in the phrase "section 9 b.", put parentheses around the "b."

The PRESIDING OFFICER. Does the Senator from Iowa desire to have the amendments considered en bloc?

Mr. HICKENLOOPER. Yes, Mr. President. They are entirely corrective.

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

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Are the amendments offered by the Senator from Iowa now the pending question before the Senate?

The PRESIDING OFFICER. That is correct.

Mr. KNOWLAND. Mr. President, will the Senator from Iowa yield for a privileged matter, with the understanding that he shall not lose his right to the floor?

Mr. HICKENLOOPER. With that understanding, I yield.

CERTAIN CONSTRUCTION AT MILITARY AND NAVAL INSTALLATIONS—CONFERENCE REPORT

Mr. CASE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9242) to authorize certain construction at military and naval installations and for the Alaska Communications System, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

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

Mr. GORE. Mr. President, reserving the right to object, do I correctly understand that the minority members of the committee are agreeable to the consideration of the conference report at this time?

Mr. CASE. It is a unanimous report of the conferees of both the House and Senate.

Mr. GORE. If consent is given to the consideration of the report, would it be agreeable to explain the conference report?

Mr. CASE. I shall be glad to answer any questions.

Mr. GORE. Mr. President, I withdraw my objection.

There being no objection, the Senate proceeded to consider the conference report.

Mr. CASE. Mr. President, the attention of the Senate is invited to the fact that the construction authorization agreed to by the committee of conference is in an amount that is $292,000 less than the version of the bill that passed the Senate. I ask unanimous consent that there may be inserted in the RECORD at this point a table showing the totals by military departments as the bill was initially recommended by the Department of Defense, as it passed the House, as it passed the Senate, and as it was agreed to by the conference committee.

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

	Recommended by Department of Defense	Approved by House	Approved by Senate	Agreed to by conference
Army	$256,773,000	$269,873,000	$229,325,000	$236,060,000
Navy	207,239,000	203,319,000	208,920,000	201,893,000
Air Force	432,502,000	403,436,000	398,954,000	398,954,000
Alaska system	462,600	462,600	462,600	462,600
Total	895,976,600	877,090,600	837,661,600	837,369,600

Mr. CASE. Mr. President, I ask unanimous consent that a summary of the conference action be printed at this point in the RECORD as a part of my remarks.

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

At Fort Belvoir, Va., the Senate agreed to the addition of $497,000 to provide 1 additional barrack.

At Fort Bliss, Tex., the Senate agreed to an additional $3,119,000 to provide 5 additional barracks and 2 bachelor officers' quarters.

At Fort Hood, Tex., the Senate agreed to an additional $3,119,000 to provide 5 enlisted men's barracks and 2 bachelor officers' quarters?

Conference action on the Army title results in an addition of $6,737,000 to the Army authorization previously approved by the Senate.

With reference to the Navy title, the conference added $1,036,000 to the Senate figure at the Marine Corps Auxiliary Air Station, Beaufort, S. C. This action provides for 4 barracks that had been deferred by the Senate.

An item for $278,000 at the Naval Ammunition Depot, Fallbrook, Calif., was deleted from the bill.

An item of $8 million for the construction of pipeline facilities at Naval Petroleum Reserve No. 1, Elk Hills, Calif., was removed from the bill. This item had been added by the Senate after the House had omitted it.

Mr. CASE. Mr. President, I should like to invite especial attention to the two legislative amendments which were adopted during the consideration of the bill by the Senate, and explain what the conferees did with respect to them.

The House insisted on modifications to the amendments offered by the junior Senator from Oregon [Mr. MORSE] and the senior Senator from Delaware [Mr. WILLIAMS].

In the case of the amendment offered by the junior Senator from Oregon, the House insisted on vesting some discretionary authority in the Secretary of the Army to rehabilitate existing barracks and bachelor officer quarters instead of requiring rehabilitation in lieu of construction in the amount of $5 million.

With reference to the amendment offered by the senior Senator from Delaware, providing that contracts entered into pursuant to the authorizations contained in this bill should be awarded by competitive bidding to the lowest responsible bidder, so far as practicable, and so far as the national security shall not be impaired thereby, the House insisted on adding a provision that such award must be consistent with the provisions of the Armed Services Procurement Act of 1947. The House position was that in the absence of this modification, the amendment offered by the senior Senator from Delaware would be in derogation of existing law on the subject—the Armed Services Procurement Act of 1947—and that such changes should be approved only after careful hearings by the legislative committees having jurisdiction over the subject matter.

With that insertion, the so-called Williams amendment was included in the agreement of the conferees.

Mr. President, if there are any questions, I shall be glad to answer them. If not, I move the adoption of the conference report.

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

The motion was agreed to.

Mr. CASE. Mr. President, I move that the vote by which the conference report was adopted be reconsidered.

Mr. HICKENLOOPER. Mr. President, I move that the motion of the Senator from South Dakota be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Iowa to lay on the table the motion of the Senator from South Dakota that the vote by which the conference report was adopted be reconsidered.

The motion to lay on the table was agreed to.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. HICKENLOOPER. Mr. President, with reference to the amendments which I sent to the desk, I should like to have the attention of the Senator from Tennessee [Mr. GORE].

The question before the Senate is the amendments containing various corrections of verbiage and punctuation in the bill. I have already submitted the amendments to the Senator from Tennessee and other Senators. They contain nothing of substance or alteration of the language of the bill.

Mr. President, I ask unanimous consent that the amendments be considered en bloc.

Mr. GORE. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. GORE. As acting minority leader, I have taken the matter up with Senators on this side of the aisle, and I shall interpose no objection.

The PRESIDING OFFICER. Without objection, the amendments offered by the Senator from Iowa [Mr. HICKENLOOPER] will be considered en bloc. The question is on agreeing to the amendments offered by the Senator from Iowa.

The amendments were agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Goldwater	Millikin
Anderson	Gore	Monroney
Barrett	Green	Morse
Beall	Hayden	Mundt
Bennett	Hendrickson	Murray
Bricker	Hickenlooper	Neely
Bridges	Hill	Pastore
Burke	Humphrey	Payne
Bush	Ives	Potter
Butler	Jackson	Purtell
Byrd	Jenner	Reynolds
Capehart	Johnson, Colo.	Robertson
Case	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Clements	Kennedy	Schoeppel
Cooper	Kilgore	Smathers
Cordon	Knowland	Smith, Maine
Crippa	Kuchel	Smith, N. J.
Daniel	Langer	Sparkman
Dirksen	Lehman	Stennis
Douglas	Lennon	Symington
Duff	Long	Thye
Dworshak	Magnuson	Upton
Ervin	Malone	Watkins
Ferguson	Mansfield	Welker
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
George	McCarran	Young
Gillette	McCarthy	

The PRESIDING OFFICER. A quorum is present.

The bill is open to further amendment.

Mr. GORE. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 82, after line 19, it is proposed to insert the following: "SEC. 170."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee.

Mr. HICKENLOOPER. Mr. President, will the Senator from Tennessee explain what the amendment proposes to do?

Mr. GORE. My present proposed amendment adds a section number. An amendment which I shall offer later will embody the substance of the new section. The pending amendment provides only for the numbering of the new section.

Mr. HICKENLOOPER. I do not understand the procedure, Mr. President. I understand that the amendment which is offered by the Senator from Tennessee proposes to add a section number, but not the substance of the section.

Mr. GORE. That is correct. Later, I shall offer the substance of the section. It has not yet been written.

Mr. HICKENLOOPER. I do not desire to interfere with the procedure of the Senator from Tennessee, but I wish to state that I have never known such a procedure to be followed.

Mr. GORE. Does the Senator from Iowa object?

Mr. HICKENLOOPER. It is impossible to know how to vote, when there is before the Senate an amendment merely proposing a new section number, and when the substance of the amendment is not before us. I shall be glad to be informed of the substance of the proposed new section. I earnestly hope the Senator from Tennessee does not wish to have added at this time merely a new section number, because if the proposal to insert the number were to be agreed to, but if subsequently the substance of the section were not agreed to, it would be necessary to eliminate the section number.

Mr. GORE. Mr. President, a little later I shall be glad to accommodate the wishes of the Senator from Iowa.

AMENDMENT OF BANKHEAD-JONES FARM TENANT ACT, RELATING TO INTEREST RATES ON CERTAIN LOANS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1276) to amend the Bankhead-Jones Tenant Act in order to increase the interest rate on loans made under title I of such act, which were, to strike out all after the enacting clause and insert:

That the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1001), is further amended as follows:

(a) The words "less any prior lien indebtedness" shall be added at the end of and as a part of the parenthetical phrase of section 3 (a) (7 U. S. C. 1003 (a)), and the words "or second" shall be inserted after the word "first" where it appears in the first sentence of section 3 (a).

(b) The words "a rate of interest not in excess of 5 percent per annum as determined by the Secretary" shall be inserted in lieu of the words "the rate of 4 percent per annum" in section 3 (b) (2) (7 U. S. C. 1003 (b) (2)).

(c) The words "shall not be in excess of 4 percent per annum as determined by the Secretary" shall be inserted in lieu of the words "shall be 3 percent per annum" in section 12 (c) (4) (7 U. S. C. 1005b (c) (4)).

(d) The words "pursuant to section 43" shall be deleted from section 46 (7 U. S. C. 1020).

(e) Section 51 of said act (7 U. S. C. 1025) is amended to read as follows, except insofar as said section affects title III of the Bankhead-Jones Farm Tenant Act, as amended:

"The Secretary is authorized and empowered to make advances to preserve and protect the security for, or the lien or priority of the lien securing, any loan or other indebtedness owing to or acquired by the Secretary under this act, the act of August 14, 1946, the act of April 6, 1949, the act of August 28, 1937, or the item 'Loans to Farmers, 1948, Flood Damage' in the act of June 25, 1948, as those acts are heretofore or hereafter amended or extended; to bid for and purchase at any foreclosure or other sale or otherwise acquire property pledged, mortgaged, conveyed, attached, or levied upon to secure the payment of any such indebtedness; to accept title to any property so purchased or acquired; to operate for a period not in excess of one year from the date of acquisition, or lease such property for such period as may be deemed necessary to protect the investment therein; and to sell or otherwise dispose of such property in a manner consistent with the provisions of section 43 of this act."

And to amend the title so as to read: "An act to amend the Bankhead-Jones Farm Tenant Act, as amended, so as to provide for a variable interest rate, second mortgage security for loans under title I, and for other purposes."

Mr. AIKEN. Mr. President, Senate bill 1276 was passed by the Senate a year ago, and has just been passed, with amendments, by the House. The amendments of the House of Representatives put the bill in much better form than it was at the time when it was passed by the Senate.

I now move that the Senate concur in the amendments of the House of Representatives.

Mr. GORE. Mr. President, do I correctly understand that the minority members of the committee have agreed to the House amendments?

Mr. AIKEN. Yes, indeed. Furthermore, the amendments have been taken up with the majority and minority leaders of the Senate, as well as with the Senator from New Mexico [Mr. ANDERSON], who is presently on the floor of the Senate. The committee, so far as I know, unanimously favors the amendments adopted by the House of Representatives, which improve the bill.

Mr. GORE. Will the Senator from Vermont explain the House amendments?

Mr. AIKEN. Yes, Mr. President.

A year ago, when interest rates were rising, the Senate passed the bill authorizing interest rates of 4 or 5 percent on certain types of loans. The House of Representatives has amended the bill so as to provide for not more than 4 or 5 percent—a much better provision, because I think the interest rates have dropped a little since the Senate acted on the bill; and the purpose is to charge only whatever rate is necessary. The matter was gone into thoroughly by both the House and the Senate committees. I agree that the House version of the bill puts it in much better form.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. GORE. Mr. President, I desire to take a few moments to read into the RECORD an editorial from the Memphis Commercial Appeal, which will indicate to the Senate how strongly the people of that great city feel about the location of a steam plant in the immediate vicinity of Memphis, in view of the fact that the prevailing winds would blow the smoke from the plant directly over the city, and in view of other circumstances to which the editorial refers.

The editorial appeared on Sunday, July 11, under the title "Why We Oppose Powerplant Deal." I quote the editorial:

President Eisenhower has undertaken to give a private power combine a $107 million powerplant.

By Executive order he has directed the Atomic Energy Commission to underwrite it with taxpayers' money.

He has ordered acceptance of a proposal from this combine, the Middle South Utilities, Inc., and the Southern Co., which includes a guaranty of 9 percent on earnings.

At the end of 25 years the plant would belong to this combine.

This has been done without any effort at competitive bidding.

The plant would be situated in West Memphis, a part of our community.

Three years of a big contruction payroll would ring cash registers—for 3 years.

This 3-year gain will be lost many times in future years by higher prices for electricity because of undermining the Tennessee Valley Authority.

The principal purpose of this plant would be to keep TVA from building a plant.

TVA is being prevented from starting new plants necessary to serve its customers.

This policy has created a power shortage, principally because the Nation's defense is diverting so much TVA power.

The shortage is most severe in Memphis and the tightening shortage ahead will be worse here.

For the Government to give private power a plant at Memphis sets the stage for reducing the TVA power shortage by taking Memphis out of TVA.

We are on the extreme edge of TVA territory.

We see this proposed private powerplant at Memphis as the second step of a policy of which the third step would be forcing TVA out of Memphis.

We see it followed by another step in which northeast Mississippi would have to give up TVA, and another step taking TVA from the westward-sloping portions of west Tennessee.

Private power prices, or a crippled TVA forced to raise its prices, or small, locally owned plants—any of these would take from this community a purchasing power far higher and much longer than the 3-year construction payroll.

While power prices quiver under the assault of this plant, Memphis would be showered with fly ash and sulfur dioxide from boiler stacks.

We know modern combustion engineering can, if it is used, end the visible smoke and reduce fly ash and fumes, but it is only a reduction.

Ash and sulfur continue to come from the stacks, in particles reduced in size by the best engineering and therefore traveling greater distances.

This harmful waste from the boilers would be spread alike over Red Acres, Glenview, Fort Pickering, West Memphis, and all other Memphis communities.

This is a proposal to hand a power plant, to be paid for from the Nation's taxes, to a specific company.

This is a proposal for powerplant that would be 100 percent subsidy, while even TVA's most bitter critics can claim only a fractional subsidy in TVA powerplants, principally in the matter of freedom from Federal taxes on Federal property.

We consider this proposal would result in years of net harm to this community which would be so apparent in the future that we could be held responsible unless we raised the alarm now. We consider it to be a wasteful, unsound attempt at favoritism with the Nation's funds.

As citizens of Memphis and of the United States we protest because we must.

That ends the editorial in the Memphis Commercial Appeal of last Sunday.

Immediately below the editorial, and also on the editorial page, there is a collection of editorials under the heading "Why Others Oppose It." The first editorial in that group is from the Milwaukee Journal—quite a distance from Memphis. The editorial reads as follows:

A Senate judiciary subcommittee requests that the Atomic Energy Commission halt negotiations with a private power combine for electric power for its Paducah (Ky.) plant, ought to be heeded. Anything that will give opportunity to study the scrambled mess created by the negotiations is all to the good.

The story is this: AEC gets about 600,000 kilowatt-hours of electricity from the Tennessee Valley Authority. TVA power commitments require it to obtain more power. President Eisenhower, by executive order, has directed AEC to negotiate a firm contract with two private power concerns for construction of a plant to produce 600,000 kilowatts of electricity.

Mr. President, I digress from the reading of the editorial, to say that the Atomic Energy Commission receives far more than 600,000 kilowatts of electricity from the TVA. The contract for Paducah alone is for 1,200,000 kilowatts.

Continuing the editorial, Mr. President:

The plant would be built at West Memphis, Ark., 200 miles from Paducah. The power would be sold to TVA for use in the Memphis area to replace power now being sold to AEC by TVA.

There are a number of questions that need answers:

The AEC, by a 3 to 2 vote, opposed the plan ordered by the President. Is it proper for the President to overrule an independent agency in operating matters?

The President's order specifies the private combine with which AEC shall negotiate. Other private firms, as well as TVA, have offered plans for providing the needed power. Shouldn't matters of this kind—if TVA is ruled out—be handled by competitive bid?

AEC is unhappy because the President's plan will cost it more money than its present method of obtaining power. AEC estimates that power obtained under the President's plan would cost it at least $97 million more in the next 25 years than its present TVA power costs. Others estimate the added cost at $139 million.

Of this sum (the lower $97 million), TVA would have to pay about $1,360,000 a year and the AEC about $2,320,000 a year. That means that TVA customers would be charged for providing power for AEC. It means that AEC would not be allowed to operate as economically as it might. It means that both would be paying what amounts to subsidies to a private firm.

I digress to say again that this editorial is from the Milwaukee Journal. Continuing to read:

The private company, meanwhile, would be in a most happy position. It would get its contract without competition. It would get a guaranteed customer for 25 years. It would end up not only with an annual profit but owning a $107-million plant. If TVA built the plant, the Government would own it and save at least $97 million as well. If other private firms were allowed to bid, there is every indication that costs would be cheaper. For instance, one offer by private interests which was turned down would have provided the power for 25 years and turned the plant over to the Government. Is the President's order good economy?

Much is made by proponents of the plan that it will help stop creeping socialism and aid private enterprise. What kind of private enterprise is it that is given direct subsidy to the extent that all risk is removed from its venture?

AEC has always been notable for its lack of politics. It is now being shoved into the middle of a hot political fight. It is being used as a tool to curb TVA.

I remind my colleagues that these are not the words of the junior Senator from Tennessee. I am reading from an editorial published in the Milwaukee Journal:

It may be that TVA should not expand. But, should AEC, which has the great job of handling our vital atomic and hydrogen developments, be pushed into a fight which does not concern it?

TVA does not have authority to enter into long-term contracts to buy private power under the law. AEC does have that authority. The law says that it may make 25-year contracts for power in connection with its installations at Paducah, Oak Ridge, and Portsmouth, Ohio. Is it proper to stretch that language to cover a plant 200 miles away which would not provide power to AEC but to TVA?

The President said in Memphis in 1952 that he would not "impair the effective working out of TVA." Not too long ago he called TVA an example of creeping socialism. He said at a press conference the other day that TVA's future would be studied. Well and good. Even TVA's most rabid supporters cannot object to a fair study of TVA's place in the future.

But isn't the strange order telling AEC to negotiate with the private combine prejudging TVA's place in the future? And, even if one accepted the idea of TVA critics that the project is creeping socialism and a monstrosity, isn't the new proposal merely creating another monstrosity supported by the creeping socialism of full subsidy?

The next editorial listed is from the Washington Post and Times Herald, also located far from the city of Memphis and from the Tennessee Valley. It reads as follows:

President Eisenhower's letter instructing the Atomic Energy Commission, in effect, to purchase power from certain private utility companies is unfortunate from every point of view.

As a matter of administration, this kind of interference with the independent judgment of a commission is mischievous.

In terms of business practice, it is an uneconomic arrangement, certain to prove costly to American taxpayers.

Considered as policy, it seems to reflect a doctrinaire preference for private power instead of public power, regardless of the needs and problems of a specific situation.

Through the Bureau of the Budget, the President has virtually ordered the AEC to do what 3 of its 5 Commissioners actively oppose and what the other 2 regard if not with misgivings at least without fervor. The new private powerplant will serve as a justification for denying TVA the funds it has requested for the purchase of steam plants to meet the power needs of the AEC and of area residents.

It is really a fight for TVA's life.

There have been few American achievements of the 20th century which have contributed more to the public welfare than TVA's achievement in harnessing the Tennessee River and its tributaries for the welfare of the valley's residents.

That magnificent American development must not now be stifled out of a mere doctrinaire opposition to public power and a nightmare fear of creeping socialism.

Next I read an editorial from the Louisville Courier-Journal, also outside the Tennessee Valley, but a great journal serving a State encompassing a part of the Tennessee Valley.

It reads as follows:

President Eisenhower and the Republican Congress teamed up in an attack on the Tennessee Valley Authority that threatens to destroy not only TVA but the entire public power structure.

The attack was launched to the trumpet calls of economy and "protection of free enterprise." But behind this smokescreen loomed the unmistakable outline of the spoilers.

We seriously doubt that the President, who has appeared in the past to use the phrases of the private-power people without fully understanding their meaning, now understands fully the implications of the plan he proposes.

The situation has the makings of a sellout to dwarf the tidelands oil giveaway.

I read an editorial likewise reprinted in last Sunday's Memphis Commercial Appeal, from the Anderson (S. C.) Independent, which is also outside the Tennessee Valley:

The President's action is not surprising in itself. The surprising thing is the arrogance with which the public interest is shoved aside in favor of paying off political debt to the power interests that helped elect him.

The action is also in straight contradiction of Candidate Eisenhower's promise to balance the national budget and relieve the burden of the taxpayers, for here we have him deliberately spending $3,685,000 more than necessary every year for 25 years.

Special interests are in the saddle, riding hell for leather to gouge the American people of their natural heritage and property built with their tax money. Is this the moral crusade we were promised?

I now read an editorial likewise reprinted in last Sunday's Memphis Commercial Appeal, from the Trenton, N. J. Evening Times:

Considered from any angle, President Eisenhower's letter to the Atomic Energy Commission is a mistake.

The arbitrary interference with the independent judgment of the AEC is a questionable practice. Unless Congress intervenes, it may well mark the beginning of the end for one of America's greatest social and conservation achievements of the 20th century.

The next editorial is from the Nashville Tennessean. It reads:

The AEC will be responsible for fantastic concessions to the private power syndicate. This governmental agency, it is revealed, will pay all State, local, and Federal taxes on the private plant. Moreover, it will be required to pay one-half of the cost of the plant over $107,250,000 and up to $117 million.

The net effect of this brazen deal will be to block needed TVA expansion, and to guarantee the participating companies a huge built-in profit at the expense of the American taxpayer.

In ordering this incredible contract, President Eisenhower not only has reemphasized his hostility to public power but has demonstrated the hollowness of his platitudes about encouraging local private interests to develop power projects.

For Middle South Utilities, Inc., and the Southern Co. are not local interests but are holding companies with headquarters in New York.

Mr. President, I have a series of editorials published in newspapers from the Atlantic to the Pacific, from the Canadian border to the gulf, which I shall read later for the edification, I hope, of Members of the Senate. I shall not at this moment further intrude upon the Senate by reading them, but I shall take them up in turns.

I ask unanimous consent to withdraw my amendment.

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

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

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. ANDERSON. Mr. President, if it is agreeable to the Senator from Tennessee, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. ANDERSON. Mr. President, in addition to the things which will relate exclusively to the Dixon-Yates contract, I desire to mention several provisions in the bill itself which I think ought to persuade Members of the Senate that this is an extremely important piece of proposed legislation, that it should be most carefully considered, and that it should not be quickly passed. By that I do not mean that action needs to be unduly delayed, but I believe it is of sufficient importance so that the Members of the Senate will see an obligation to read the bill, at least, and will decide that there are things in it which might cause them to pause and ask some questions before it becomes the law of the land.

Mr. President, I want to commend the statement made last night by the distinguished senior Senator from Iowa [Mr. HICKENLOOPER], once chairman of the joint committee on atomic energy and a valuable member of it for many years. He tried to show, as I hope I shall be able to show, that what we discussed in connection with the bill is not political, and it is certainly nonpartisan. We are all interested in trying to produce a better bill. I am happy that the committee worked at it for a long time and tried its best to bring forth amendments to which we all thought we could subscribe.

What I am trying to say now is that, upon further study of the bill, things occur to us which did not seem to be apparent while we were in the committee sessions. Someone might ask, "Why did you not try to correct it when the bill was in the committee?" I can only say that after we have discussed the provisions of a bill for a great many days, the language appears somewhat different from what it may appear some days later.

For example, Mr. President, on page 23 of the bill, beginning at line 3, there appears section 44, which applies to byproduct energy, and provides:

If energy which may be utilized is produced in the production of special nuclear material at production or experimental utilization facilities owned by the United States, such energy may be used by the Commission, or transferred to other Government agencies, or sold to publicly or privately owned utilities or users at reasonable and nondiscriminatory prices. If the energy produced is electric energy, the price shall be subject to regulation by the appropriate agency, State or Federal, having jurisdiction.

At the time I read that language in the committee and when we were considering the draft, it seemed to me it related only to what might happen to certain byproducts, but as I now read it I wonder if it does not affect the development of power as power by the Atomic Energy Commission. I wonder if it does not provide that the Atomic Energy Commission shall never build a test plant of its own to see whether it can utilize for civilian uses this great new source of energy. If the primary or sole purpose of a plant is the production of electric energy, then I believe, under this language, it is barred, and I think that might be a very serious thing which we may want to consider.

Mr. GORE. Mr. President, will the Senator read that language again?

Mr. ANDERSON. I shall read it again, and I want to say to the Senator from Tennessee that I read the language over and over in the committee and thought we were discussing only byproduct energy which might be developed in connection with a thermo-nuclear plant or a plant which was developing plutonium. The language provides:

If energy which may be utilized is produced in the production of special nuclear material at production or experimental utilization facilities owned by the United States, such energy may be used by the Commission, or transferred to other Government agencies, or sold to publicly or privately owned utilities or users at reasonable and nondiscriminatory prices.

There is now a question in my mind as to whether this would bar the construction of a facility to develop power for power's own sake.

Mr. HICKENLOOPER. Mr. President, will the Senator from New Mexico yield for a question?

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. With reference to the Senator's concern about this particular provision of the bill, I join with him and will say that I also read this provision any number of times in studying the bill in committee. I assumed then and I assume now that the provision is intended by the committee to apply to a case where in an experimental development certain amounts of electricity being produced in an atomic program will not have to go to waste. The Government could, if there was any outlet, use this byproduct material in connection with its general experimental and developmental operations. I do not myself assume that it is a prohibition against the Commission doing such things as it may already have the authority to do. In other words, I do not consider it to be a new bar against some power which the Commission already has.

Mr. ANDERSON. I thank the able Senator from Iowa. I am trying to make some legislative history on the point, and I think it should be made certain that we do not intend to bar the possibility that the Atomic Energy Commission can erect its own pilot plants and try to find peacetime users for atomic energy.

Mr. HICKENLOOPER. Mr. President, will the Senator from New Mexico yield further?

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. I should like to make myself clear as to my understanding of this matter. I do not believe the Commission is barred at this time from erecting experimental plants in the field of the development of atomic power. I am quite sure the Commission has that authority. I think the law is clear on that point. In the preparation of the pending bill I do not believe there was any intention, indeed, I am quite sure there was not, to place any bar on the authority of the Commission which it already possesses.

I feel that I can assure the Senator that this section is an attempt to reach a situation where some byproduct material might be produced under certain circumstances and might have to go to waste unless a possible means of securing some sale value from it, although not very much, were provided.

Mr. ANDERSON. I hope that is the purpose of it and that it has that objective.

I now come to another provision of the bill which I think is of much greater importance. It is on page 41, under chapter 9, which deals with the military application of atomic energy.

Mr. HICKENLOOPER. Mr. President, will the Senator from New Mexico yield further?

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. I should like to read the language again in section 44, beginning in line 4: "is produced in the production of special nuclear material at production of experimental utilization facilities."

It seems to me that connotes that the Commission may build production facilities, because it specifically says it has power to produce special nuclear material at production or experimental utilization facilities.

Mr. ANDERSON. Yes, but I call the Senator's attention to the fact that in the development of atomic weapons and the manufacture of nuclear fuel, there are only two types of facilities. One is experimental, and the other is for production. So this provision covers the whole field.

I now wish to turn to section 91 of chapter 9, Military Application of Atomic Energy.

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

Mr. ANDERSON. I yield.

Mr. GORE. Before the Senator leaves the section relating to the development of power, would he inform me and other Senators if the bill contains the preference clause for municipal and other public bodies, which is usually written into Federal power bills, and which has been a part of the Federal power policy for a good many years past?

Mr. ANDERSON. I feel the need to have the general counsel with me, but I think the bill does not contain such a provision.

Mr. HICKENLOOPER. I beg the Senator's pardon. I did not hear his statement.

Mr. ANDERSON. I was only going to say to the junior Senator from Tennessee that, not being a lawyer, I have long since learned that I should consult with someone else when a question of this nature arises.

I have been advised that my answer is correct. The bill does not contain such a provision. I feel reinforced in my opinion on learning that the bill does not contain such a provision.

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

Mr. ANDERSON. I yield.

Mr. GORE. Does not the Senator from New Mexico think that that omission is a matter of great import?

Mr. ANDERSON. I attempted to say last night that I felt the bill was not something to be passed in a couple of hours. If the Congress of the United States, and particularly the Senate now, decides that it wants to eliminate preference clauses, that is all right. If the majority vote to do that, then I say it is proper. But I think Congress ought to know what it is doing.

I may say to the Senator from Tennessee that I do not believe any of the ordinary preferences which apply to falling water, for example, are included in the bill at all. That may be the way it should be. It may also not be the way it should be. At least, there is a difference of opinion in the United States Senate and throughout the country as to whether such preference clauses belong in this type of legislation.

I visualize a day, not very distant, when the generation of power from nuclear energy will be far more important than all the water power which now exists in the United States. When that day comes, the preference clauses may be of great importance or the absence of preference clauses may be of great importance.

I am merely trying to say to my able and distinguished colleague that if Congress decides to eliminate preference clauses, I shall not interpose objections, one way or the other. I shall vote as I have always voted. But Congress should know what it is doing; and whatever it does, it should do with its eyes wide open; and it ought to say, if that is to be its decision, that in the great field of nuclear energy preference clauses will not exist hereafter, so far as the production of electrical energy from nuclear materials may be concerned.

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

Mr. ANDERSON. I yield.

Mr. GORE. The Committee on Public Works spent a good long while debating and considering the inclusion of a preference clause in a bill providing for the hydroelectric development of Niagara Falls or a part of Niagara Falls. Yet the Senate has before it a bill relating to power potentialities so great as to render infinitesimal the power potentialities of Niagara.

The able Senator from New Mexico has spoken of the potentialities which he foresees. Is it not possible that in future years the generation of power by atomic energy may not only equal, but also supplant the hydroelectric and other orthodox methods of the generation of power?

Mr. ANDERSON. As the Senator already knows, I am neither a scientist nor a good prophet, but I have a right to guess.

Mr. GORE. I have only asked the Senator, is not that possible?

Mr. ANDERSON. It is my opinion that the possibilities for the development of nuclear power hold more promise in certain sections of the country than the development of hydroelectric power has held, for example, in the great Northwest.

Let me state that in another way. We have all been disturbed, sometimes, about the flight of industry from certain of the New England States. In part the reason for that flight is the availability of cheap power in the Tennessee Valley area, and the abundance of cheap power in the area centering around Bonneville Dam, Grand Coulee Dam, and the other industrial areas of the West.

I think it is entirely possible that electric energy developed from nuclear resources may make it possible for current to be developed in the New England States at a level comparable to, and eventually below, the hydroelectric rate now prevailing in the great Northwest.

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

Mr. ANDERSON. I yield.

Mr. GORE. The Senator has again drawn a comparison between power generated by atomic energy and hydroelectric development of power. The flowing stream is regarded as a natural resource belonging to the people. Therefore, for many years, so far as I can now recall, every single power bill which has been enacted relating to the use of the natural resource of the flowing water has contained a preference clause for the benefit of public bodies, municipal systems, State-owned systems, and REA's.

Are plutonium and uranium, refined at the taxpayers' expense, any less natural resources belonging to the people than the water in a flowing stream?

Mr. ANDERSON. In general, I think they are no more or no less a resource than is the falling water.

I point out to the Senator that it is difficult to get too far into this field, because there are various other factors relating to values; but I say to him that certainly, in general, the citizens of the United States have some rights to atomic energy power, because they paid the $2 billion to get it started, and they put up the next $10 billion to make it a great industry. So this $12 billion industry is something which should be utilized for the benefit of all the people of the United States and that can be done if some control is kept over the development of the power which flows from it.

I now turn to section 91, of chapter IX. Paragraph (b) reads as follows:

The President from time to time may direct the Commission (1) to deliver such quantities of special nuclear material or atomic weapons to the Department of Defense for such use as he deems necessary in the interest of national defense or (2) to authorize the Department of Defense to manufacture, produce, or acquire any atomic

weapon or utilization facility for military purposes.

I may be wrong, but this, in my opinion, brings back again the old fight of 1946, as to whether the utilization of atomic energy shall be placed in the hands of the military, or shall be under civilian control. The present law reads quite differently. It provides:

The President from time to time may direct the Commission (1) to deliver such quantities of fissionable materials or weapons to the Armed Forces for such use as he deems necessary in the interest of national defense or (2)—

These are important words—

to authorize the Armed Forces to manufacture, produce, or acquire any equipment or device utilizing fissionable material or atomic energy as a military weapon.

The difference between the two wordings is this: Under the old wording, the President might authorize the Armed Forces to manufacture equipment or devices which would utilize atomic energy as a weapon. The proposed language would permit the President to authorize the Department of Defense to manufacture, produce, or acquire any atomic weapon. I think it is very serious to say that we will change the procedure under which atomic weapons are now being manufactured, and to put their control back under the military, when in 1946 Congress provided for the civilian control of atomic energy.

In my opinion, the proposed language would give the military jurisdiction over, for example, the Sandia Laboratory, in my home city, but not over Los Alamos Laboratory, which is close by. To me that does not make too much sense. I think the Atomic Energy Commission, which operates both facilities, should continue to operate both of them. It seems to me that in the discussions in the committee it was never intended to transfer to the Department of Defense the right to manufacture, produce, and acquire atomic weapons.

I wanted to see this question raised, so we can think about it as we consider the bill.

Mr. HILL. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Alabama.

Mr. HILL. Does the committee have much, or any, testimony to the effect that the military should be permitted to manufacture atomic weapons, that such authority should be transferred and taken out of the hands of the Atomic Energy Commission and put into the hands of the military?

Mr. ANDERSON. If I should be led into a discussion of that question, I could hardly do so without entering a field which I am forbidden to discuss. There is some justification for allowing the military to do certain things in connection with atomic weapons. I feel that the authority granted is pretty broad, and that perhaps it ought to be further restricted. I do not say it is wholly bad, but I say I would hesitate very much to include any provision which might result in a renewal of the old fight of 1946, so that we would revive it again at this late date.

Mr. HILL. Will the Senator yield further?

Mr. ANDERSON. I yield.

Mr. HILL. One of the biggest controversies in Congress over the passage of the act was with regard to the question of whether or not the Atomic Energy Commission was to be under military rather than civilian control.

Mr. ANDERSON. I think it was. I was not a Member of either House of Congress at that time, but, in another capacity, I was trying to distribute food around the world. Nevertheless, I am sure that was a very important consideration, and I cannot too strongly commend the Members of the Senate and the House who insisted upon civilian control. I hope the activity will remain under civilian control.

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

Mr. ANDERSON. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I call to the attention of the Senator the fact that the particular portion of section 91 to which he has just referred, subparagraph (2), is actually a restatement of the existing law. If he will consider the definition of atomic weapons as contained in the law, I think he will find that the use of the words "atomic weapons" results in shortening the provision of the present law, and does not, in fact, alter or change the definition down to that point.

The one material change which can be pointed out in the new section is the use of the words "utilization facility." Those words were placed in that section for the purpose of covering either the delivery or carrying devices which are peculiar to the Military Establishment.

The point the Senator from New Mexico has raised was discussed at length in the committee, and a great deal of thought was given to the very careful wording employed. I assure the Senator it was not the intention of the committee to make any fundamental alteration in the existing law, or to enlarge the scope of it to such a point that the fears of the Senator should be aroused.

The words "utilization facility" were used in the section so as to include, let us say, the submarine *Nautilus*. That is a utilization facility in which atomic devices are carried; that is, the whole submarine becomes a utilization facility. A special airplane, for example, designed especially to transport an atomic bomb, and being utilized very little for any other purpose, would be a utilization facility.

Mr. ANDERSON. I thank the Senator. I think the history which the Senator has stated is useful, but, as I said in the committee, I believe the language could be clarified. It provides that the President my authorize the Department of Defense to manufacture any atomic weapon, and when I read the definition of atomic weapon, I find it means any device utilizing atomic energy. I have been right on hand in one of our assembly plants when the workers have been assembling an atomic bomb, and I believe I know what an atomic weapon is. It strikes me that when the language says that the Department of Defense may manufacture an atomic weapon, it means the Army may manufacture a bomb.

Mr. HICKENLOOPER. If the Senator will yield, I should like to call to his attention that at the end of subdivision (2), which we have been discussing, there is a proviso which reads:

Provided, however, That such authorization shall not extend to the production of special nuclear material other than that incidental to the operation of such utilization facilities.

That proviso was put into that section with the specific intent of preventing the military arm of the Government from going into the business of producing special nuclear material for weapons.

Mr. ANDERSON. I again thank the Senator, but I point out to him that the production of special nuclear material has very little relation to the manufacture of an atomic bomb. I think the Senator and I know where atomic bombs are manufactured. He and I know that in the place where they are manufactured no special nuclear material is produced.

Mr. President, if I may pass on to section 102, it reads:

Whenever the Commission has made a finding in writing that any type of utilization or production facility has been sufficiently developed to be of practical value for industrial or commercial purposes, the Commission may thereafter issue licenses for such type of facility pursuant to section 103.

The language of the provision sounded all right, and probably is all right, but it does suggest that, once the Commission makes its findings, it can issue licenses to produce nuclear power. What is to stop the granting of dozens of licenses thereafter? The minimum requirement should be that the Commission should hold hearings and let the public know what the Commission plans to do.

I do not say this should not have been considered earlier, but it was called to my attention when I received in the mail for release in the morning newspapers for Tuesday, July 13, an announcement by the Atomic Energy Commission that "AEC and North American Aviation will share the cost of sodium graphite reactor experiment." It says:

The first sodium-graphite reactor in the United States will be developed and constructed in a project sponsored jointly by the Atomic Energy Commission. * * * The project, a new step toward the development of atomic nuclear power, will cost about $10 million.

I do not see how the public knew this contract was going to be awarded, because I do not think any member of the Joint Committee on Atomic Energy knew it was going to be awarded. If there is no chance that the members of the joint committee will hear about such contracts, I do not see how the public will hear about them.

This is an important field. It seems to me the reactor is a little small. It may be that it is exactly the right size, but it appears to me we ought to have the fullest possible publicity in connection with the granting of the licenses.

While I am not trying to quarrel with the provision of the section, I believe it

would be wise, so far as it could be done, to make provision so that the greatest possible amount of public good may result from the granting of the licenses. If enough provisions to safeguard that objective have been written into the bill, I am satisfied. If not, I think we ought to try our best to write sufficient provisions into the bill.

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

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. I call the Senator's attention to the fact that section 102 refers to the granting of licenses, whereas the illustration of the contract with North American to which the Senator has just referred is a matter of contract.

Mr. ANDERSON. I concede that.

Mr. HICKENLOOPER. In the matter of licenses, I call the Senator's attention to chapter 16 of the bill, which sets forth the provisions for consideration of the licenses according to standards of equity and fairness. Under the Administrative Procedures Act, notice is provided for. I believe that if all the provisions are considered together, very ample protection is provided against any secret or precipitate deals.

Mr. ANDERSON. I appreciate the suggestion of the able Senator from Iowa; but now he has mentioned chapter 16, which provides for judicial review and administrative procedure. Section 181 reads in part as follows:

SEC. 181. General: The provisions of the Administrative Procedure Act shall apply to "agency action" of the Commission, as that term is defined in the Administrative Procedure Act .

And so forth. I read that, and I thought it meant that the provisions of the Administrative Procedure Act in relation to hearings automatically become effective in connection with the granting of licenses by the Commission. But, unfortunately, the Administrative Procedure Act, when we read it—and again I say I read it as a layman, not as a lawyer—does not require a hearing unless the basic legislation requires a hearing. If the basic legislation does require a hearing, a hearing is required by the Administrative Procedure Act. But in this case the basic legislation does not require a hearing, so the reference to the Administrative Procedure Act seems to me to be an idle one.

I merely am trying to say that I believe these things should be carefully considered.

Mr. GORE. Mr. President, will the Senator from New Mexico yield?

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

Mr. ANDERSON. I yield.

Mr. GORE. In whom is the discretionary authority vested?

Mr. ANDERSON. In the Commission, I believe. As I have said, it may be that I have misread the bill; it may be that the bill requires a hearing. But because I feel so strongly that nuclear energy is probably the most important thing we are dealing with in our industrial life today, I wish to be sure that the Commission has to do its business out of doors, so to speak, where everyone can see it.

Although I have no doubt about the ability or integrity of the members of the Commission, I simply wish to be sure they have to move where everyone can see every step they take; and if they are to grant a license in this very important field, where monopoly could so easily be possible, I think a hearing should be required and a formal record should be made regarding all aspects, including the public aspects.

Mr. GORE. Mr. President, will the Senator from New Mexico yield further to me?

Mr. ANDERSON. I yield.

Mr. GORE. What protection does the bill provide, to preserve the integrity and independence of the Commission? If the Commission reaches a formal decision which it considers to be in the public interest, is the committee satisfied that the Commission could not be overruled by means of a telephone call from a member of the White House staff or from some other source; or does the Senator from New Mexico think that under certain precedents recently established, the Commission might be in danger of being overruled on the matters upon which it reached a decision in public, as the Senator from New Mexico has suggested?

Mr. ANDERSON. Of course, the Senator from Tennessee is now referring to the Dixon-Yates contract and the related matter.

Mr. GORE. I do not wish to hurry the distinguished Senator from New Mexico into a discussion of that subject; I know he will reach it in due time. But inasmuch as so much power is vested in the Commission, and inasmuch as the able Senator from New Mexico has placed such great store upon the decisions of the Commission and upon the manner in which the Commission will reach its decisions, I believe it pertinent to inquire what protection the bill throws around the Commission, in which so much discretionary authority is vested.

Mr. ANDERSON. I should like to say to the Senator from Tennessee that I thought the Commission was a completely independent body. The members are nominated by the President and are confirmed by the Senate, after a hearing regarding their qualifications and ability to perform their responsibilities; and the members have complete authority to transact the business of the Commission.

I am somewhat disturbed by the Dixon-Yates contract, but I hope it will not constitute a precedent in regard to what may happen in the future.

Mr. HICKENLOOPER. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. I wonder whether the Senator from New Mexico does not feel that sufficient protection is afforded in section 181 and in section 182–b. In that connection, I should like to have the Senator from New Mexico refer to section 182–a, on page 85, beginning in line 9, from which I now read, as follows:

Upon application, the Commission shall grant a hearing to any party materially interested in any "agency action."

So any party who was materially interested would automatically be afforded a hearing, upon application for one.

Then, in section 182–b this provision is found:

b. The Commission shall not issue any license for a utilization or production facility for the generation of commercial power under section 103, until it has given notice in writing to such regulatory agency as may have jurisdiction over the rates and services of the proposed activity, and until it has published notice of such application once each week for 4 consecutive weeks in the Federal Register, and until 4 weeks after the last notice.

Mr. ANDERSON. Mr. President, I may say to the Senator from Iowa that when in committee we discussed this language, I thought it was sufficient. I still think it ought to be sufficient. But I do not find myself able to tie the Administrative Procedure Act to this requirement of the bill.

To return to section 181 and the portion on page 85 reading—

Upon application, the Commission shall grant a hearing to any party materially interested in any "agency action"—

Let me say I think it is important to tell who may be interested, and therefore the widest publicity is necessary. For example, if the Commission were going to grant a franchise to enable someone to establish a new plant inside the Chicago area, there might be many persons who would be interested, but they would not know that the matter was under consideration. I am trying to say that the people who are interested will not be reached unless they are given notice. I say again to the Senator from Iowa that nothing in the section may need changing. I am merely stating that, upon a second reading, some doubts arise, and I wonder what the section actually provides.

Mr. President, I intend to discuss, perhaps at considerable length, the proposed contract between Dixon-Yates and the Atomic Energy Commission. So far as I know, the material relating to that matter is not yet in the RECORD. Therefore, I ask unanimous consent that a letter and exhibits submitted by Middle South Utilities and the Southern Co. to the Atomic Energy Commission, under date of April 10, 1954, be printed at this point in the RECORD.

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

APRIL 10, 1954.

ATOMIC ENERGY COMMISSION,
Washington, D. C.
(Attention: Gen. K. D. Nichols, General Manager.)

DEAR SIRS: In response to the suggestion in the President's budget message that the power industry might furnish 500,000 to 600,000 kilowatts to your Commission by the fal lof 1957, Middle South Utilities, Inc., and the Southern Co. submitted a proposal to you under date of February 25, 1954. It was our understanding of the budget message that this power was desired in order to reduce the commitments of Tennessee Valley Authority to your Commission for service at Paducah, with a resultant reduction in the amount of capital expenditures which would have to be budgeted for TVA. Our proposal was designed to accomplish that purpose.

As you know, our February 25 proposal was formulated upon short notice and on the basis of data which was not as complete as is desirable in connection with such a matter. Since February 25, we have acquired additional information and have had time for further study. As a result, we are pleased to be able to make an offer to your Commission on a more favorable basis. Accordingly, we hereby withdraw our letter of February 25, 1954, and submit to you the proposal set forth in this letter and the accompanying appendix.

Our proposal provides for rates, exclusive of taxes, having a base annual demand charge of $14.62½ per kilowatt-year, subject to variation up or down in case of increase or decrease in actual cost of construction as compared with the present estimate, with a maximum increase of 47½ cents per kilowatt-year. The base-energy charge is 1.863 mills per kilowatt-hour, which is estimated cost, subject to variation up or down in case of increase or decrease in fuel costs and wage rates.

In considering our proposal for purposes of comparison, it is important to bear in mind that there are two classes of factors to be weighed. One class includes those where a Government agency enjoys advantages not available to private industry and with which private industry cannot hope to compete—Government credit, freedom from taxation, certain subsidies, etc. The other class of factors has to do with performance. As to the latter, private industry can perform at least as well as Government and is willing to face any fair comparison. In the present proposal an attempt has been made, insofar as possible, to separate these two classes of factors so that a fair comparison may be made.

It is, of course, impossible to know now, on the basis of presently estimated cost, what the actual ultimate cost of a new plant will be. The effect of our proposal, however, is to provide that if the actual construction cost is less than anticipated the Government is to participate equally with us in the benefits from such reduction. Its effect also is to provide that if the construction cost exceeds the estimate, the resulting increased costs are to be divided equally between us and the Government, except that there is a guaranteed maximum above which the Government does not bear any such additional costs and we bear them all. Thus the Government is provided with a ceiling—we with an incentive to benefit the Government as well as ourselves.

Under our proposal, a new corporation to be formed by us will make the expenditure to build the plant, and the taxpayers will make only annual payments related to the annual cost of supplying the power for the 25-year period of the contract. Moreover, if the Government's need for this power should for any reason come to an end, the Government may terminate its contractual obligation on a reasonable basis and thereby relieve the taxpayers of any further payments on account of power their Government no longer needs or uses.

Every consideration has been given to the fact that a 25-year contract with the United States Government, acting through your Commission, will tend to lower the cost of money to the new corporation. Full allowance has been made for the lesser risk of a Government contract as compared with risks in normal situations involving relatively short-term contracts with ordinary businesses. As is indicated in the Appendix, we have also given full consideration to the fact that the power involved will be utilized by the Government itself for a purpose related in the main to defense. Naturally, under such special circumstances, we are able to finance with a substantially larger proportion of long-term debt than would be permitted by regulatory authorities in a normal public-utility situation. Moreover, we are willing and able to go further in this special defense situation than we otherwise would.

As stated above, our proposal has been formulated with the end in view of supplying power and energy to your Commission, an agency related in the main to national defense, for use in pursuance of your statutory purposes. At the same time, however, we have attempted by our proposal to assist the Government in the solution of a broader overall problem. TVA testimony before congressional committees indicates that the power released by your Commission upon acceptance of our proposal will be of use to TVA in west Tennessee, and particularly in the Memphis area. It will, therefore, be both practical and economical if deliveries by our new generating company are made to you or for your account over interconnections with TVA in the Memphis area, and if TVA, in turn, delivers a like amount of power to your Paducah facilities from its Shawnee station. To do this the facilities of the new company will be located near Memphis. This plant site will have the following advantages: (a) It will locate the plant where fuel can be readily obtained via the Mississippi River or by rail; (b) it will locate the plant where interconnections can be readily made with major power systems; (c) it will make it unnecessary for TVA to build transmission lines back from Shawnee to the Memphis area, thus avoiding assessment of further amounts against taxpayers for this purpose; and (d) the additional capacity will not be built in the Paducah area which, if the AEC demand were canceled, would be oversupplied with power.

Both the Middle South system and the Southern Co. system have regularly delivered substantial blocks of power to TVA over existing interconnections. If interim power is desired, the undersigned are prepared to negotiate a separate definitive agreement for such purpose.

We have received assurances from responsible financial specialists expressing the belief that financing can be arranged on the basis which we have used in making this proposal and under existing market conditions, and our office is conditioned upon the arranging of such financing. Our proposal is also subject to our securing appropriate Treasury Department rulings or agreements with respect to the sinking-fund depreciation upon which the computations underlying our proposal are predicated.

The attached appendix sets forth an outline of additional matters in our proposal, including the more important provisions which will be embodied in a contract growing out of it. We are ready to negotiate a definitive contract at your early convenience.

Very truly yours,

MIDDLE SOUTH UTILITIES, INC.,
By E. H. DIXON, *President.*
THE SOUTHERN CO.,
By J. M. BARRY,
Chairman of the Executive Committee.

PRICE

Capacity charge: A base capacity charge of $8,775,000 annually, payable one-twelfth monthly for contract capacity of 600,000 kilowatts, subject to adjustment as follows:

(a) For cost of seller's initial facilities: Plus or minus 50 percent of an amount computed at the rate of $58,550 annually for each $1 million by which the sum of (i) the cost of seller's initial facilities and (ii) $1,135,000, the estimated cost of transmission additions required in the Middle South system in connection with the proposed transactions is greater or less than $107,250,000: *Provided, however,* additions to base capacity charge shall not exceed $285,000.

(b) For no-load fuel: Plus or minus an amount computed at the rate of $3,500 per month for each 1 cent by which the cost of coal delivered (unloaded) at seller's plant is greater or less than 19 cents per million B. t. u.

(c) For power factor of less than 93 percent: The monthly payment for capacity shall be increased in the ratio of the maximum kilovolt-ampere at the primary delivery points during any 30-consecutive-minute interval, to 645,000 kilovolt-ampere.

Energy charge: 1,863 mills per kilowatt-hour delivered at primary and secondary delivery points, subject to adjustment as follows:

(a) For cost of coal: Plus or minus an amount computed at the rate of one-eleventh mill per kilowatt-hour for each 1 cent increase or decrease above or below 19 cents per million B. t. u. in the cost of coal (including any taxes and other imposts assessed against the coal, its extraction, sale, transportation, use, or otherwise) delivered (unloaded) at the company's generating station near West Memphis, Ark.

(b) For cost of labor and other operating and maintenance expenses for each 6-month period beginning with January or July: Plus or minus an amount computed at the rate of one one-hundredth mill per kilowatt-hour for each 4-cent increase or decrease above or below $1.97 in the 6-month average of hourly earnings of production workers in gas and electric utility industries, as compiled by Bureau of Labor Statistics for the preceding 6-month period ending with March or September. Such adjustment shall be made as though not less than one-twelfth of 4 billion kilowatt-hours were delivered each month, whether or not actually delivered.

Other conditions: (1) This offer is subject to approval of regulatory bodies having jurisdiction and to force majeure. In the event of new laws, orders or regulations or changes in existing applicable laws, orders or regulations adversely affecting wage rates, hours of work or other conditions, or active hostilities, any of which shall result in increased costs hereunder, the effect of such changes shall be incorporated in any contract resulting from this offer to the end that the rights of the seller shall not be impaired by such changes, and the parties will enter into appropriate amendments of such contract to that end.

(2) In consideration of the fact that seller's production, delivery, and other initial facilities are to be installed primarily for the purpose of making deliveries to or for the account of the buyer, and that the base prices and adjustments for the service to be provided hereunder do not include any taxes except those referred to below in clause (a), it is understood that the buyer will pay such additional amounts for capacity and energy as will result, after the payment by seller of Federal, State, and local taxes, licenses, fees, and other charges in the seller having net operating revenue (as such term is defined or derived under the presently applicable Federal Power Commission uniform system of accounts) in the same amount as seller would have had if seller were not liable for any taxes, licenses, fees, and other charges; *Provided, however,* That—

(a) inasmuch as the taxes hereinafter referred to are included in other reimbursable costs or charges, buyer shall not be required to pay to seller any additional amounts on account of taxes at current rates in the category commonly called social-security taxes (such as State unemployment, Federal unemployment, Federal old-age benefit, or similar taxes) currently applicable to payrolls; nor shall buyer be required to pay to seller any additional amounts on account of sales and use taxes on operating supplies, taxes, and other imposts assessed against the coal, its extraction, sale, transportation, use or otherwise, at currently applicable rates, in-

cluding Federal, State, and local taxes on gasoline, tires, oils, stationery, etc.; and

(b) All the seller's initial facilities are to be first devoted to service to buyer, up to the contract capacity, but seller may make use of initial facilities for purposes other than the supply of capacity and energy to or for buyer at such times and to such extent as such service to buyer does not prevent such other use; and to the extent that the initial facilities are so used for such other purposes and seller derives income therefrom and incurs tax liabilities as a result thereof, such tax liabilities shall be discharged at the sole cost and expense of seller. Seller will maintain records of the revenue derived from such other use, and the incremental cost of generating such energy, so that the tax liabilities arising out of such other use may be determined and excluded from bills payable by buyer.

(3) Buyer will take service on not less than minimum schedule and shall not be entitled to service at any rate greater than contract capacity.

(4) The base capacity charge includes the costs associated with initial facilities of approximately 650,000 kilowatts, of which capacity in excess of 600,000 kilowatts is reserve capacity, and the base capacity charge includes the costs associated with such excess as compensation to seller for furnishing reserve capacity sufficient to provide firm service with one unit out of service. In recognition of the fact that such reserve capacity is not adequate to provide the equivalent of one generating unit of the size likely to be installed, seller will make arrangements with others, including the companies making this proposal, to furnish, without additional charge to buyer, additional supplies of power and energy sufficient, with one generating unit out of service to deliver 600,000 kilowatts at the primary and secondary delivery points.

(5) This offer is premised on the fact that the equivalent of the power and energy involved will be utilized by the AEC, an agency related in the main to national defense, in pursuance of its statutory purposes. In this special situation, seller is willing and able to go further than it otherwise would or could. Accordingly, it is understood that TVA will accept such power and energy for delivery to buyer by transmission or displacement, and that all such power and energy is for buyer's utilization, and not for resale except as otherwise specifically provided.

(6) The term of the contract will be 25 years.

(7) Termination:

(a) After commencement of full-scale operation, termination will be allowed on 3 years' notice, during which period assignment may be made to another governmental agency, at contract rates, including all taxes and other adjustments.

(b) Upon termination seller shall be entitled to and will absorb capacity at least as rapidly as load growth will permit, but in any event in the amount of at least 100,000 kilowatts in each year, absorbing associated proportions of costs. Buyer may assign any balance to another governmental agency at an increased price to be approved by FPC, such price to include recognition of any increased costs then encountered or foreseen by seller. To extent such capacity is not used by buyer or assignee, buyer will reimburse seller for pro rata proportion of base capacity charge, as adjusted, and taxes.

(c) In event of partial termination above formula will be applied on a pro rata basis.

(d) In event buyer relinquishes right to capacity after termination, base capacity charge (including adjustments) will be thereafter reduced $1,500,000; proportionally in case of partial reductions.

(e) Buyer will repay seller for any fair and reasonable cancellation charges payable by seller to a third party and costs, losses, and other expenses incurred by seller by reason of cancellation.

(8) Seller will use its best efforts to have the first unit of the generating station in operation 36 months after the contract is entered into, and to have subsequent units in operation at reasonable intervals thereafter.

(9) Seller will receive cooperation from buyer for any necessary priority assistance.

(10) Buyer will arrange with TVA for receipt and displacement of power and energy.

(11) There will be a pro rata determination of capacity charge during interim between completion of the first generating unit and the final generating unit.

(12) Miscellaneous: The contract will also contain, among other things, provisions, similar in principle to those hereinafter referred to contained in the buyer's power agreement with Ohio Valley Electric Corp. dated October 15, 1952, relating to transfers of energy for use at other Government installations (sec. 2.05, pars. 2, 3, and 4, and sec. 7.12), extensions of contract term for two additional periods of 5 years each (sec. 3.09), review of seller's plans and procedures (sec. 3.10), purchase of fuel (sec. 7.02), review and audit of seller's accounts (sec. 7.04), all in such form as may be mutually agreed upon.

DEFINITIONS

Seller: New company to be formed by Middle South Utilities, Inc., and the Southern Co.

Buyer: Atomic Energy Commission.

TVA: Tennessee Valley Authority.

Primary delivery points: New points of delivery to be established, by agreement among buyer, seller, and TVA, at the middle of the Mississippi River between Shelby County, Tenn., and Crittenden County, Ark.

Secondary delivery points: Existing and future points of connection between systems of seller, Arkansas Power and Light Co., Mississippi Power and Light Co., subsidiaries of the Southern Co. and TVA, it being understood that the flow of power and energy cannot always be confined to primary delivery points.

Seller's initial facilities: A new steam electric generating station to be constructed by seller, of approximately 650,000 kilowatts capacity (approximately 50,000 in excess of contract capacity, for reserve), together with all other lines, property, equipment and other assets and debits of seller, including $2 million of net current assets as working capital, acquired for the purpose of or incident to making or carrying out of this proposal. Additional facilities that may be constructed subsequent to completion of initial facilities shall have no effect on this proposal or any resulting agreement.

Contract capacity: 600,000 kilowatts.

Minimum schedule: Not less than 35 percent of the contract capacity, which is the minimum capacity and energy which can be economically produced by seller's production facilities, not less than which will be scheduled for delivery at all times except upon reasonable notice of reduced requirements, and for resumption of minimum or greater requirements.

Mr. ANDERSON. Mr. President, as a member of the Joint Committee on Atomic Energy, I feel an obligation at this time to discuss in some detail with the Senate a report which has been developing considerable controversy, and occasionally a little heat and fury.

I have attended, insofar as I found it possible to do so, the hearings on the proposed new Atomic Energy Act, including the special investigation of the so-called Dixon-Yates contract, which the President has directed the Atomic Energy Commission and the Tennessee Valley Authority to consummate.

The crucial question for those of us not directly involved in the controversy because our State might gain some tax revenues or because of a local devotion to the TVA, is whether the proposed contract will constitute a good, businesslike arrangement for the United States; whether it is a wise arrangement, which is opposed by the advocates of public power because of enthusiasm for their cause; or whether it is an unwise arrangement, which is defended by the backers of private ownership because of an excess of enthusiasm for their views.

Mr. President, I wish to say that some persons have tried to insist that those of us—or, at least, some of us—who at least in some degree question the desirability of the contract, are worried about the proposal because we regard it—so they state—as an attempt to "fence in" the TVA, or as an attempt to place an obstacle in the way of expansion of the TVA to the north or to the west.

Let me say that my position regarding the contract is not determined in any way by considerations of whether the TVA would be "fenced in" or whether there would be a private monopoly in connection with the development of such power in the United States. Generally speaking, Mr. President, if private capital is available for the development of these resources, I should like to see private capital do the job; and I wish to disassociate myself completely from the claim that the persons who are interested in this matter are interested in it solely because of a dedication to the TVA principle.

Economy is the watchword these days. The Dixon-Yates proposal is urged because it would relieve us of an early advance of $100 million to the TVA to build a new steam power plant at Memphis. It is opposed on the grounds that the annual costs to the Government of the Dixon-Yates contract would be either $3,685,000 per year or $5,567,000 per year more expensive to the Government, over a 25-year period, than for TVA to construct facilities. Additionally, the TVA advocates point out on their side that at the end of the period, residual values in the plant would belong to the Government instead of a private utility concern.

Our distinguished colleagues from the Tennessee Valley area have presented the TVA side of the case from time to time. On July 9 our very able colleague from Arkansas [Mr. FULBRIGHT] defended the Dixon-Yates proposal as a wise arrangement. In his remarks he made this statement:

> I will grant that if the figures which were used by some Senators from the TVA area, which indicated that there was an overcharge of $5½ million, that would be a very substantial amount, and would be improvident. However, if it is only $282,000, as I believe it is, on any fair comparison, then it is a justified contract, and the other advantages which are involved further justify it.

I shall assume, for the purposes of this discussion, that the Senator from Arkansas would also agree that $3,685,000 of extra expense annually to the Government, totaling more than $90 million over 25 years, would be a substantial amount, and would be improvident. While I do not consider $282,000 as an

insignificant sum, for my own part I would concede that if upon careful analysis this proved to be the real difference, then, on a strictly dollars-and-cents basis, disregarding the issue about impairing the TVA, or the question of the value of alternative power sources, the sum would be so relatively small that it might be outweighed by policy considerations.

I have supported the TVA. I have voted consistently for the agency and its appropriations. But I am not a dyed-in-the-wool advocate, blind to the facts. If the Government needs power, and can make a better deal with private utilities than with the TVA, I shall be for that course.

First, I went back over the record to see what the power experts said about the cost differential. There have been several expert and inexpert analyses at one time or another.

Mr. FULBRIGHT. Mr. President, will the Senator yield, or does he prefer not to be interrupted?

Mr. ANDERSON. I will say to my able and distinguished friend from Arkansas that this is one of the tasks which I have regretted very much, because I find myself in agreement with the Senator from Arkansas so much of the time, and I have supported so many of the same philosophies which he supports, and have such great faith in his integrity and high standing that I dislike to reply to a speech which he has made. On the other hand, any time I am so doing, if he wishes to interrupt, I shall appreciate it, and will be glad to yield.

Mr. FULBRIGHT. I thank the Senator for his kind words and for yielding.

The first inquiry I wish to make is of a general nature, with regard to the difference in cost. Does the Senator see any difference between costs made up of taxes and interest which accrue to TVA only because it is a governmental operation and other costs?

Mr. ANDERSON. I can answer the Senator's question. I say that there ought to be a distinction drawn between differences in cost which represent operating efficiencies and differences in costs which represent taxes paid by TVA, or not paid by TVA, or taxes paid by the Government in behalf of some private contractor. Therefore, I should say to the able Senator from Arkansas that I feel that it is too bad that people have been placed in different categories when, if they stop and look at the issue carefully, they may learn that many of the things over which they are arguing are not real differences, but represent merely a difference in application.

I say to the Senator in all candor that whenever the Government makes a contract to buy guns, tanks, planes, bunting, or anything else, it pays in the established price, the taxes of the manufacturing group, with this very important exception—and I shall return to it again and again. I do not think it is proper for us to include Federal income taxes as an expense which should be absorbed, because while such taxes may represent a proper charge, and while unquestionably they enter into consideration in the case of any business firm worth its salt when it calculates the figure it will bid for work, it is a strange provision—I was about to say a foreign provision—to put into contracts, that the Federal Government shall agree to make whole a private contractor for his property taxes in the county where his plant is located and his State taxes in the State where it is located, and will then pay his Federal income taxes, without knowing how those taxes may be figured, and without knowing what relationship they bear to the cost of the contract.

Mr. FULBRIGHT. I leave the Senator on that last qualification. They do know, I think, what the taxes are, within very close limits. Taxes are the only things that are certain.

Mr. ANDERSON. I am not sure that taxes are certain. In a period when excess-profits taxes are in effect—and happily we are not now in such a period—I hardly think they can be called certain.

Mr. FULBRIGHT. But the Government would make the contractor whole only to the extent that he pays such taxes. If taxes are reduced, the Government will not continue to pay $820,000.

The point I am trying to make is that in arriving at a judgment as to the efficiency of the operator and the cost to the Government, income taxes should certainly be considered as a deductible item in comparing what the cost to the Government is on the one hand, and the cost to TVA, which pays no income taxes.

Mr. ANDERSON. I will say to the Senator that I would not consider them. I speak only as an average businessman might try to speak. I hope I may still regard myself as one. I have an interest in one business to which I have never devoted any personal attention. I bought into it as an investor. I found during the period of the war that that business paid some pretty heavy excess-profits taxes, because of an unusual circumstance relating to the purchase—a change in the corporation status which removed the tax base which it might have used, and placed it on an entirely different basis.

What is the relationship of that case to this? We learn only by experience. In this particular instance one of the virtues of the excess-profits tax is that the Government thereby has a way of taking back from a private contractor any unusual profit he may make as the result of a Government contract. In this particular instance, the Dixon-Yates people are virtually guaranteed a 9-percent return. Suppose there should be certain cancellations and that Dixon-Yates could thereafter sell their power to another purchaser at a rate much higher than the Government expected to pay. Let us say that Dixon-Yates might make an earning of 16 or 20 percent on invested capital. If we should happen to enter a period of war again, the excess-profits tax might operate against that company, and the Government might recover from it at a very high rate of tax. But the Government will reimburse this Dixon-Yates Co. and let it put the money into its surplus account. If that is the way it works, I do not exactly think it is a fair arrangement.

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

Mr. FULBRIGHT. These are general questions. I have some specific data on the question of taxes and other matters. However, with regard to the question of taxes as a general proposition, when the Government undertakes a businesslike operation such as the TVA, involving the production of power, is it not true that when the TVA does not pay taxes, that means that private interests that operate in the same field have a greater tax burden than they otherwise would have? In other words, the burden which this particular operation would normally carry is shifted to the backs of all other operators in a similar type of business.

So in this particular instance, if TVA paid taxes on a basis similar to that applying to a private company, this entire question would not arise.

I was coming to this point: Would the Senator support a provision in the bill to the effect that TVA should pay taxes, local and governmental, for the purpose of keeping the books straight, just as anyone else would pay taxes?

Mr. ANDERSON. No. We have gone over that subject many times.

Mr. FULBRIGHT. The Senator would not?

Mr. ANDERSON. No. I do not propose to start rewriting the TVA legislation.

Mr. FULBRIGHT. I wish the record to show that that is a very special consideration for a commercial type of operation. Does not the Senator agree?

Mr. ANDERSON. I do not think it is special.

Mr. FULBRIGHT. It is not an exercise of sovereignty, such as the maintenance of a defense establishment. It is a commercial type of operation.

Mr. ANDERSON. But TVA does pay taxes, or the partial equivalent of taxes.

Mr. FULBRIGHT. I only asked the Senator if he would support an amendment which would make TVA pay taxes on a comparable basis, and I understood the Senator to say that he would not.

Mr. ANDERSON. As an amendment to this bill, I would not.

Mr. FULBRIGHT. I ask him whether he would support such an amendment to any bill.

Mr. ANDERSON. I would prefer to wait until such a bill comes before us.

Mr. FULBRIGHT. I ask the Senator whether he supports the principle that I have stated.

Mr. ANDERSON. No; I do not support the principle.

Mr. FULBRIGHT. Why does not the Senator support the principle?

Mr. ANDERSON. Because I do not believe we can begin requiring Government corporations, of which TVA is one, to pay taxes. At one time I had close contact with the institution known as the Commodity Credit Corporation. Almost the first thing I found when I became Secretary of Agriculture was that I had to sign a receipt for $1,600,000,000 worth of commodities.

Mr. FULBRIGHT. Is that a commercial type corporation?

Mr. ANDERSON. I did not believe the Commodity Credit Corporation should immediately start hunting down $1,600,000,000 worth of commodities, subject to a tax in every county and in

every State where the commodities were located, including the farmers' bins.

Mr. FULBRIGHT. Is there any commercial corporation comparable to the Commodity Credit Corporation?

Mr. ANDERSON. I do not know.

Mr. FULBRIGHT. The Senator knows there is not, and he knows that the Commodity Credit Corporation is a completely unique operation. There is no business corporation in the country that does what the Commodity Credit Corporation does. I referred to a commercial type of operation or corporation. In the case we are talking about power is produced by a corporation known as TVA, which produces power just as hundreds of other corporations produce power, except that TVA has an exemption from taxes, and has the privilege of using public money. It is an entirely different situation from the Commodity Credit Corporation.

Mr. ANDERSON. I believe I can cite to the Senator a host of Government corporations that operate in exactly the same way that some business corporations operate. I may refer him to the Crop Insurance Corporation. A great many insurance companies in the United States write crop insurance. However, they do not cover the field satisfactorily. Therefore Congress created the Crop Insurance Corporation. I would not believe in applying against the Crop Insurance Corporation the same kind of taxes the insurance companies pay.

Mr. President, I shall not commit myself on how I would feel about anything of that nature until a bill incorporating a specific situation comes before Congress. There have been times—and frequently—when bills have come before Congress which would provide for the taxing of this type of business. There have also been bills before Congress which would compel the Government to pay to every community a tax representing the amount of property it may own within a municipality, such property as a Federal building or post office, or similar property. That matter has been considered many times. It is an extremely difficult situation.

Mr. FULBRIGHT. Does the Senator recognize any difference between a Government corporation which operates on a nationwide basis, and a regional corporation which has special privileges, but operates only within a restricted part of the United States? Is there any difference in the Senator's view as to how they should be treated?

Mr. ANDERSON. I doubt if there should be a difference, but I would say to the Senator that I believe in the Dixon-Yates contract, if it is to be made, there should be a different provision with reference to taxes than now appears in the pending proposal of the group. I believe a provision should be written to take care of most of the taxes the holders of the contract would pay, if they were supplying power only to the Government, but I would not favor a provision requiring the Government to reach out and pay their income tax.

Mr. FULBRIGHT. In case of termination or cancellation, the contract does not provide that the Government shall continue to pay the income tax. That is correct, is it not?

Mr. ANDERSON. That is correct.

Mr. FULBRIGHT. Only while it is supplying the AEC. The provision certainly does not apply after the contract is canceled or after the work has been performed. That meets the Senator's objection in that respect, does it not?

Mr. ANDERSON. I do not believe it is possible to meet my objection with respect to the payment of income taxes.

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

Mr. ANDERSON. I yield.

Mr. GORE. Mr. President, the able junior Senator from Arkansas has raised the question of whether TVA, a wholly Government-owned corporation, should pay taxes to the Government, which owns it. As a matter of fact, all the income and all the profit and all the net earnings of TVA belong to the Government, which owns TVA.

In the case of a private corporation, we levy a tax, which requires payment into the Federal Treasury of a portion of the net income. To start taxing a wholly Government-owned corporation would mean that only a part of the corporation, which we as a people wholly own, would come back to us. To whom would the other part go? I hope the Senator from Arkansas will not be ludicrous in his argument.

The operations of the TVA are arranged with a goal of a net earning of 4 percent upon invested capital, to provide a net earning of 4 to 5 percent for the Treasury of the United States. Obviously, a net earning of 4 percent, which is the goal TVA has achieved during its history, is not so great an earning as many private corporations make—and in the particular suggested contract to which reference has been made, the return to the stockholders would be 9 percent—but all the 4 to 5 percent, or if it turns out to be 3½ percent or 6 percent, or whatever it may be, goes into the Treasury of the United States and belongs to the Government of the United States, which owns the entire TVA.

Therefore I believe the Senator's contention is about as devoid of merit or meaning as any situation I have ever heard of.

The distinguished and able Senator from Arkansas, for whom I have a deep and lasting affection and respect has for the second time made what borders upon a slighting reference to the bookkeeping methods of TVA.

Mr. ANDERSON. I intend to deal with that subject directly, but I am happy to have the Senator deal with it now.

Mr. GORE. I can dispose of it in a moment. There is no mystery about the TVA bookkeeping. Books are kept according to Federal law. Under the law TVA must keep its books in accordance with the uniform system of accounting prescribed for public utilities by the Federal Power Commission.

I may say, for the advice of my able friend from Arkansas, that the TVA bookkeeping system has been lauded by the General Accounting Office, by congressional committees which have conducted investigations of TVA, and by the Hoover Commission. Perhaps the last does not appeal too much to the Senator from Arkansas, although he may be leaning in that direction of late.

I should like to cite one other thing to the Senator from New Mexico, and then I shall not ask him to yield further.

In connection with the Federal taxes, which it is estimated would be paid by the private concern, for whose benefit this contract would be made, I should like to state that on page 1026 of the hearings there is found an estimate of the Federal income tax, added as an expense, of $820,000 a year. It will also be seen that the amount is subtracted as reimbursable by the Federal Government under the contract.

Later on in the debate I shall be glad to cite decisions of the Comptroller General and other agencies of the Government holding that the Federal income tax is not a legally reimbursable item of cost.

Mr. ANDERSON. I thank the able Senator from Tennessee. I wish to say he has touched on what has been my principal concern about the contract. I think it is a bad precedent to start reimbursing a private company for Federal income taxes. That has never been done, and I hope we shall never do it.

Mr. HILL. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. HILL. The Senator has correctly stated the fact that TVA makes payments in lieu of taxes. It pays 5 percent of all the gross revenue which comes in from all purchasers of TVA power except when the Government of the United States is a purchaser. What we are to have, then, if this contract is executed, will not only be the payment of income taxes, but also State and county and ad valorem taxes, and then, when the power is sold under the TVA law, the TVA will have to make an additional payment of 5 percent on the gross amount coming in from the sales, because it is not contemplated that the power which may be generated under the Dixon-Yates proposal will go to the Government. It will be sold to the general power consumers, and TVA will have to pay an additional 5 percent of the gross revenue on the power sold. So we have not only the question so ably raised by the distinguished Senator from New Mexico, and by the distinguished Senator from Tennessee, but we have the proposition of double taxation.

Mr. FULBRIGHT. Mr. President, will the Senator from New Mexico permit me to make one comment?

Mr. ANDERSON. Certainly.

Mr. FULBRIGHT. Of course, the basic difficulty with the argument of the Senator from Tennessee is his identifying TVA with the United States, or, one might say, with God. He makes no distinction between TVA as a regional organization and the United States. That is a very important distinction, I may say.

With reference to the question of the payment of taxes, a similar provision is included in the TVA contract at Shawnee. There is a provision which I placed in the RECORD yesterday with reference to the payment of taxes. Under this

contract it is said, "Congress makes us pay income taxes, so we want you to reimburse us." I imagine that is the origin of the idea. That is TVA's own idea, that it is going to be reimbursed.

The Senator from Tennessee stated that I made ludicrous remarks in regard to the identity of the TVA in connection with the rest of the country, in connection with ownership by the people of the United States.

With reference to the net profit mentioned by the Senator from Tennessee, with the permission of the Senator from New Mexico, will the Senator from Tennessee tell us whether all the net profit of the TVA is turned back each year into the Treasury and not retained by the TVA?

Mr. GORE. Mr. President, will the Senator from New Mexico yield in order that I may reply?

Mr. ANDERSON. I am happy to yield.

Mr. FULBRIGHT. This bookkeeping is a great mystery to me. I am not able to see it so clearly as does the Senator from Tennessee.

Mr. GORE. I would not say that the able Senator from Arkansas is stupid.

Mr. FULBRIGHT. The Senator said I was ludicrous. Maybe that is a preferable word.

Mr. GORE. As a matter of fact, I did not say the Senator from Arkansas was ludicrous. The Senator from Arkansas is a very elegant gentleman——

Mr. FULBRIGHT. But he makes a ludicrous argument.

Mr. GORE. Yes; I was going to say——

Mr. FULBRIGHT. I accept the amendment.

Mr. GORE. Even the greatest of men can now and then slip on a banana peel, and the Senator from Arkansas certainly went head over heels when he stepped on this one.

All the property, all the net earnings, and all the net losses, if there are any, of the TVA, belong to the people of the United States.

Mr. FULBRIGHT. I did not ask the Senator that question at all. I asked him whether the annual profit of the TVA is turned in to the Treasury of the United States. I simply asked that narrow question.

Mr. GORE. Mr. President, with the further indulgence of the Senator from New Mexico, I shall be very glad to reply. The reply will also answer the suggestion—not the argument, but the suggestion—regarding the TVA contract with AEC. Under the law, the TVA is required to amortize each and every one of its power projects in 40 years. The law requires the TVA to repay actually and physically into the United States Treasury a sufficient amount each year to amortize the investment in power projects within 40 years.

Mr. FULBRIGHT. Mr. President, I beg the Senator to answer my question. I asked him nothing about amortization and appropriations. What happens to the net profits?

Mr. GORE. I have answered that question.

Mr. FULBRIGHT. The Senator is evading the question. He has not answered it at all.

Mr. GORE. I beg the able Senator's pardon. I am trying to answer his question.

Mr. FULBRIGHT. Does the Senator know what the bookkeeping does with the net profit of the TVA?

Mr. GORE. Yes, I do know. Is the junior Senator from Arkansas interested in having all the information, or does he wish a partial answer?

Mr. FULBRIGHT. Does the Senator know what happens to the TVA profit each year?

Mr. GORE. Does the junior Senator from Arkansas want to know?

Mr. FULBRIGHT. I certainly do, but I should like to know today, if the Senator can tell me.

Mr. ANDERSON. Mr. President, I ask unanimous consent that I may yield to the Senator from Tennessee in order that he may answer the question of the Senator from Arkansas.

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

Mr. GORE. The provision of law requiring amortization I supported. I thought it would be an answer to the critics of the TVA that the appropriations for power development were handouts of money to be poured down a rathole. It has proven a good answer thus far. That amount is necessarily, by law, reimbursed physically and actually to the Treasury of the United States. Since the enactment of that law more than that amount has actually been transmitted in cash to the Treasury of the United States each year, without a single exception. In addition to that, the TVA has had net earnings. The Congress upon each occasion, in its appropriation bills, has had the disposal of the net earnings. Congress has sometimes directed the TVA to use the net earnings in a specific manner. The appropriation bill this year did exactly that. All the money has not been actually, physically transmitted to the Treasury of the United States.

Mr. FULBRIGHT. How much has the TVA retained?

Mr. GORE. I do not at the moment have that figure. I shall be glad to supply it for the RECORD.

Mr. FULBRIGHT. Is it approximately $238 million?

Mr. GORE. I shall supply the figure to the Senator. If I may proceed, now, with my answer, all the earnings of TVA are within the disposition of the Congress each year. The Treasury of the United States is a part of the Government——

Mr. FULBRIGHT. I make no contention that any law has been violated, or that the practice is illegal or bad. I am trying to get at the truth of the situation, but it seems impossible to ascertain what the bookkeeping provides. It seems that $228 million, which represents net earnings, is really left in the hands of the TVA—if it is not used in the development of local facilities in the community—which TVA does have to return to the Treasury. Is not that a true statement?

Mr. GORE. I do not believe it is.

Mr. FULBRIGHT. In what regard is it in error?

Mr. GORE. All the net earnings, all the proceeds, all the properties are subject to the disposition of the United States Congress.

Mr. FULBRIGHT. I did not say they were not.

Mr. GORE. Each year Congress acts upon the matter. The TVA has been authorized—and not only authorized, but directed—to retain certain of its net earnings to be invested in other properties. These, too, I may point out to the Senator, are amortized. So I come back to my original statement, that all the earnings of the TVA, not simply a part of them, as is the case with respect to taxes paid by private concerns, are the property of the United States Treasury.

Mr. FULBRIGHT. The question whether they are the property of the United States Treasury is not a very significant one. The significant question is, What use is made of them? Are they available to the Government? Are they available to reduce taxes? Can they be used to produce things which the Government needs? Obviously, they are not such funds.

Mr. ANDERSON. May I say that I think they might be regarded as being available? It seems to me that if profits accrue from the operation of the TVA, and Congress, instead of making new appropriations for new capital funds, directs that the moneys shall be used for expanding powerlines, or doing anything of that nature, that is just the same kind of utilization as if the money had been taken into the Treasury, and then a brandnew warrant had been issued by the Treasury to pay for the lines.

The able Senator from Arkansas was a Member of Congress when I became a Member of it in 1941. He and I, and all the Members permitted the TVA to do exactly that.

Mr. GORE. And not only permitted, but directed.

Mr. ANDERSON. If that is not making use of the money, then it is not only TVA, but also Congress ought to sing that old hymn, "It's Me, It's Me, It's Me, O Lord, Standin' in the Need of Prayer."

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

Mr. ANDERSON. I yield.

Mr. HILL. The TVA cannot start one single new power facility, it cannot put $1 of its income or any other funds into any new power facility, except by and with the advice and direction of Congress.

Mr. ANDERSON. That is exactly what precipitated the Dixon-Yates contract. If the TVA could take $228 million, which I believe it must have—and I am certain the Senator has the correct information on that point—and the various other sums which have been given it by Congress, to set itself up as an institution wholly foreign from all the other properties of the United States, it might be able to borrow all the money it needed, because it is in the finest shape of any utility I know of in the United States. But it cannot do that, because it is under the control of Congress; and every dollar it nets is owned by all the people of the United States. It does not matter whether the particular dollar is carried into the Treasury and deposited

there, or whether it stays to the credit of the United States, in Tennessee, or at some other spot.

I am quite willing to say that the profits of the TVA have not been gathered up into one wad and shipped back into the Treasury.

Mr. FULBRIGHT. That is the information I was trying to get—a very simple statement—but it has been very difficult to get it.

Mr. ANDERSON. I am certain the Senator from Arkansas realizes that the people who live in the TVA area are very proud of and happy with the institution which has been developed there, and they would hate to see anything happen which would in any way imperil it.

Mr. FULBRIGHT. They certainly ought to be proud of it and happy with it.

Mr. ANDERSON. The Senator from Arkansas has voted for the TVA, I think, as many times as I have.

Mr. FULBRIGHT. The people in the area of the TVA have made a great contribution to it, but it seems to me that they carry their devotion to it a little far when they oppose any project in the periphery which may contribute to an adjoining State or an adjoining community, or which may in any way infringe upon their very special prerogatives, in this case in the form of much lower power rates than are enjoyed by anyone else.

I wonder if the Senator would permit me to comment with respect to a quotation by him of a statement yesterday. It was, to me, a very significant statement. The Senator from New Mexico quoted the statement with approval. I think it is important for the Senator from Tennessee to consider it. It was quoted by the senior Senator from Tennessee [Mr. KEFAUVER] from the hearings, but it is a statement which, I assume, would be quoted favorably also by the junior Senator from Tennessee. It appears on page 10376 of the RECORD of July 13, and is as follows:

> The day TVA is forced to buy a kilowatt of power that it does not own the facilities for producing and does not control the rate of production, the cost of production, TVA, as it has existed, is a dead duck.

That seems to me to be an illustration of the overconcern and overzealousness on the part of the TVA people for the TVA, because that is obviously an absurd statement, is it not?

Mr. ANDERSON. I am not going to pass judgment on what the Senator from Tennessee said.

Mr. FULBRIGHT. These are the words of a witness who appeared before the subcommittee; they are not the words of the Senator from Tennessee. They are what he quoted as having been said at the hearings. Does the Senator see the statement?

Mr. ANDERSON. Yes; but it is a quotation from an entirely different person; it is the statement of a witness before the subcommittee.

Mr. FULBRIGHT. It is a statement which, I say, is typical of the people of Tennessee in their overenthusiasm, when they say that the TVA will be a dead duck if and when a kilowatt of power is brought into the TVA area from the outside.

Mr. GORE. Mr. President, will the Senator from New Mexico yield once more?

Mr. ANDERSON. Yes; I yield.

Mr. GORE. I desire to call the record as my witness. In appearing before the Joint Committee on Atomic Energy, I specifically said that, with respect to this issue, I wished to appear in the role of a Senator of the United States, and not to be regarded as a Senator from the Tennessee Valley. I think, as I have said on the record, that the Tennessee Valley Authority is incidental to this issue. There are far bigger issues, which I shall discuss a little later.

Mr. ANDERSON. Mr. President, my friend, the distinguished junior Senator from Texas [Mr. DANIEL] has asked if I would request unanimous consent to yield to him for 10 minutes. I have considerable additional material which I desire to present, and which I assume will take some time.

Since the junior Senator from Texas has another engagement which he desires to keep, I ask unanimous consent that I may yield to him for 10 minutes, without losing my right to the floor, and with the further understanding that the remarks which he may make, together with any interjections which may occur, will be placed at the conclusion of my statement.

The PRESIDING OFFICER (Mr. BARRETT in the chair). Without objection, it is so ordered.

(Mr. DANIEL addressed the Senate on the subject of the bill prohibiting picketing of the White House. His remarks appear at the conclusion of Mr. ANDERSON's speech.)

Mr. ANDERSON. Mr. President, the President of the United States first proposed that the TVA be relieved of a part of its contract to supply power at Paducah in his budget message in January, advising the Congress that the Atomic Energy Commission would explore the possibility of releasing the TVA from part of that contractual commitment to supply 1,200,000 kilowatts at Paducah. Accordingly, discussions were held with Messrs. Dixon and Yates. A proposal was submitted to the AEC by Dixon and Yates in February.

Upon analysis, this proposal involved costs so much in excess of AEC costs at the TVA Shawnee plant serving Paducah that there was apparently mutual agreement between the AEC and the sponsors of the proposal that a better offer would have to be made.

The analysis of that original offer is not available and is not important because that offer is not under consideration.

Subsequently, Dixon-Yates made a revised and improved offer which I have today placed in the RECORD and it was submitted to the Bureau of the Budget by the AEC with a comparison between TVA costs at its Shawnee plant near Paducah and the Dixon-Yates revised proposal. That analysis indicated that the Dixon-Yates costs, compared to the TVA Paducah costs, would run $2,923,000 more each year. The TVA has indicated in the hearings that it regards this figure as too low. The initial term in TVA's Paducah contract ends 8½ years from July 1, 1957.

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

Mr. ANDERSON. I yield.

Mr. FULBRIGHT. I have some figures which bear on this particular point, which explain, I believe, the figures we are discussing. I wonder whether the Senator would object to my asking unanimous consent to have these figures inserted at this point in the RECORD, as my views and the views of those on the other side of the issue from the Senator from New Mexico. In that way anyone who reads the RECORD will have available both figures.

Mr. ANDERSON. Mr. President, I ask unanimous consent that, following the remarks of the Senator from Arkansas at this point, the figures to which he has referred be placed in the RECORD.

Mr. FULBRIGHT. I believe they give an explanation of the difference in the estimated cost, and I believe they paint the picture very clearly from my point of view. Anyone who wishes to do so may compare these figures with the figures now being cited by the Senator from New Mexico.

Mr. ANDERSON. As we go along, if the Senator believes that a table of figures he has prepared should be inserted in the RECORD during the course of my remarks, it will be thoroughly agreeable to me to have it inserted, because in that way, as a person goes through my remarks, he will be warned that there is another side to the issue—and I concede, of course, that there is another side—and he can then judge between the two sets of figures as they are presented.

Mr. FULBRIGHT. The statement I have in my hand was prepared today. It is the latest information I can obtain, and I believe it is an explanation of the differences that have appeared between the estimated costs by the TVA and the charges to the AEC by the Dixon-Yates contract, and it also explains that the estimated costs are not those which TVA would incur if it should build the Fulton plant.

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

RE TVA PURCHASED POWER (FROM PRIVATE COMPANIES) IN RELATION TO TVA SALE OF POWER TO AEC AT PADUCAH, FISCAL 1953

During fiscal year 1953 TVA purchased and received net interchange power from private companies as follows:

Kilowatt-hours purchased and received: 2,696,749,000.

Amount paid: $13,680,749.

Average price: 5.07 mills.

During fiscal year 1953 TVA sold power to AEC at Paducah as follows:

Kilowatt-hours sold: 976,956,000.

Amount received: $8,396,058.

Average price: 8.59 mills.

Therefore TVA added 3.52 mills (8.59—5.07) to price of private power purchased and passed on to AEC. This is a 70-percent profit margin. (Data from AEC and FPC.)

EXPLANATION OF DIFFERENCES IN ESTIMATED NET COST

On July 13, Senator ANDERSON introduced into the RECORD a statement outlining the

proposal received by the AEC from the sponsors of Middle South Utilities, Inc., and the Southern Co., appearing on pages 10378 and 10379 of the RECORD, including a table of comparison of annual cost and power supply from the Dixon-Yates proposal versus cost to the AEC of power from TVA at Paducah using 600 MW capacity, 5.2 billion kilowatt-hours per year or 98 percent load factor and 19 cents per million B. t. u. fuel cost which shows a difference of Paducah versus Dixon-Yates, less Federal taxes of $282,000 per annum.

Using the terms of the TVA–AEC Paducah contract and the same fuel cost of 19 cents per million B. t. u., the $282,000 per annum represents the estimated difference in what TVA would charge AEC for the same amount of power acquired by AEC in the Memphis area in comparison to charges proposed by Dixon-Yates.

On page 10380 Senator ANDERSON quoted a statement made by Mr. Nichols, General Manager of the Atomic Energy Commission, before the joint committee, quoting a comparison of annual cost to the Federal Government for power supply delivered to the TVA system in the Memphis area, resulting in an estimated annual additional cost to the Government of $3,685,000 per annum. This is a comparison of estimated cost of TVA to produce power versus an estimated cost of AEC to procure power under the Dixon-Yates proposal. The TVA estimated cost of producing power does not represent what TVA would charge AEC for the same amount of power.

On page 10381 there is included the report originating from the Bureau of the Budget which Representative JONAS released. On page 10382 is included a table showing total estimated additional cost to the Government, including State and local taxes, of $3,685,000. This table represents the difference between the estimated cost to TVA of producing power, not the selling price, and the selling price to the AEC of the same amount of power under the Dixon-Yates proposal. It should be emphasized the estimated cost to TVA of producing power is not the price charged AEC.

On page 10383 there is inserted a table showing a comparison of annual cost of power supply for the AEC-Paducah project under the present AEC–TVA contract, assuming a fuel cost in 1957 of 15½ cents per million British thermal units for fuel for power then to be delivered by TVA to the AEC at Paducah and the estimated cost under the Dixon-Yates proposal for the same amount of power acquired by the AEC in the Memphis area at a fuel cost of 19 cents per million British thermal units. This results in an annual difference of $2,923,000 per year, including State, local, and Federal income taxes in the amount of $2,319,000 and including the difference in TVA transmission cost to primary point of delivery in the amount of $177,000. This comparison does not purport to show what TVA would charge AEC for the same amount of power in the Memphis area.

On page 10385 Senator ANDERSON introduced a table showing adjustments TVA would make to the difference in estimated cost to TVA of producing power versus cost of purchase of power under the Dixon-Yates proposal, indicating that the difference of cost under TVA's analysis would be $5,567,000 per annum.

In the data introduced by Senator ANDERSON on page 10379, subparagraph h, there is information to show that based on the data TVA presented as their cost to produce power, including 30-year amortization and 2½ percent interest, the AEC will be overcharged by TVA, when the full contract demand at Paducah of 1,205,000 kilowatts is met, by approximately $6 million per year and that a similar analysis of the AEC–TVA contract for Oak Ridge for at least 1,030,000 kilowatts of the total contract demand at Oak Ridge, would undoubtedly reveal a similar picture.

Either the TVA is charging AEC too much or their representation on cost of producing power is in error.

If the TVA representations on cost are correct, then the AEC is being overcharged. This places TVA in the position, at the expense of AEC, an arm of the Federal Government, of subsidizing other users of the TVA system at the expense of the taxpayers in the balance of the country.

Mr. ANDERSON. Mr. President, in that period, the TVA is completely amortizing certain special costs in the construction of Shawnee, such as overtime. When those special costs are out of the way, the monthly TVA demand charge at Paducah will fall about 10 percent resulting in a further decrease in TVA charges to AEC which, averaged over 30 years, would amount to another saving of $516,000 annually in favor of TVA. The TVA engineers felt that there were certain additional standby costs likely. The Dixon-Yates proposal provides direct standby capacity to pick up the load with only one generator out. If two went out at the same time, then the TVA people think standby costs would be greater. All in all, the TVA engineers contended that the cost differential between Dixon-Yates and its Paducah plant is $4,025,000 and that AEC would have to pay that much more every year if it canceled a part of its TVA contract at Paducah and substitute a contract with Dixon-Yates for 600,000 kilowatts of power. However, the $2,923,000 difference calculated by AEC and Bureau of the Budget was the only analysis supplied your committee in regard to the situation at this point.

At about this time the AEC made it clear that it would not release TVA from its Paducah contract, and the matter of entering into the arrangement for replacement power for TVA at Memphis would have to be decided by a higher authority. Chairman Strauss of AEC referred to the necessity for such a decision by higher authority in his letter submitting the second Dixon-Yates proposal to the Bureau of the Budget.

The inadequacy of this first comparison became apparent when AEC made it known that it was not going to release TVA from delivering power under its contract at Paducah, as originally proposed by the President. As long as that was the plan then a comparison showing how much it would cost AEC to cancel its contract for 600,000 kilowatts of TVA power at Paducah, and buy the Dixon-Yates instead, was a valid one.

But the whole basis of the deal was changed. The AEC decided to buy power, not for itself but for the TVA, to be fed into the TVA system near Memphis, Tenn., and to maintain its contract with the TVA at Paducah.

The facts that were needed under this new plan was a comparison of how the United States Government could get 600,000 kilowatts of new power at Memphis, Tenn., most economically. There were two obvious alternatives for the Government. First, the Dixon-Yates proposal, or, second, authorizing the TVA to build its projected steam plant at Fulton and add to its Johnsville capacity.

This was so obvious that the AEC, the Bureau of the Budget, the Federal Power Commission, and the TVA all got together and jointly analyzed the Dixon-Yates costs and the TVA costs if it built the Fulton plant near Memphis and expanded at Johnsville.

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

Mr. ANDERSON. I yield.

Mr. GORE. In the consideration of this contract and in the consideration of the issue raised by the amendment of the able Senator, the comparison between the Dixon-Yates proposal and the TVA proposal at Fulton is the relevant comparison. Wholly irrelevant is a comparison of Dixon-Yates with Shawnee, or Shawnee with Memphis, or Memphis with Shawnee, or Memphis with Dixon-Yates. The choice which the President made was the choice between the Dixon-Yates proposal and the TVA proposal to build a steam plant at Fulton. All the other irrelevant comparisons come under the head of the strategy of confusion. Is that correct?

Mr. ANDERSON. I may say to the Senator that what he has stated is correct as to the fact that this is the only comparison, namely, between the Fulton steam plant and the West Memphis plant proposed by Dixon-Yates. I have not felt it was proper to use the Paducah figures because it is a matter of comparing two things which should not be compared. I believe that the experts of the Bureau of the Budget, the AEC, and the Federal Power Commission, once they met and agreed upon a figure, probably had a very good reason for taking that figure.

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

Mr. ANDERSON. These experts of all these agencies, when they came to an agreement, after very careful study, decided that the difference in the costs would be $3,685,000 a year, or more than $90 million over a 25-year period.

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

Mr. ANDERSON. I yield.

Mr. FULBRIGHT. It is quite understandable why the Senator does not wish to make a comparison with Paducah, because TVA does not like to be reminded of the Paducah figures, for the very reason that I mentioned the other day, regarding the overcharges. I should like to read from the memorandum I placed in the RECORD, in commenting upon the Senator's present statement:

On page 9940 Senator ANDERSON quoted a statement made by Mr. Nichols, General Manager of the Atomic Energy Commission, before the joint committee, quoting a comparison of annual cost to the Federal Government for power supply delivered to the TVA system in the Memphis area, resulting in an estimated annual additional cost to the Government of $3,685,000 per annum.

This is a comparison of the estimated cost of TVA to produce power, not the estimated cost to procure power under the Dixon-Yates proposal.

There is a difference between procurement and estimated cost. I wish to emphasize this:

The TVA's cost of producing power does not represent what TVA would charge AEC for the same amount of power.

Does the Senator agree to that?

Mr. ANDERSON. No; because it was what TVA did offer to make this power available.

Mr. FULBRIGHT. It is not, I am quite sure. It is the estimated cost of producing, not an offer to sell. Is the Senator sure about that?

Mr. ANDERSON. No; I am never sure of anything, but I shall be glad to introduce page after page of hearings.

Mr. FULBRIGHT. I can assure the Senator that it is carried in every instance as an estimated cost to TVA of producing power. That is one of the big differences between the cost of producing power and the cost of procurement by AEC. That explains much of the difference.

I come back again to the point I made yesterday that the TVA is overcharging the AEC by a very large amount.

I should like to read this comment by the AEC:

In the data introduced by Senator ANDERSON on page 9939, subparagraph (h), there is information to show that based on the data TVA represented as their cost to produce power, including 30-year amortization and 2½ percent interest, the AEC will be overcharged by TVA, when the full contract demand at Paducah of 1,205,000 kilowatts is met, by approximately $6 million per year and that a similar analysis of the AEC–TVA contract for Oak Ridge for at least 1,030,000 kilowatts of the total contract demand at Oak Ridge would undoubtedly reveal a similar picture.

Either the TVA is charging AEC too much or their representation on cost of producing power is in error.

I think the Senator should consider that statement very carefully. It is made by the AEC. It is at the root of much of the whole matter. The AEC is looking for a more reasonable source of power.

Mr. GORE. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. GORE. Mr. President, this is the second or third time the distinguished junior Senator from Arkansas has referred to what he calls the TVA's overcharge for power to the Atomic Energy Commission. I should like to set the RECORD straight on that.

TVA does not overcharge the Atomic Energy Commission. The power from the Shawnee steam plant to the Atomic Energy Commission at Paducah this month is costing 3.56 mills. The cost for power to Memphis is 3.88 mills. The charge for power generated at the Shawnee plant and delivered to the Paducah atomic-energy plant in May was 3.59 mills.

I asked if the AEC was informed. I asked if there was a segregation in billing of the power generated by the Shawnee plant and the interim power which must be bought from other sources. I was informed that there was and that the figures are plain.

Up to January of this year the statement for normal power, that is, the billing for normal power, from the Shawnee plant to the Paducah AEC plant included energy produced at Shawnee as well as energy procured from other plants and purchased from outside sources. That is well understood. The TVA was asked to supply this interim power. It has done so. It has bought much of it from private sources at high prices and has delivered it to the Atomic Energy Commission. However, since Shawnee's fourth unit went into line on January of this year, all normal power has been Shawnee power. Statements since January reflect the actual charges for Shawnee power. A demand charge and an energy charge are added. The total charges developed by the number of kilowatt hours supplied reflect the average price per kilowatt hour. The statement for the month of May indicates an average charge of 3.59 mills a kilowatt-hour for normal power.

I do not like to keep making irrelevant comparisons. The only comparison by which the contract should be judged is the comparison between the Dixon-Yates proposal and the TVA proposal. It was between the two alternatives that the President and the Bureau of the Budget made this proposal.

Mr. FULBRIGHT. Does the Senator maintain that that is the full price?

Mr. ANDERSON. Mr. President, I should like to answer that. That is something which I regretted in the statement made by the Senator from Arkansas. He said one was a sales price and the other was production cost. I refer to page 956 of the hearings, where the general manager for AEC testified, the Mr. Nichols whose statement the Senator from Arkansas just read. Mr. Nichols said the figures represented a breakdown of differences in cost. He does not say it is the selling price; it is the cost the people will have to pay. If that is not true, then Mr. Nichols misled the committee. He said:

Analysis of the proposal from the standpoint of cost to the Government, including State or local taxes but excluding Federal income taxes, as compared with the estimate for constructing a plant near Memphis by TVA, shows an annual cost to the Government of $20,539,000 for the private companies as compared with $16,884,000 estimated for the TVA plant.

Mr. FULBRIGHT. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. FULBRIGHT. The reason I started in the very beginning to make the point is that in my view there is some slight difference between the Government of the United States, the TVA, and the AEC. They are subsidiaries, limited agencies of the Government. Mr. Nichols was talking about the cost to the Government. It does not mean the sale price from the TVA to the AEC, which is the proper basis for comparison, because the Dixon-Yates price is the sale price to the AEC. Does not the Senator understand that?

Mr. ANDERSON. If it does not mean that, then Mr. Nichols misrepresented the situation.

Mr. FULBRIGHT. No. He said it was the cost to the Government. It may mean the bare cost of TVA's production of power.

Mr. ANDERSON. Does the Senator from Arkansas forget who owns TVA? The Government owns TVA. When he is talking about TVA, he is talking about the Government. Does he say, for example, that the Senate of the United States belongs to the Senate, and does not belong to the United States?

Mr. FULBRIGHT. If the Senator will yield, does he maintain that the cost of production of power which is sold to AEC at Paducah is the same as the contract price?

Mr. ANDERSON. No; I do not.

Mr. FULBRIGHT. Of course not. They are two different things.

Mr. ANDERSON. Certainly. But in this particular instance, they got together three organizations, the Bureau of the Budget, the AEC, and the Federal Power Commission, all interested, and they also brought in TVA. Their experts sat down and made an anlaysis which is represented to us by the general manager of the AEC as a basis of cost on both proposals. He says the basis of the cost on one would be $20 million, and on the other, $16 million.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a moment?

Mr. ANDERSON. I yield.

Mr. FULBRIGHT. I am a citizen of the United States. I live in Arkansas. There is some slight difference to me, as a taxpayer, as to which of the bases is used. Under the Senator's statement, it makes no difference whatsoever to the Federal Government if the AEC is overcharged a hundred times, because it is all the Government. But what happens? In the final windup of that kind of business, accepting the Senator's theory, there would be siphoned out of the Treasury unlimited funds through overcharges to the AEC. It is, indeed, very mysterious to me. It is equity, I suppose, or a charge to the net profit account. There is a great difference as to whether the books are kept on a straight basis, or whether there is an equitable charge to the AEC. This is obviously a device, which becomes clearer to me every day, by which the TVA has siphoned out of the AEC, large sums for the use of the TVA. There is a great difference whether it is done that way, or whether it is appropriated directly by Congress. It has in no sense filled out the difference between the construction costs and the sale price.

Mr. ANDERSON. I wonder whether the Bureau of the Budget, the AEC, the TVA, and all the rest of these people are misleading Congress, because when they came before the Joint Committee on Atomic Energy, so far as they knew, they were testifying for the benefit of the Congress of the United States, and they testified to the same thing every time. I shall read from the record of the hearings, page after page, if the Senator will allow me to do so, which shows that testimony over and over and over again.

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

Mr. ANDERSON. Yes, but I would remind the Senator that I have been speaking since half past 2, and I have only reached page 4, out of 27 pages.

Mr. SPARKMAN. I merely wish to refer to the figures of the Budget Bureau and the Atomic Energy Commission and to the figures used by the distinguished Senator from Arkansas the other day. Is it not true that there is a variance of only perhaps $2 million between what the Bureau of the Budget and the Atomic Energy Commission used as a figure and the figure cited by the Senator from Arkansas?

Mr. ANDERSON. I agreed with the Senator from Arkansas earlier that if we would all try to read from the same book, we would come up with figures much closer together.

Mr. FULBRIGHT. Yes.

Mr. ANDERSON. I think it is only fair to say that if we take the figure used by the Senator from Arkansas and add $1,500,000 for taxes, and add to that several hundred thousand for the difference in cost of money, since the Government can borrow the money at 2½ percent, and this proposal makes it 3¾ percent—if all those items are added to the $228,000 the result is close to $3 million. So actually there is not much difference.

I have not quarreled with that, because as I said earlier before the able Senator from Alabama entered the Chamber, if it came to a matter of $200,000, I would not be alarmed, because we want private enterprise to have an opportunity. Nevertheless, I said that the $3,656,000 figure was given to us, so we should pay some attention to it. The TVA agreed to that figure, so far as it went, but argued that there would be some additional expenses to the Government, which would run the total up to $5,576,000 a year.

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

Mr. ANDERSON. I yield.

Mr. FULBRIGHT. I have some figures relative to what the junior Senator from Tennessee said a moment ago, which were prepared only yesterday. They are with reference to TVA-purchased power, from private companies, in relation to the TVA sale of power to the AEC at Paducah. The origin of these figures is the AEC and the FPC. They indicate the relationship between cost and sale price.

During the fiscal year 1953, the TVA purchased and received net interchange power from private companies, as follows:

Kilowatt-hours purchased and received, 2,696,749,000.

The amount paid was $13,680,749, or an average price of 5.07 mills.

This is significant. That is what they paid for the so-called high-priced power. It was high-priced power. During fiscal year 1953, the TVA sold power to the AEC at Paducah, as follows:

Kilowatt-hours sold, 976,956,000.

The amount received was $8,396,058, or an average price of 8.59 mills.

Therefore, the TVA added 3.52 mills—the difference between 8.59 mills and 5.07 mills—to the price of private power purchased and passed on to the AEC. This is a 70 percent profit margin, which is no small profit.

That is what I mean. If there is anything at all to the averages—and I think there is—unless the TVA siphoned off only the high priced power to the AEC, which apparently was done, I do not see how there is any equity, if any attempt is being made to deal fairly between the two agencies. But these are the statistics furnished by the Federal Power Commission.

Mr. ANDERSON. I thank the Senator from Arkansas.

The TVA contention that this is a $5,567,000 business should not be dismissed lightly. There is merit in some of its additional cost figures that even I can understand. If the Dixon-Yates deal goes through, TVA will have to adjust some of its facilities at Shawnee. Amortizaton of those costs was estimated at $200,000 a year. TVA continued to contend that standby allowances for Dixon-Yates were not adequate to cover a 2-generator outage, which might occur. The TVA contended that its offpeak transmission costs would be increased $186,000 per year by the arrangement to get power from Dixon-Yates in Arkansas.

I shall not consider the TVA claim of $5.5 million annual differential here because there is complete agreement among the AEC, Budget Bureau, Federal Power Commission and the TVA experts that it will cost the Government at least $3,685,000 more per year to get the power from Dixon-Yates than to have TVA build the Fulton and Johnsville facilities.

Let me quote the record on this. These agencies sent expert witnesses before the Joint Committee on Atomic Energy during our hearings. In part II of the published hearings, page 957, General Manager Nichols' testimony appears as follows:

> Analysis of the (Dixon-Yates) proposal from the standpoint of cost to the Government, including State and local taxes but excluding Federal income taxes, as compared with the estimates for constructing a plant near Memphis by TVA, shows an annual cost to the Government of $20,569,000 for the private companies as compared with $16,884,000 estimated for the TVA plant.

The difference in those two items is $3,685,000.

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

Mr. ANDERSON. I yield.

Mr. FULBRIGHT. I wish to emphasize again that the Senator is suggesting that the Government is not saying there is not that difference between the cost to the AEC of the power purchased from a private company or purchased from the TVA. The Senator is emphasizing the cost to the Government, and is ignoring any part which the TVA may play.

Mr. ANDERSON. In the whole discussion with the TVA concerning the Dixon-Yates contract, it was assumed that there would be regulation by the utility groups; that costs would be figured into the calculations; and there was not an element of profit when they analyzed the basic cost under the contract. What they were going to charge the Government later might have been another story. They did not base the contract on that.

The President of the United States decided he would not make money available by appropriations for a steam plant at Fulton, but before he made that decision, he asked the experts in the Government to calculate what the cost might be. They calculated the cost, and included certain items which the Senator from Arkansas and I say might be duplicated in both proposals.

It was, therefore, decided that it would be wise to make use of the private facilities.

Mr. FULBRIGHT. Does the Senator consider that it is a matter of no significance to overcharge the AEC for the power?

Mr. ANDERSON. No.

Mr. HILL. Mr. President, the Senator from Arkansas does not have the floor.

Mr. FULBRIGHT. The Senator from New Mexico had yielded to me, and I was asking him a question.

Mr. ANDERSON. I said it was a matter of significance. If there were to be profits from the operation, and if there were to be new dams and new facilities constructed, without congressional approval, that would be one thing. But actually it is merely a bookkeeping charge, because Congress has control of every dollar which comes into the TVA, and Congress can decide how much shall be used for plant improvement, and what amount shall go into the Treasury.

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

Mr. ANDERSON. Does the Senator from Connecticut desire to comment on that point?

Mr. BUSH. Does the Senator from New Mexico think that Congress would approve of the TVA overcharging AEC, as the figures of the Senator from Arkansas show completely the TVA has done?

Mr. ANDERSON. I think I had better ask the Senator from Connecticut if he voted for the independent offices appropriation bill this year. If he did, he authorized these things.

Mr. BUSH. The Senator from Connecticut did not authorize them.

Mr. FULBRIGHT. Neither did I; and until this debate came up, I did not know they had been authorized.

Mr. ANDERSON. As I said a moment ago, if we do not approve such actions, we must reflect that it was not TVA, but the Members of Congress, who passed on them every time an appropriation bill came up.

Mr. BUSH. Does the Senator believe that the Atomic Energy Commission itself realized, up until recently, that they had been overcharged?

Mr. ANDERSON. I was going to present my facts in a more orderly fashion, but I shall now turn to page 1036 of the hearings, and I shall show the Commission has not been overcharged. If it has been overcharged, then someone else is doing an awful job.

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

Mr. ANDERSON. I should like first to complete my reply to the Senator from

Connecticut. I turn to page 1035 of the hearings. General Nichols was testifying before the Joint Committee on Atomic Energy. He is the general manager of the Atomic Energy Commission. I refer to page 1035 only to identify who is giving the testimony. I now turn to the top of page 1036, and get down to the charges they are discussing. They are discussing the cost of power coming from the Paducah plant and what Electric Energy, Inc., was charging. There was a time when the charge of the TVA was somewhat higher than the EEI charge. General Nichols stated:

Again in fairness to TVA we have the latest compilation for January 1, 1954, to March 31, 1954, in other words, the first 3 months of 1954, from TVA we bought 1,447,184,000 kilowatt-hours at a cost of $7,028,310 or an average cost of 4.86—

Now, this is not production cost; this is sales cost—

and EEI, 1,151,881,000 kilowatt-hours at a cost of $5,892,770, or for the first time the price goes slightly higher than TVA, 5.08 mills per kilowatt-hour.

I only submit that if TVA is overcharging at 4.826 mills, then the private industry which is sharing the very contract with it is also overcharging at 5.08 mills.

Mr. BUSH. Certainly, that conclusion sounds very reasonable .

Mr. FULBRIGHT. That is not the question at all. That refers to the EEI. That has nothing to do with the problem the Senator is talking about.

Mr. ANDERSON. I think it does have something to do with the problem I am talking about. The Senator from Arkansas has stated that the Atomic Energy Commission was overcharged. The testimony which was read had to do with the cost of power at the Paducah plant. These are the very costs we are talking about.

I should like to say to the Senator from Connecticut that the difficulty with this situation is that there was a time when TVA costs were higher. TVA has its own explanation for that. I do not know whether its explanation is true or false. I have read it. It sounds all right to me. It may be that the able Senator from Connecticut, who has had far greater financial experience than I have had, could have looked at those figures and they may not have seemed right to him.

However, I think that question is not one for debate at this time, because, in reality, I think it is a moot question, as to a board or group trying to decide that the plant should not be built where TVA wanted to build it, and should not be a steam plant at Fulton. It decided another contract with Dixon-Yates should be entered into. Therefore, I have not concerned myself with whether the figures used indicated an overcharge or not, because currently the costs are down.

General Nichols, in the same testimony, only a very few minutes later said:

When everything is running, according to our contracts—

Contracts, now; not estimates—

the price will favor TVA by a margin here of about 10 percent.

If it is 10 percent cheaper to buy the power from TVA, it is not an overcharge, under the circumstances.

Mr. HILL. We are talking about power now, are we not, where TVA bought power——

Mr. ANDERSON. I want to dissociate myself from that statement.

Mr. HILL. We were talking about that.

Mr. ANDERSON. We were talking about that. If the Senator wants to discuss it, it is all right with me, but I say what we did do at the time, as I understand, was to ask both EEI and TVA to expand their power rapidly. EEI was a private organization which had already had much of its generation capacity expanded, not all of which was used to the fullest degree. It also had used all the capacity as rapidly as possible. It did a good job of supplying the Atomic Energy Commission. There is no question or argument about that.

TVA was also asked to expand, and it had no way of expanding, because it is not a private enterprise and did not have more generating capacity than it needed. Therefore, it went into the highways and byways and bought power, sometimes at high prices, sometimes at fair prices; but whatever the Atomic Energy Commission said it required from TVA, TVA went out and got. Perhaps it was not as careful as to price as we might desire. If, as the Senator argued, the Commission bought that power at 5 mills and sold it at 8 mills, then I think it gouged the Atomic Energy Commission, and I think such action was indefensible. But I shall not pass final judgment on it. I should like to have the Atomic Energy Commission officials explain why they did it if they did it. They may develop that it was not done at all. I believe they have as much right to a trial by jury as anyone else.

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

Mr. ANDERSON. I yield to the Senator from Alabama.

Mr. HILL. Is not this the explanation, that TVA not only bought the power from private companies for AEC, and in very many instances had to pay prices which no doubt averaged up to 5.08 mills, but, in addition to that, it bought a larger amount of power for itself and other installations, and it was not under the same pressure and did not have to pay the same price for the power? Therefore, over all, not only as to the power for AEC, but for itself and other users and distributors, the overall price averaged 5.08 mills. But the 5.08 mills figure cannot be considered alone, since it includes power used entirely and separate and distinct from that used by the AEC. That cannot be used as a measure of what AEC was to pay for its power.

Mr. ANDERSON. Precisely. That is what I have tried to say. This matter was checked by the Joint Committee on Atomic Energy and by the Atomic Energy Commission. The Atomic Energy Commission is satisfied. It is headed by a very able person who is experienced in financing. I believe Admiral Strauss has had as fine a financial background as anyone ever connected with the AEC. He is a shrewd and capable financier. I think that if he had thought he was being overcharged he would have done something about it.

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

Mr. ANDERSON. I yield to the Senator from Alabama.

Mr. SPARKMAN. I should like to call attention to a statement by General Nichols, of the Atomic Energy Commission, which appears on page 1038, which I think bears out what my colleague, the senior Senator from Alabama, has said. If my colleagues will turn to about the middle of the page, they will see that General Nichols testified that of the power TVA supplies the Atomic Energy Commission, it supplied 2,654,000,000 kilowatt-hours of normal power, and of supplemental or secondary power only 334 million; whereas EEI supplied firm or permanent power, as Mr. Nichols calls it, to the extent of 1,289,000,000 kilowatt-hours, and of interim power almost the same amount, or a little more, 1,513,000,000 kilowatts.

Mr. FULBRIGHT. A little more? It is about five times as much.

Mr. SPARKMAN. In other words, whereas the TVA was supplying 88 percent of firm power and only 12 percent of secondary power, the EEI was supplying 48 percent of firm power and 52 percent of secondary power. Of course, there is a tremendous difference in the cost of that power. I think that is a weakness of the tables which have been presented for the RECORD by the able Senator from Arkansas. He has tried to compare things which are not comparable.

Mr. KNOWLAND. Mr. President, will the Senator from New Mexico yield to me at this point, so that I may address a question to the Senator from Arkansas?

Mr. ANDERSON. Let me add only the statement that, so far as I am concerned, it seemed to me that it was the responsibility of the Atomic Energy Commission to satisfy itself that it had been fairly handled; and the testimony before the committee, by the representatives of the Atomic Energy Commission, was that they thought it had been fairly handled. That testimony satisfied me.

If they had testified to the contrary, I would have wished to make a study of the matter.

Mr. SPARKMAN. Did they claim that the Atomic Energy Commission had been overcharged?

Mr. ANDERSON. Not so far as I am aware.

Mr. KNOWLAND. Mr. President, if the Senator from New Mexico will yield to me at this time, let me say that my question is as follows: Is it not correct that the Atomic Energy Commission would be a preference customer in the fullest sense of the word; and is there any Government agency that would be a preference customer in a sense higher than the Atomic Energy Commission?

Mr. ANDERSON. Mr. President, I think it should be pointed out to the majority leader that, insofar as the preference clause was concerned, the TVA was supplying the AEC with all the power the AEC had. The preference

clause applies only to sales of its own power.

Mr. KNOWLAND. My point is that if the TVA is going outside its own area and is supplying some of its power outside the TVA area, so that it is not in a position to deliver power to a preference customer, then it seems to me there arises quite a legal question as to whether the shortage is self-imposed by the TVA's going beyond the confines of its area, and then finding itself in short supply, and therefore having to go outside its area to buy power in order to make up the shortage, so that it will be able to carry out its commitment to the highest possible preference customer it could have.

Mr. ANDERSON. I would agree with the majority leader about that; but I do not recall that there was any testimony that that was the situation.

The difficulty is that if we are to examine the operations of the TVA and the AEC over a period of many years, we shall have to obtain more information than that contained in the hearings. I have gone over the hearings rather carefully, and I do not believe they contain anything on that point.

Mr. FULBRIGHT. Mr. President, will the Senator from New Mexico yield to me?

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

Mr. ANDERSON. I yield.

Mr. FULBRIGHT. I think it is clear that the TVA can charge the AEC whatever the TVA chooses to charge. I think that is apparent to the Senator from New Mexico and also to the Senator from Alabama [Mr. SPARKMAN].

Mr. ANDERSON. Oh, Mr. President, we must be fair to the TVA in connection with this matter.

Mr. FULBRIGHT. However, if the Senator says, "Oh, they bought this under stress," then it is apparent that the TVA charged the AEC the most that it was within the power of the TVA to charge; and, in reply, all that can be said is, "But the Government came out the same, in any case, because it got the 70 percent that was added and charged to the AEC.

Mr. ANDERSON. But in the hearing there is no testimony that the TVA charged more, either on the basis of an added 70 percent or any other percentage.

Mr. FULBRIGHT. But I have just set forth the facts.

Mr. ANDERSON. Mr. President, I am sorry to disagree with the Senator from Arkansas, for I do not think he has set forth the facts. What actually occurred is stated over and over again in the hearings. The TVA had a certain bloc of power that was available. The TVA did not have enough power to take care of the new installation at Paducah. Mr. Murray, one of the Commissioners, went there. His testimony is to be found on page after page of the hearings. He testified that he went there, and arranged a "marriage," as he explained the matter. He wished to ascertain whether private power could carry the whole load. He found that private power at Paducah could not do so; that it was not in a position to do so, and that it would be too hazardous for private power to attempt to do so. He found that the TVA could carry half of the load, and then he arranged to give the other half of the load to a group of private companies that were well managed and were in a position to deliver to the Atomic Energy Commission a good quality of service. He arranged to have the TVA deliver all the power it could deliver to the AEC. But that amount was not sufficient. Then they said, "Go out and buy the rest of it where you can."

Certainly the AEC should be charged the cost of buying the extra power.

Mr. FULBRIGHT. Plus 70 percent, does the Senator from New Mexico think?

Mr. ANDERSON. Mr. President, I say that the Senator from Arkansas cannot now or cannot tomorrow or cannot next week or next month provide any evidence whatever to show that TVA bought the power and then added 70 percent to the cost of it, before selling the power to the Atomic Energy Commission.

Mr. FULBRIGHT. I think the figures indicate something very similar to what I have stated.

Mr. ANDERSON. I say as respectfully as I can to the Senator from Arkansas that I do not believe that is the case, because I think the figure of 8 mills, that he has used—and certainly I am subject to correction if I am in error—represents the price at which TVA purchased the power and the price at which TVA billed the power to the Atomic Energy Commission.

I have agreed with the Senator from Arkansas that if the TVA bought the power at 5 mills and sold it to the Atomic Energy Commission at 8 mills, the TVA should be censured by the Congress for having done something absolutely wrong.

Mr. FULBRIGHT. Mr. President, I appreciate that statement.

Mr. President, the Senator from New Mexico paid his compliments to Mr. Strauss, the Chairman of the Commission, as a man of astute intellect, with a keen understanding of financial matters. Let me say that I hold in my hand a memorandum addressed to Mr. Strauss. He personally gave it to me. It is signed by Mr. K. D. Nichols, to whom the Senator from New Mexico has referred on numerous occasions.

Mr. ANDERSON. However, even though Mr. Strauss is a financial genius, the fact that Mr. Nichols sent a memorandum to Mr. Strauss does not make Mr. Nichols one.

Mr. FULBRIGHT. But the Senator from New Mexico has been quoting Mr. Nichols' testimony.

Mr. ANDERSON. Yes, and I was surprised by the testimony the Senator from Arkansas has quoted; namely, that Mr. Nichols said the TVA is overcharging them.

Mr. FULBRIGHT. Mr. President, this memorandum is rather lengthy. Therefore, I now ask unanimous consent that it be printed at this point in the RECORD, for reference purposes.

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

JUNE 11, 1954.

Note to Mr. Strauss:

In the matter of rates charged the AEC by the TVA for power, the following comparison with rates charged during the same period by EEI for power delivered to the Paducah plant is pertinent:

	Kilowatt-hours	Costs	Average cost (mills per kilowatt-hour)
Jan. 1, 1951–Dec. 31, 1953			
TVA:			
Normal	2,653,349,972	$16,907,540.74	6.3721
Supplemental	334,053,688	3,370,045.04	10.0883
Total	2,987,403,660	20,277,585.78	6.7897
EEI:			
Permanent	1,289,097,810	4,153,650.59	3.2221
Interim	1,513,528,311	11,848,120.05	7.8281
Total	2,802,626,121	16,001,770.64	5.7095
July 1–Dec. 31, 1953			
TVA:			
Normal	1,709,062,951	8,642,400.56	5.0568
Supplemental	282,800,138	3,011,270.19	10.6481
Total	1,991,863,089	11,653,670.75	5.8515
EEI:			
Permanent	1,247,011,470	3,941,354.02	3.1606
Interim	814,843,158	6,319,398.46	7.7554
Total	2,061,854,628	10,260,752.48	4.9797
Jan. 1,–Mar. 31, 1954			
TVA:			
Normal	1,053,464,000	3,916,543	3.72
Supplemental	393,720,000	3,111,767	7.90
Total	1,447,184,000	7,028,310	4.86
EEI:			
Permanent	683,394,000	2,230,159	3.26
Interim	475,487,000	3,662,618	7.70
Total	1,158,881,000	5,892,777	5.08

It was not until February of this year that the average cost of power furnished by TVA became less than that furnished by EEI. During all the above periods to the cost to AEC of EEI permanent power was less than TVA normal power.

In negotiations with TVA that resulted in our present contract for normal or permanent power at Paducah, we understand that TVA included in the fixed-charge portion of the rate a charge that would amortize the original investment for the new facilities required in 28 years at 4 percent interest. To accomplish this, the charge must be equal to 6 percent of the original investment per year.

In recent joint discussions between the FPC, TVA, and the AEC to develop a comparison of cost to the Government between the Dixon-Yates proposal and TVA for 600,000 kilowatts of power, we had access for the first time to operating and construction cost data on which TVA based their position on actual cost to the Government.

Using this data and their present quoted cost of $145 per kilowatt of capability for the Shawnee plant; providing in the capital costs of $95,040,000 for a plant of 660,000 kilowatts of capability for the delivery of 600,000 kilowatts of power; $13 million for transmission, making a total capital cost of $108,040,000, and using 35-year depreciation for the useful life of the plant and 15½ cents per million B. t. u.'s for fuel costs; we have estimated the cost to TVA for delivery of 600,000

kilowatts of power to the Paducah plant from the Shawnee plant at 98 percent load factor.

It should be noted the TVA Act requires that new congressional appropriations for power facilities to be repaid over a period not to exceed 40 years after the year in which such facilities go into operation. No interest payment is required.

On the basis TVA should furnish power to the AEC at cost, and based on information from TVA that coal cost of 15½ cents per million B. t. u.'s will be reflected in the rate under our present contract at Paducah on July 1, 1956, AEC would be charged for 600,000 kilowatts under the present contract over and above estimated cost to TVA as follows:

	Annual cost to TVA	Mills per kilowatt-hour
Amortization, 35 years	$3,086,000	0.59
Operation and maintenance, general and administrative, transmission, replacements, etc.	2,195,000	.42
Fuel, at 9,947 B. t. u.'s per kilowatt-hour and 15½ cents per million B. t. u.'s	8,037,000	1.55
Total	13,318,000	2.56
TVA-AEC Paducah contract	18,036,000	3.47
Difference	4,718,000	.91

We feel that TVA should pay interest on its investment equal to the cost to the Government long-term borrowings during the period of construction of the new facilities. On the basis this rate would be not less than 2½ percent, then the estimated cost to TVA for 600,000 kilowatts of power furnished at Paducah after July 1, 1956, and the difference between the contract rate would be as follows:

	Annual cost to TVA	Mills per kilowatt-hour
Amortization, 35 years, interest at 2½ percent [1]	$4,666,000	0.90
Operation and maintenance, general and adminsitrative, transmission, replacements, etc.	2,195,000	.42
Fuel, at 15½ cents per million B. t. u.'s	8,097,000	1.55
	14,898,000	2.87
Paducah contract	18,036,000	3.47
Difference	3,138,000	.60

[1] Computed as follows: 0.432×$108,000,000=$4,666,000; amortization, $3,086,000; interest, $1,580,000.

By July 1, 1956, TVA will be furnishing under the contract 1,205,000 kilowatts of normal power. Thus on that date charges to AEC over estimated cost to TVA will be approximately double the $3,138,000 or $6 million. Since the original contract was on a commodity basis and TVA was taking a risk on capital costs, the rate then established had justification on the part of TVA. However, now that the capital costs are known and operating experience is being obtained, a continuation of the present contract rate does not seem justifiable on the basis TVA should sell power to the AEC at cost.

To continue the present Paducah contract rate could place TVA in a position, at the expense of the AEC, of subsidizing other users in the TVA system.

Many factors other than a policy of sales of power to defense agencies at cost to TVA may be involved that should be explored with the Bureau of the Budget and possibly TVA before these figures could be considered as a basis for contract renegotiation with TVA.

K. D. NICHOLS.

Mr. FULBRIGHT. Mr. President, I wish to read one paragraph which sums up the matter:

By July 1, 1956, TVA will be furnishing under the contract 1,205,000 kilowatts of normal power.

That will be after they have built all their plants.

Mr. ANDERSON. Under which contract is that? Is it under the Paducah contract?

Mr. FULBRIGHT. Yes; the Paducah contract.

Mr. ANDERSON. Yes.

Mr. FULBRIGHT. I read further from the memorandum:

Thus, on that date charges to AEC over estimated cost to TVA will be approximately double the $3,138,000, or $6 million. Since the original contract was on a commodity basis and TVA was taking a risk on capital costs, the rate then established had justification on the part of TVA.

This refers to the interim period to which the Senator from New Mexico has referred.

I read further from the memorandum:

However, now that the capital costs are known and operating experience is being obtained, a continuation of the present contract rate does not seem justifiable on the basis TVA should sell power to the AEC at cost.

To continue the present Paducah contract rate could place TVA in a position, at the expense of the AEC, of subsidizing other users in the TVA system.

That is the very crux of the matter. I read further:

Many factors other than a policy of sales of power to defense agencies at cost to TVA may be involved that should be explored with the Bureau of the Budget and possibly TVA before these figures could be considered as a basis for contract renegotiation with TVA.

That is the first statement.

I also hold in my hand——

Mr. ANDERSON. Mr. President, I should like to have the Senator from Arkansas pause at that point.

Mr. FULBRIGHT. Let me inquire what is wrong with what I have just read.

Mr. ANDERSON. I wish to answer that part of the memorandum. In it, Mr. Nichols says, in effect, "If the present rate is continued—if the present rate is continued—if the present rate is continued." But the AEC has power to renegotiate the rate.

If the AEC is to be robbed of $3 million, and Mr. Strauss is a great financial genius, I think he would be smart enough to renegotiate. If he does not do it, the AEC is in very poor hands. That is all I say. We cannot base an overcharge on the fact that the person who ought to ask for renegotiation sleeps on his rights. I do not believe the AEC is going to sleep on its rights.

Mr. FULBRIGHT. The Senator is not saying that they have not been overcharged, but that if they are, they ought to renegotiate.

Mr. ANDERSON. I would not make the positive statement that the TVA had not overcharged the AEC, but I do not recall in the testimony—and there are two volumes of it—any place where the AEC stated that it was being overcharged. If the Senator can find such testimony tonight and mark it and read it to me, I shall be very happy to have the information.

Mr. FULBRIGHT. Let me read from the memorandum which I received not more than 2 hours ago. It was prepared by the AEC. It is three pages in length. I have already asked that it be printed in the RECORD. The last two paragraphs are:

Either the TVA is charging AEC too much or their representation on cost of producing power is in error.

If the TVA representations on cost are correct, then the AEC is being overcharged.

There are no "ifs" about it.

Mr. ANDERSON. By whom is the memorandum signed?

Mr. FULBRIGHT. Let me finish.

This places TVA in the position, at the expense of AEC, an arm of the Federal Government, of subsidizing other users of the TVA system at the expense of the taxpayers in the balance of the country.

That memorandum came from the AEC. It was handed to me only an hour ago by Mr. Trapnell. It reaffirms what the other memorandum says.

Mr. ANDERSON. By whom is it signed?

Mr. FULBRIGHT. Mr. Trapnell handed me this memorandum only an hour ago. It was prepared by the AEC.

Mr. ANDERSON. I can only say that, having had a hearing on this subject, and having run into difficulty, and having decided to revise their testimony, the AEC ought to do it where they can be cross-examined and questioned as to how they reached these figures. If all five members of the Atomic Energy Commission including the Chairman, could testify before the committee and not reveal that information, when they knew all the time that it was here and we did not have it, there ought to be a housecleaning in the Commission.

Mr. FULBRIGHT. I think the Senator is taking an incorrect attitude. What they are doing is clarifying the testimony which members of the TVA have succeeded in confusing, with regard to the difference between cost of production and sale price. The situation has been "fuzzed up" so that no one can know what it is. This memorandum is an effort to clarify the figures. The figures contained in this memorandum are identical with the ones which were placed in the RECORD only yesterday by the Senator in his long address. He said the memorandum had disappeared. Nevertheless, he placed it in the RECORD.

Mr. ANDERSON. I said it had disappeared. I wish to explain that statement. I tried to get from the Bureau of the Budget a copy of the message which had been sent out early in July for the benefit of speakers on the Hill who wanted to defend the Dixon-Yates proposal. I could not find a copy of it.

Mr. FULBRIGHT. The statement was so popular that all the copies were exhausted.

Mr. ANDERSON. It was not quite that popular.

I reasoned that the Joint Committee on Atomic Energy staffed by careful, conscientious persons, probably preserved a copy. I found a copy, had it photostated, and inserted it in the RECORD. I returned the original to the files of the joint committee, where I am confident it now reposes.

Mr. FULBRIGHT. There is no difference between the basic figures and those contained in this memorandum. The only thing the memorandum does is to clarify and give the significance of the figures.

Mr. HILL. Mr. President, will the Senator yield? I do not wish to impose upon him.

Mr. ANDERSON. Mr. President, I have been on my feet for about 4 hours. I have completed 5 of 27 pages of my prepared statement, and I am not trying to conduct a filibuster. I yield to the Senator from Alabama.

Mr. HILL. Is it true that the statement in the President's budget message which came to the Congress in January was to the effect that AEC might cancel a part of its contract with TVA, and release to the TVA some 600,000 kilowatts of power now committed by TVA to AEC, but that, in fact, AEC has been so pleased with the contract and the prices it has been paying for the power that it took an entirely different turn and went off with the Dixon-Yates proposal?

Mr. ANDERSON. I think that is true.

Mr. GORE. Mr. President, I regret to ask the Senator to yield, but I think a brief statement would clarify the difficulty in the mind of the Senator from Arkansas.

Mr. FULBRIGHT. There is no difficulty in my mind. The Senator misinterprets the situation.

Mr. ANDERSON. It is I that the Senator from Tennessee wishes to help.

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

Mr. ANDERSON. I yield to the Senator from Tennessee.

Mr. GORE. I would not ask the junior Senator from Arkansas to reveal his strategy, but unless there is confusion in his mind, then there is purpose. The purpose seems to be—if there is no confusion in his mind—to try the TVA upon spurious charges.

I can understand why it would be more convenient and comfortable to try the TVA than to examine, in the public light, the proposed contract.

However, what I rose to point out is that the junior Senator from Arkansas has used two average figures. He has used the average cost of outside power to the TVA for its entire system, compared with an average cost of that portion of the outside power went to the Paducah plant.

The junior Senator from Arkansas and the junior Senator from Tennessee share at least one thing in common. Neither of us is an expert on power rates. However, I know that there is one significant fact which the junior Senator from Arkansas seems not to have taken into consideration.

The average load and demand throughout the TVA system is far different from the demand of the Paducah plant of the Atomic Energy Commission. Let me point out, for example, that in Alabama there is the Reynolds Metals Co. It puts on a shift of workers at 8 o'clock at night, and they go off at 4 o'clock in the morning. The TVA buys power, sometimes from an outside source, to supply that particular demand at those particular hours. That is what is called in the trade off-peak power. It comes cheap.

At Paducah, Ky., there is a plant which must operate 24 hours a day. It requested the TVA to purchase, from whatever source it could, power to keep that vital national defense plant in operation 24 hours a day. Some of those hours were at peak periods.

Mr. FULBRIGHT. Were none of them off-peak?

Mr. GORE. That power had to be bought at very high prices.

Mr. FULBRIGHT. I take it none of those hours were off-peak. They were all at the top price?

Mr. GORE. I should like to inform the Senator that some of the peak power which the TVA bought at the request of the Atomic Energy Commission cost as high as 18 mills, at the peak hours. The Senator from Arkansas confuses averages. In one case there is a 24-hour load, and some of the power must be bought at very high prices.

The junior Senator from New Mexico said that he would not make the positive statement that TVA had not overcharged the AEC. Perhaps the junior Senator from Tennessee has given more study to this problem than has the junior Senator from New Mexico.

For 10 years I piloted every TVA appropriation bill through the House of Representatives. I conducted the hearings. I have made it my business to study each appropriation request and to know infinitely every problem. I say categorically that the TVA has not overcharged the AEC, and I shall supply further records in that connection on my own time.

Mr. ANDERSON. If I remember correctly, I said to the Senator from Tennessee that it was not my function to serve as judge and jury in this case, until we had the evidence before us. However I did not see anywhere in the record a statement to that effect, although I did see the sort of record the Senator from Alabama read a few minutes ago, dealing with what General Nichols said about supplementary and normal power, namely, that TVA has supplied normal power in the amount of 2,654,000 kilowatts, and supplemental power in the amount of 334 million kilowatts.

It might be said that because that was true, the normal power was cheap. However, in the testimony at page 1038 the representative of the TVA stated:

> Would you go on and explain, or perhaps you don't know, that TVA normal power was power largely not generated by the Shawnee plant?
>
> Mr. NICHOLS. That is right. It is still TVA power.

The representative of the TVA said:

> It is not TVA power in the sense that TVA did not generate it. We bought it where we could find it and delivered it to you.

That is why I said a moment ago that they went forth and bought the power wherever they could find it, because they were under a mandate from the AEC to get this amount of power. They brought it in, and they should be commended for it.

Let me deal with this $3,600,000 again. At page 978 of the printed hearings the AEC General Manager, replying to a question by Congressman HOLIFIELD, said:

> I think $3,600,000 is a fair expression. There is no attempt to conceal that.

Again on page 985 of the printed hearings, General Nichols gives $90,700,000 as the 25-year additional cost of the Dixon-Yates proposal.

Mr. Francis Adams, Chief, Power Division, Federal Power Commission, was called as a witness. He testified that he participated with AEC and others in analysis of the comparative costs. His direct statement appears at page 1078 of the printed record. There he says:

> The additional cost of the Dixon-Yates proposal over the estimated cost of the TVA power is $3,685,000.

Witnesses called from the Tennessee Valley Authority, under examination of the committee, agreed to the $3,685,000 figure but insisted other items would run the total higher. R. A. Kampmeier, assistant manager of power for TVA, puts it this way at Page 1118 of the printed hearings:

> I don't think the $5.5 million figure should be considered as even approaching an upper limit. I do think that the $3,685,000 is a lower limit.

The weight of all the experts is behind the $3,685,000 figure. There is agreement at that point. Not one of them presented any analysis indicating that the additional cost to the Government would be $282,000.

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

Mr. ANDERSON. I yield.

Mr. FULBRIGHT. I do not want to bother the Senator from New Mexico any more. However, I might say that if he is going to ignore the difference between the estimated cost of producing power and what the AEC will be charged, there is really no argument on that particular point, but I hope the Senator will admit that that figure is based on the estimated cost of producing power, as contrasted with the cost of procuring it from the power company. Is that correct?

Mr. ANDERSON. I have said all I can say about it. I say that is not correct, because every person who participated in the analysis said this was the analysis that was made by the Bureau of the Budget, the Atomic Energy Commission, the Tennessee Valley Authority, and the Federal Power Commission as to the relative costs. I do not believe that cost means a delivered price. Therefore I am only dealing with the relative cost. If that is incorrect, then the whole basis of my argument is incorrect.

Mr. FULBRIGHT. Then there is no point to trying to develop it. If we cannot agree on a simple statement, then we cannot agree on anything, and there is no point in seeking even to make a record that is understandable either to

the Senate or to the public. That particular fact seems to me to be so clearly obvious that there is hardly any point in continuing the discussion, inasmuch as there is no question about the fact that at no place does anyone say that TVA offers to sell to AEC power at that price. There is not one scintilla of evidence to that effect. We are merely butting our heads on differences, and we do not clarify anything.

Mr. ANDERSON. Mr. President, in last Sunday's newspaper there appeared a statement by the Bureau of the Budget about the Dixon-Yates decision at the White House. Attached to that statement was a "detailed analysis of the Middle South-Southern proposal." In that statement the Bureau of the Budget states that there is a difference in cost of $3,685,000, due to State and local taxes, difference in cost of money, extra fuel transportation costs, difference in operating costs, and a $607,000 TVA transmission cost resulting from the location of the Dixon-Yates plant. I ask unanimous consent to have the comparison which appears at page 3 of the statement printed in the RECORD at this point. I believe it will be useful.

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

A comparison of annual cost to the Federal Government for power supply delivered to the TVA system in the Memphis area for the account of AEC is attached (attachment 1).

Analysis of the Middle South-Southern proposal from the standpoint of its net cost to the Government, including State and local taxes, as compared with the estimate for constructing a TVA plant near Memphis, shows an annual cost to the Government of $20,569,000 for the private companies' proposal, as compared with $16,884,000 estimated for the TVA plant. The difference of $3,685,000 is due to the following items:

	Amount	Percent of total
State and local taxes	$1,499,000	41
Difference in cost of money	1,059,000	29
Extra fuel transportation costs	309,000	8
Difference in operating costs	211,000	6
Total for Middle South-Southern	3,078,000	84
TVA transmission costs	607,000	16
Total additional costs	3,685,000	100

Mr. ANDERSON. Mr. President, the AEC and Federal Power Commission witnesses carefully put into the hearing record the reason for the higher Dixon-Yates cost. Mr. Adams testified that State and local taxes in Arkansas on Dixon-Yates would account for $1,499,000 of the additional cost, extra cost of money would be $1,059,000 per year of the additional cost, and that extra fuel costs to Dixon-Yates would be $309,000.

The Tennessee Valley Authority has excellent coal contracts and has been able to achieve considerable savings on fuel.

The matter of taxes, which the experts say accounts for $1.5 million of the additional annual costs of $3,685,000 is entirely Arkansas State and local taxes, the sum that the State of the Senator from Arkansas will get from this plant.

If the TVA builds a plant at Fulton, there will be no local tax cost to the Government. The TVA makes payments in lieu of taxes to Tennessee State and local governments on facilities serving the civilian system, but not on facilities serving direct Government demand.

The problem here is not whether the additional cost exists but whether we are going to make a businesslike decision, and save this $1.5 million for the Government, or go into this Dixon-Yates contract for the purpose of creating a way to give Arkansas a $1.5 million windfall.

I do not think that the fact that Dixon-Yates will collect $1.5 million annually out of the United States Treasury, through AEC, and turn it over to the State of Arkansas, is a valid argument when we are being urged to economize and be businesslike—for us to approve this Dixon-Yates contract. If we want to give Arkansas $1.5 million a year, we can do it far cheaper. Under this scheme it will cost the Treasury $3.6 million a year to transfer $1.5 million to Arkansas. It could be done by check for a few cents overhead.

The weight of all the testimony of the experts, and a look at the difference in cost, are convincing that it will take $3,685,000 of the Treasury's hard dollars every year to pay the additional costs inherent in the Dixon-Yates proposal. Over 25 years, it will cost an extra $90 million of Government funds to avoid building the Fulton steam plant and expanding Johnsville at this time.

The Senator from Arkansas invited us to show any error in his computation. At page 10145 of the RECORD for July 9, column 2, he put in a table which is labeled a comparison of annual cost of power supply from Dixon-Yates proposal against cost to AEC of power from TVA at Paducah, using 600,000 kilowatt capacity, 5.2 billion kilowatt-hours per year or 98 percent load factor, and 19 cents per million B. t. u.'s fuel cost.

This looked to me like a familiar table, and indeed it is.

This is the table that the AEC and Budget Bureau first compiled when the second Dixon-Yates proposal was transmitted from the AEC to budget. The one change is that fuel costs at the TVA's plant at Paducah have been raised to 19 cents per million B. t. u.'s arbitrarily, and that just cannot be done and come out with a comparison with any value whatever. Nineteen cents is not the TVA's fuel cost at Padacuh. Testimony at the hearing shows that the cost currently is 16.8 cents and that under their coal contracts it will be 15.5 cents in 1957. General Manager Nichols testified that this is the TVA coal cost at page 1065 of the joint committee printed hearings.

If this technique of using an arbitrary cost figure were valid and meritorious, it would be a great godsend to Secretary of Agriculture Benson and the dairy people.

They could assume that the price of coffee is 50 cents per cup and demonstrate beyond all question of a doubt that people ought to drink milk costing 10 cents a glass.

They could assume that oleo cost $1 per pound and thereby make butter at 60 cents a great bargain.

Unfortunately for this sort of calculations, coffee does not cost 50 cents per cup, oleo does not cost $1 a pound and coal does not cost the TVA 19 cents per million B. t. u. at Paducah.

By substituting the completely inaccurate 19 cents coal cost—a cost that is 11 percent more than what TVA is actually paying now and 123 percent of what it will pay over the long stretch of the contract—the table of the Senator from Arkansas boosts the TVA energy charge at Fulton around $1,800,000 per year. In the original AEC-Budget Bureau table, figured at reality, the TVA energy cost is shown as $9,828,000 per year. In the table the Senator from Arkansas used, based on an assumption of 19-cent coal, this annual energy charge shoots up to $11,648,000.

The key to the whole analysis, on which I fear the Senator has been misled, is the substitution of the mythical coal cost to TVA for TVA's actual coal costs.

There is a second basic wrong about the Senator's table which I have previously mentioned. A comparison of the AEC's costs for power from TVA at Paducah with the Dixon-Yates proposal is no longer applicable since the basis of the deal was changed. AEC is not buying power to replace power it gets from TVA at Paducah. It is buying power for TVA at Memphis, and the decision must be based on alternative costs there—alternative costs on which the experts are in agreement.

The original AEC-Budget Bureau table on Paducah versus Dixon-Yates costs, using the correct fuel-cost figures, will be found at page 1064 of part II of the joint committee's printed hearings. It was put in the record by the AEC.

I am sure that the Senator has been given inaccurate information on the situation. There are other bits of information contained in his address which I feel are faulty.

The Senator from Arkansas was wrong in indicating that the cost of construction and operation of steam plants are fairly well standardized. His comment to this effect is at page 10152 of the RECORD for July 9 in the first column. Four units of TVA's Shawnee plant near Paducah have cost $145 per kilowatt to build while construction costs of Electric Energy, Inc., across the river have run $190 per kilowatt or more. The TVA's coal costs at Paducah are a little under 17.5 cents per million British thermal units at Paducah and will go to 15.5 cents under TVA's existing contracts. It is understood that the EEI coal costs are running 19 cents or a little more.

I think the Senator unfairly reflected on the TVA bookkeeping system when, at page 10144, in the third column, he said, "I do not know—no one knows—how an activity as large as TVA keeps its books."

I hope the Senator from Tennessee, who is worried about that, will listen to these comments.

The TVA keeps accounts in accordance with the uniform system of accounts prescribed by the Federal Power Commission for all major utilities. The Division of Audits of the General Accounting Office makes a commercial-type audit of the TVA accounts every year. T. Coleman Andrews, an able public servant when director of the Corporation Audit Division of the GAO, testified before a Committee of Congress:

> TVA has probably the finest accounting system in the entire Government and undoubtedly one of the best accounting systems in the entire world. It is an excellent system. There is no private enterprise in this country that has any better.

A statement like that from T. Coleman Andrews, who has been placed by this administration in a position of great responsibility, which he fills with credit to himself and credit to the country, is interesting to have. The comment was made before he was considered as a candidate for a special public office. For him to say that TVA has one of the best accounting systems in the entire world takes in a reasonable amount of territory, and I think it should be satisfactory.

The Senator from Arkansas has raised two other points that may confuse some people not expert on power matters which need a little study.

First, he alleges that TVA has been charging the AEC more for interim power at Paducah than Electric Energy, Inc.

This matter was raised by Admiral Strauss, chairman of AEC, at the joint committee hearings. There is a detailed explanation at pages 1069, 1070, 1071, and 1072 in part II of the printed testimony.

Briefly, the facts are that AEC needed power before the big generating plants at Paducah could be put in operation. It asked TVA and EEI to buy up and gather together whatever power anyone could spare in the area and get it to the Paducah facility, to be used until the plants came on the line.

Both concerns did buy up power for AEC. The Commission got its facilities operating faster than anticipated and needed more power. It asked EEI and TVA to find it. EEI was unable to respond. TVA said that it would try to scrape up more, but that it would be high cost. AEC said to go ahead, and TVA did.

It seems to me that this current criticism of TVA because as of now this interim power which it gathered together as a special service should be pointed to as evidence.

The current criticism of TVA for interim energy costs is the most unfair reward for service in my recollection. It is entitled to appreciation and not criticism for what it has done. It is entitled to recognition of the fact, also, that it is to some extent standing behind or firming up these odd lots of power obtained both by it and the EEI so that there will be a sufficiently steady flow to the AEC plant to make it possible to operate.

The allegation that TVA interim power costs are running somewhat higher than EEI is, beside being completely unfair, also wholly beside the point in any debate over costs of 600,000 kilowatts of new power at or near Memphis, Tenn.

The Senator from Arkansas likewise has taken the TVA's charges to the city of Memphis for wholesale power and attempted to compare it to TVA's Shawnee costs to prove that TVA is overcharging the Government.

He finds that Memphis actually paid 3.88 mills per kilowatt-hour for TVA power but that if the Paducah rates were applied—$1.10 per month demand charge and a 2-mill energy charge—the rate would have been 4.25 mills. The inference is that TVA is trying to rob Uncle Sam.

TVA made a long-term contract with Memphis in 1938 while its system was virtually all hydroelectric power. It was a nondiscriminatory rate, comparable to the rates TVA charges other communities throughout the valley. Memphis is and will be a TVA customer for many years. There is no apparent intention on the part of TVA or Memphis to have anything but a permanent relationship.

In 1952, they amended their contract to provide that if Memphis starts serving a customer with a high load factor, TVA will get a higher rate for the power than originally provided.

TVA has made term contracts with AEC to build steam plants at charges which will cover the costs of supplying that particular power and amortize costs incident to meeting the AEC needs.

The neglected fact that the TVA rate at the Shawnee plant in the first 8½-year period includes special amortization of such things as overtime paid out to get the job done speedily, and that the energy charge will go down about 10 percent after this is paid off, is illustrative of the special nature of the job and therefore the rate.

The Memphis rate has been based on system costs. The AEC rate is based on the costs inherent in its requirements.

Mr. GORE. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. GORE. I think if a comparison must be made as between the rates at Paducah, then a large industrial concern with a high load factor is the best comparison that can be made. No comparison of dissimilar power customers is good, but if one must be made, then this is perhaps the most apt and the most relevant. I do not know whether the Senator has the figure of the charge made to an industrial customer with a high load factor in Memphis under the contract revision in 1952. If he does not, I should like to point out that the stipulation is considerably higher than the rate at which power generated at the Shawnee plant is now going to Paducah. I shall not burden the Senator with figures, but later on I shall point out that particular comparison.

Mr. ANDERSON. The sort of thing the Senator is talking about is shown by comparing the 2 cents per kilowatt-hour charged residential customers with 1 cent charged commercial customers or an industry. Such a comparison would show that the residential customers are being robbed, because, on the average, they have to pay twice as much per kilowatt-hour as big users.

Let me explain why high load factor power is more costly than somewhat lower load factor power.

If a utility has a customer who has a 100-percent power load, and charges $1 per month per kilowatt demand charge, then all he can collect in demand charge is that $1.

But if a utility has several customers who do not always use their peak demand, and their peaks vary, the utility can take advantage of this diversity and collect more totally for demand charge than the capacity of its facilities.

In the TVA area, the peak load at Memphis is in the summer when air conditioners are running. The city of Memphis pays demand charge for enough power to meet this summer peak. Over on the east side of the TVA area, in Knoxville and Chattanooga, the annual peak comes in the winter when heating units are in use. The Knoxville and Chattanooga systems pay demand charge to meet those winter peaks.

Actually, the TVA does not have to have capacity to meet both peaks at once.

Like every other utility, public or private, it is able to take advantage of diversity of peaks and earn more in demand charges than is actually represented by its capacity.

But when the load factor is 98 percent, as the AEC requires, then this opportunity to earn part of the revenues through diversity is not present.

Consequently, there is a sound explanation of the TVA's Memphis rate and the REA rate in Arkansas, which to some may appear unreasonable.

Mr. FULBRIGHT. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. FULBRIGHT. Is it true that the around-the-clock customer is charged the same as the offpeak customer, and is necessarily charged as much?

Mr. ANDERSON. Some users do not produce as much revenue to the company as they would if they were able to use a part of the load during the daytime and another part during the peak time.

Mr. FULBRIGHT. The offpeak works only one way?

Mr. ANDERSON. Not entirely.

One of the most interesting parts of the address made by the Senator from Arkansas, occurred during a colloquy between the Senator from Alabama [Mr. SPARKMAN] and the Senator from Arkansas.

The Senator from Alabama had just said, at page 10151 of the RECORD:

> I should like to ask the able Senator from Arkansas, who has been an advocate of legislation against monopolistic practices, is it not rather unusual that the President of the United States should direct the Atomic Energy Commission, an independent agency charged with a high responsibility, as pointed out by the Senator from Mississippi, to enter into a contract for which specifications had never been drawn, to make that contract with a corporation which had never been organized, and is not yet in existence, and to buy that power from a plant which has not yet been built?

The Senator from Arkansas then came in, saying:

I should like the Senator to yield for a moment because, very clearly, the Senator is misstating the facts. In the first place, the President did not order any such thing. The proposal really came through the Bureau of the Budget. There were inquiries made and discussions had with the electric-power industry regarding the possibilities of such a contract. However, the Senator from Alabama is creating a false impression.

Mr. FULBRIGHT. Mr. President, will the Senator yield so that I may place in the RECORD a statement in connection with that point?

Mr. ANDERSON. Yes, I shall be happy to yield to have the insertion made in the RECORD.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have a statement printed at this point in the RECORD.

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

INDEPENDENCE

The complaint has been made that, since the AEC is an independent agency, it was somehow improper for the Bureau of the Budget to direct it to enter into this contract.

Actually, of course, the instructions to the Atomic Energy Commission were given to it by the Bureau of the Budget. Why? Because what is involved here is a budgetary problem. It is a problem which involves two independent agencies—the AEC and the TVA. Who, if not the President, should regulate or control negotiations, conflicts, or differences of opinion between two independent agencies?

Who, if not the Bureau of the Budget, should make the determination on the part of the executive branch of the Government as to whether or not it would request an appropriation by the Congress?

Do Senators contend that TVA and AEC should not be subject to budgetary procedures in the executive branch of the Government?

This argument, if carried to its logical conclusion, I suppose would mean that since these agencies are independent they should not even be required to submit to regulation by Congress.

Mr. ANDERSON. Mr. President, I do not feel that the CONGRESSIONAL RECORD should be allowed to stand with this charge of misstatement of facts, and of creating a false impression, appearing without correction. I feel that the distinguished Senator from Arkansas, who is always fair, may want to make such a correction to remove such an assertion against the Senator from Alabama [Mr. SPARKMAN]. The statements of the Senator from Alabama were entirely correct, and I want to deal with them in some detail.

First, the Senator from Alabama said that the President of the United States had directed the AEC to make a contract with Dixon-Yates. The Senator from Arkansas said that the President "did not order any such thing."

If Senators will turn to page 952 of part II of the hearings of the Joint Committee on Atomic Energy, covering hearings June 2 through June 18, 1954, they will find there a copy of a letter signed by Rowland Hughes, Director of the Bureau of the Budget, to Chairman Strauss of the AEC.

General Manager Kenneth D. Nichols presented the letter to the committee, pointing out that it was from the Executive Office of the President, Bureau of the Budget, dated June 16, 1954.

The letter, signed by the Budget Director and addressed to the AEC, said in part:

The President has asked me to instruct the Atomic Energy Commission to proceed with negotiations with the sponsors of the proposal made by Messrs. Dixon and Yates with a view to signing a definitive contract on a basis generally within the terms of the proposal. He has also requested me to instruct the Commission and the Tennessee Valley Authority to work out necessary contractual, operational, and administrative arrangements between the two agencies so that operations under the contract between AEC and the sponsors will be carried on in the most economical and efficient manner from the standpoint of the Government as a whole.

Mr. Nichols also placed in the record a copy of a letter Budget Director Hughes had written that same day to the Senator from Massachusetts [Mr. SALTONSTALL], chairman of the Armed Services Committee of the Senate—it is on page 956 of the joint committee hearings—in which Mr. Hughes said to the Senator from Massachusetts:

I have been asked by the President to instruct the Atomic Energy Commission to proceed with the negotiations of a definitive contract. Such instructions have been given this agency. The Commission and the TVA have also been instructed to work out the necessary interagency arrangements.

A little later during the day, at page 975 in the same record, the Senator from Tennessee [Mr. GORE] was questioning General Manager Nichols of AEC about the contract and this colloquy took place:

Senator GORE. What would be your position if this committee should instruct the Commission to enter into no contract until this committee approves it?

Mr. NICHOLS. I would be in a dilemma, because I would have a Presidential order.

President Eisenhower first made public the idea of AEC releasing TVA from 500,000 or 600,000 kilowatts of its contract obligation to the AEC in a message to the Congress early this year. The record is completely clear from beginning to end that this is, as the Senator from Alabama said, being done at Presidential direction.

The next statement that the Senator from Alabama made just before the Senator from Arkansas declared that "very clearly, the Senator is misstating the facts," was that the Dixon-Yates contract was a contract for which "no specifications had been drawn."

I have examined the record in regard to that statement of the distinguished Senator from Alabama and, again, he was entirely correct. There was no misstatement. I would like to refer to page 110 of the stenographic account of the hearings of the Langer Subcommittee on Monopoly of the Senate Judiciary Committee, reporting hearings of July 1, 1954.

A number of witnesses were heard during the day, and the record shows that present throughout the session—it was an executive session, but the proceedings were made public immediately after the hearings ended—present throughout the session was Mr. Daniel James of the law firm of Cahill, Gordon, Reindel & Ohl, of Washington, D. C., representing the Middle South Utilities, Inc., one of the partners in the Dixon-Yates proposal.

Mr. James was permitted to participate from time to time, and at page 110 in the RECORD the following colloquy appears:

Mr. JAMES. Mr. Chairman, I would like again to thank the committee for allowing me to appear here. I would like to ask that if there is nothing in the transcript that is of a confidential nature, may I have a copy of it, so far as it has gone?

The CHAIRMAN. Not right now, sir. We will give it all out at once.

Mr. JAMES. The second thing I would like to ask is a copy of the so-called specifications referred to here, which were issued by AEC, because, frankly, I have not seen them.

Senator KEFAUVER. They are in the CONGRESSIONAL RECORD. (Senator KEFAUVER here refers to a general statement of requirements issued by AEC.)

Mr. JAMES. My client never saw them until he read about it in the paper.

Mr. DAVIS (counsel for the subcommittee). Apparently they were available.

Senator KEFAUVER. Do you represent Dixon-Yates?

Mr. JAMES. That is right.

Senator KEFAUVER. They have never seen the specifications?

Mr. JAMES. They were never given specifications.

Mr. DAVIS. On what basis did they submit a bid?

Mr. JAMES. They were asked to submit a proposal, and they got up their own proposal, but we never had any specifications.

Mr. BURCH. The atomic energy proposed specifications to Dixon-Yates, and Dixon-Yates did not meet Atomic Energy specifications; is that the way it worked?

Mr. JAMES. We never saw the atomic energy specifications.

Senator KEFAUVER. Are you sure about that, sir?

Mr. JAMES. I am certain.

Senator KEFAUVER. Do you mean your engineer did not see it?

Mr. JAMES. Our engineers never saw that. We read about them in the paper in connection with the hearings, but I personally never have seen them.

The statement of the Senator from Alabama is further borne out by the testimony of General Manager Nichols of the AEC who described the proceedings to the Joint Committee on Atomic Energy. He testified at page 947, part II, in the recent hearings that Messrs. Dixon and Yates came into the office and talked to them about an arrangement. Nichols testified:

In other words, we talked with these three utilities surrounding the western end of the Tennessee Valley power area. Discussion led finally to a definite proposal and the proposal we will talk about this morning is the second proposal from the Middle-South and Southern Utilities.

The whole record shows that there was talk, but no specifications, just as Mr. James testified very positively before the Langer committee.

The next statement made by the Senator from Alabama was that the contract for which no specifications had been supplied was to be made with a corporation that had never been organized.

Again, the RECORD shows that the Senator from Alabama was entirely correct. As a matter of fact, he understated the matter. There is some question as to whether or not the Securities and Exchange Commission will permit the organization of such proposed corporation if application is ever made to them.

The Dixon-Yates proposal, as outlined to the Joint Committee on Atomic Energy by AEC Manager Nichols, was a proposal to organize a corporation, which would be owned jointly by the Middle South Utilities of which Mr. Dixon is the head, and Southern Utilities, of which Mr. Yates is the head.

The question of whether or not these two utilities can actually organize such a corporation was raised by Representative CHET HOLIFIELD, after learning all the facts, in a letter to the Securities and Exchange Commission.

Mr. HOLIFIELD pointed out in his letter, which appears at page 1155 in part II of the hearings on the Atomic Energy Act recently closed, that the SEC had approved organization of the Ohio Valley Electric Corporation and of Electric Energy, Inc., with only brief consideration because national defense was involved, but that in both instances the SEC reserved the right to review later whether the participating utility companies might continue to own the new corporations under section 10 of the Public Utility Holding Company Act of 1935. Representative HOLIFIELD pointed out to the SEC that the Dixon-Yates partners could not plead urgent national defense requirements for their plant which is to provide TVA with replacement power.

In the reply of Chairman Demmler of the SEC, dated June 23, 1954, appearing on page 1156 of the joint committee hearings, Mr. Demmler affirms that the SEC reserved jurisdiction as Mr. HOLIFIELD stated, and had approved the OVEC and EEI, Inc., arrangements speedily for defense reasons, reserving the right to make later review. He added:

> No filings have yet been made with this Commission by either Middle South Utilities, Inc., or the Southern Co. with respect to any of the proposals mentioned in your letter.

Mr. HOLIFIELD thereafter wrote the SEC asking to be notified if and when the Dixon-Yates group applied to the SEC for approval of the organization of their company. He received an acknowledgment dated June 30 assuring him he will be notified if an application is filed. These letters appear at page 1157 of the joint committee hearing. As of a few moments ago, when last checked, no notice of application to form such a company had been received by Representative HOLIFIELD.

It is completely clear from the RECORD that on July 6 Senator SPARKMAN was not only completely correct that the corporation had never been organized, but that he might have gone further and mentioned the possibility that it never can be organized under section 10 of the Holding Company Act. I do not say that it cannot, but there is at least a legal question, raised by the Congressman from California with SEC—a question so substantial SEC has reserved jurisdiction in two other cases in the same respect.

Here again, I believe, the Senator from Alabama was entirely correct.

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

Mr. ANDERSON. I yield.

Mr. FULBRIGHT. I do not quite follow that. If it cannot be done legally, then I should think the Senator from New Mexico would not be worried about it.

Mr. ANDERSON No. The statement was made that the corporation had not been organized.

Mr. FULBRIGHT. No one said it had.

Mr. ANDERSON. The Senator from Alabama [Mr. SPARKMAN] made a statement, to which I referred a while ago, that the Atomic Energy Commission had been ordered to enter into a contract, for which specifications had never been drawn, and to make that contract with a corporation which had not been organized.

The Senator from Arkansas said that the President had ordered no such thing, and he said that the Senator from Alabama had created a false impression. I am trying to point out only what the RECORD shows.

Mr. FULBRIGHT. I did not say that everything the Senator from Alabama said was wrong; I said he created a false impression.

Mr. ANDERSON. I am trying to take every item and to show that in every single case he was correct

Mr. FULBRIGHT. I will confess that that particular item is correct. I think the Senator is correct in saying that there is not in existence a separate, new corporation. It is contemplated that one will be formed in case the contract is negotiated.

Mr. ANDERSON. That certainly would be true.

Mr. FULBRIGHT. I think that is as plain as can be.

Mr. ANDERSON. Finally, the Senator from Alabama said that the contract ordered entered into by the President, for which no specifications were drawn, with a company which had never been organized and is not yet in existence, was to be for power from a plant which has not yet been built.

I sometimes fly over the area, on my way back to New Mexico, traveling American Airlines through Memphis, where this plant is to be located if the contract ever goes through, and I know that the plant has not been started. Therefore I know the Senator from Alabama was right.

It is a swampy area near the Mississippi. Before plant construction can start the undergrowth must be cleared off and piling will have to be driven down into the swamplands to provide a foundation. It is a spot across the Mississippi from the Tennessee Valley Authority lines. It will take a transmission line spanning the broad Father of Waters to get the "juice" from the Arkansas plant over to where it is needed. It will cost $607,000 per year, according to the agreed-upon estimates of AEC, Budget Bureau, and Federal Power Commission, to get the "juice" out of the swamp, across the Mississippi, and up to the point where it is needed.

I know that the Senator from Alabama was right. The plant is not started.

Now, let me mention another item. There is a very serious question of its legality if the courts respect legislative history and the understanding between legislative and administrative officials, as the courts do.

The question of giving authority to the Atomic Energy Commission to make long-term contracts for electric power was before the Joint Committee on Atomic Energy last year. Hearings were held April 28 and June 10. At one point, when Representative HOLIFIELD, of California, was questioning Mr. Boyer, then the General Manager of the AEC, Mr. Boyer said, and I quote the testimony from the hearings on S. 4095:

> If you will notice the language we are proposing: "The Atomic Energy Commission is authorized in connection with construction and operation of the Oak Ridge, Paducah, and Portsmouth installations of the Commission, without regard to section 3679 of the Revised Statutes * * *."
>
> In other words—

And this is still quoting Boyer—

> it is limited to the power requirements of those three installations. It is not wide open authority.

On page 43 of the same hearings, answering a question of Representative HINSHAW, of California, Mr. Boyer again testified:

> The proviso of the Supplemental Appropriations Act of 1953 is the proviso that gives us the authority to make this contract or make these contracts, and it is essentially the same language as this, except that as it will now be written it will limit it to Oak Ridge, Paducah, and Portsmouth.

Mr. Boyer's response was in reply to comment by Representative HINSHAW that the authority appeared to be a borderline one, and he would be against it. He had said, and I quote from the hearings:

> I do not think that the committee is ready to go that far, that they have been considering the power situation in the vicinity of Portsmouth and also in the Tennessee Valley, but I doubt that the committee is ready to give a carte blanche over the entire system as being presently operated by the Atomic Energy Commission, and to be unlimited as to date, the times in which such contracts can be entered into, and their termination, the cancellation costs or anything else.
>
> That is all I have to say. I personally would object to such legislation on that ground. * * *
>
> The committee has, or will, I presume by this action give approval to these contracts that have been entered into. As to future contracts and termination costs, I think we would be under very great criticism on the part of the Congress if we should enter into them in blank.

Let me digress there to say that I am going to send to the desk an amendment, which I shall ask to have printed and lie on the table. In it I try to cure what I think is the defect pointed out in the testimony. I do not think it was the intention of Congress, in fact, I am

sure it was not to give the Atomic Energy Commission the right to enter into these contracts in blank. It may be that I have gone too far in the amendment, but I am trying to say that proposed contracts should be sent to the joint committee for review.

Yesterday I tried to put in the RECORD several instances in which Representative HINSHAW, who was very, very careful about this matter, pointed out that the joint committee ought to have the power to review the contracts. He said, "If you give this authority as you are writing it in this law, this is the last contract you will ever see." When he said that I did not think he was much of a prophet. But he turned out to be a prophet, because along came another contract, proposals were made, negotiations were under way, and the Joint Committee on Atomic Energy had nothing to say about it, and apparently the Atomic Energy Commission has very little to say about it, because the Atomic Energy Commission has been ordered by higher authority to do something which a majority of its members did not want to do.

Mr. President, I send to the desk an amendment which I have proposed, and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table.

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

Mr. ANDERSON. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. May I ask whether the joint committee, of which the Senator is a member, has approved contracts negotiated between the TVA and the AEC?

Mr. ANDERSON. I cannot answer that qestion.

Mr. FULBRIGHT. Have the members of the committee ever raised the question whether the rate being charged the AEC was a fair rate or not?

Mr. ANDERSON. I think not.

Mr. FULBRIGHT. The contracts have always been accepted without question, so far as the rate is concerned, have they not?

Mr. ANDERSON. Yes; because there was not involved the question of starting out to establish a new facility. The authority for it was handled by the Appropriations Committee, and the Appropriations Committee, up until legislation was enacted a year ago, was the group which inquired into the contracts to see that things were proper. Then, for the first time the matter was brought to the attention of the joint committee by the proposal to give AEC blanket authority to enter into contracts.

Mr. FULBRIGHT. Does the Senator consider that the responsibility of the AEC is to TVA or to the Federal Government?

Mr. ANDERSON. The TVA is still a part of the Federal Government. I do not understand the Senator's question. Was the question, Is AEC's responsibility to the TVA or to the Federal Government?

Mr. FULBRIGHT. Yes. Is the joint committee supposed to look out for the TVA, or the Atomic Energy Commission?

Mr. ANDERSON. It is supposed to examine the acts of the Atomic Energy Commission. It is reporting steadily to the Congress what the Atomic Energy Commission does.

Mr. FULBRIGHT. Yet it never looked at any of the contracts which the AEC made with TVA.

Mr. ANDERSON. So far as I recall the joint committee did not; no.

Mr. FULBRIGHT. That is what I mean.

Mr. STENNIS. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Mississippi.

Mr. STENNIS. I certainly wish to commend the Senator from New Mexico for proposing the amendment he has offered to this very important bill. His point about the necessity for contracts having to be reported to the joint committee is indeed timely and wholesome, and I think it will bring about a great deal of good. But the most serious matter in connection with the amendment is what the Senator from Mississippi states is a complete lack of authority in the Atomic Energy Commission, under present law, to negotiate its contracts.

There is no semblance of claim that the electricity is to be used at Oak Ridge, Paducah, or Portland. There never has been, and that is the sole point of the authority. The Commission has to negotiate; that is the limit of its authority. That is as far as the Congress went. No one can provide any kind of authority or additional interpretation for section 164, on page 79, except the Congress of the United States. I think the Senator from New Mexico is eminently correct, and I expect to be heard further on the very point he has raised. I wish to commend the Senator for encompassing that question in his amendment.

Mr. ANDERSON. I thank the Senator from Mississippi. I refer now to page 958 of the hearings and to the letter which Dr. Smyth and Mr. Zuckert sent to Mr. Hughes, in which letter appear the following words:

> The present proposal would create a situation whereby the AEC would be contracting for power not 1 kilowatt of which would be used in connection with the Commission production activities.

Then the general manager of the Atomic Energy Commission said, as appears on page 959:

> Probably it is technically correct that no ampere ever produced at this plant will technically get into Oak Ridge or Paducah.

All I say is that on that basis I think there ought to be some sort of legislative protection, so that when a contract of this nature is being proposed it would have to be brought back to the Joint Committee on Atomic Energy, which stands as the guarantor to the Congress that things are all right. The joint committee should have an opportunity to look at the proposed contract. I do not think the joint committee ought to have a right to veto such a contract, and there is nothing in my proposed amendment which would give the joint committee such a veto right, because, obviously, the Atomic Energy Commission must be allowed to run its business.

I think the public interest is sufficiently great so that, with such legislation on the statute books, contracts should come to the joint committee for examination, and contracts should not be entered into until they are submitted to the joint committee.

Mr. STENNIS. Does the Senator not recall that when the question was first raised the General Accounting Office questioned the legality of approval of vouchers submitted under such contracts? How can the General Accounting Office approve the vouchers which might be made or attempted to be made under such contracts, without authority, unless there is a broadening of the legislation? I raise that point.

Mr. ANDERSON. I do not see how the General Accounting Office can, and I think there will be a need for subsequent legislation to handle the question.

Mr. FULBRIGHT. Why is subsequent legislation needed if the contract is illegal?

Mr. STENNIS. I say the General Accounting Office would have no authority to pay out the money unless there was authorization for such payment in the way of affirmative direction.

Mr. ANDERSON. I think one of the tragedies is going to be that the Atomic Energy Commission, under its general power, might be able to pay its power bill. I am not sure, once contracts are let, that it is going to be easy to get out from under them. There will be people buying bonds worth in the neighborhood of $100 million. They would be buying those bonds on the assurance that proper contracts were entered into. I am not sure the Commission will be able to get out from under the contracts if that day comes.

When House bill 4905 was reported by the joint committee, the joint committee advised the Congress, and I am reading from page 2 of Senate Report No. 676:

> This power is to be used for the operation of the gaseous diffusion plants at the three sites specified.

The three plants specified were Paducah, Portsmouth, and Oak Ridge.

The question today is whether the AEC, with honorable regard for its commitments to the legislative branch of Government, or even legally—for the courts construe laws on the basis of their legislative history—can enter into the Dixon-Yates contract for power which is not needed at Paducah, Portsmouth, or Oak Ridge.

The recent hearings of the joint committee make it completely clear that the power to be produced by Dixon-Yates—if they are ever able to organize a company, build a plant, and get a contract with the AEC—is not intended for any of the three installations, but is intended for replacement power. TVA is not to be relieved of supplying power at Paducah. None of the Arkansas power will go to any one of the three installations.

In explaining this proposal to the joint committee, in testimony which appears

at page 946 of part II of the hearings, General Manager K. D. Nichols, of AEC, stated to the committee:

In view of the fact that the TVA needed the power in the Memphis area rather than the Paducah area, we have proceeded on the basis that there would be no contract cancellation for a like portion of the AEC–TVA Paducah contract, but that the Atomic Energy Commission would contract with sponsors for power needed by TVA for the load growth in the Memphis area on the basis of replacement power.

Mr. Nichols stated correctly what is being done when he explained that the AEC is contracting, not for power for Paducah, not for power for Oak Ridge, not for power for Portsmouth, but for power needed by TVA.

There has been no pretense that this power is needed by the Atomic Energy Commission for the operation of any one of the three plants; and, honorably and, I believe, legally, the Commission has no authority whatever to buy power except for operating the gaseous diffusion plants at the three sites specified.

Let me state for the record that should the proposed new Atomic Energy Act become law, thus reenacting this provision as to the long-term contracts, it will not change the original bargain or the meaning given the provision by its own language and the 1953 legislative history. I know of nothing that alters in any way the original intent of the provision, and, therefore, its reenactment will carry with it the same meaning as the one it previously had.

On this point of the legality of the proposal for AEC to enter into a contract, at the direction of the President, with a company that has not been organized, and is not yet in existence, for power from a plant not yet built, a letter in the hearings from the Acting Comptroller General of the United States, Mr. Frank Weitzel, is pertinent. The text of the letter, sent to Representative HOLIFIELD, appears at page 1061 in part II of the joint committee hearings of last month.

Mr. Weitzel questioned the legality of the AEC's making any contract to pay more for replacement power for TVA than it is paying under the Paducah contract with TVA. In the absence of an agreement for TVA to assume the excess costs, Mr. Weitzel says:

It would appear necessary for the President to invoke the extraordinary contracting authority of section 12 (b) of the Atomic Energy Act, or the AEC to resort to the First War Powers Act for authority to enter into such a contract as proposed by Dixon-Yates.

Mr. Weitzel added another sentence—a little off the present point, but well worth mentioning. He wrote:

It is suggested also that if an arrangement similar to the Dixon-Yates proposal is to be consummated, consideration be given to the feasibility of letting the contract to the lowest bidder after advertised bids.

Mr. FULBRIGHT. Mr. President, will the Senator from New Mexico yield to me?

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

Mr. ANDERSON. I yield.

Mr. FULBRIGHT. In regard to the statement made a moment ago by the Senator from New Mexico—namely, that if the AEC thought it was being overcharged, it would renegotiate its contract or rate—let me inquire whether that is correct.

Mr. ANDERSON. Yes; I assume that would be a proper attitude for the AEC to take, if it was being overcharged.

Mr. FULBRIGHT. The Senator from New Mexico stated that is what the AEC would do, did he not?

Mr. ANDERSON. I said it would be a proper thing to do.

Mr. FULBRIGHT. Then, Mr. President, I ask unanimous consent to have printed at this point in the RECORD an excerpt from the AEC–TVA Paducah power contract of March 26, 1953.

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

EXCERPT FROM AEC–TVA PADUCAH POWER CONTRACT, MARCH 26, 1953

1. Term of contract: The provisions of this agreement shall become effective as of July 1, 1954, and said Letter Contract of August 23, 1951, is hereby terminated as of July 1, 1954. This agreement shall continue in effect for an initial term expiring on January 1, 1966. Unless this agreement is canceled by Commission as provided for below, then on January 1, 1966, and on each January 1 thereafter through January 1, 1977, the term of this agreement shall be extended automatically for an additional year unless either party notifies the other that such extension shall not be effected, such notice to be delivered not less than 5 years prior to the date on which such extension would otherwise be effected. It is the intent of the parties that no such notice shall be delivered for the purpose of seeking a change in rates or other conditions because more attractive markets for power or more attractive sources of power may develop.

This agreement may be terminated by Commission, effective on any date not earlier than September 30, nor later than November 30, of any year during the initial term or its extension, upon not less than 51 months' advance written notice to Authority, accompanied by a statement of Commission's intent to reduce permanently below 1,500 megawatts its total use of power at the Paducah project.

Unless otherwise agreed, the contract demand hereunder shall be reduced to 500 megawatts for the last 12-month period to any termination or expiration of this agreement, and to 800 megawatts for the 12-month period immediately preceding said last 12-month period.

Mr. FULBRIGHT. Mr. President, I shall read to the Senator from New Mexico a sentence from the excerpt from the contract. After stating various provisions about termination and notice, the contract provides:

It is the intent of the parties that no such notice shall be delivered for the purpose of seeking a change in rates or other conditions because more attractive markets for power or more attractive sources of power may develop.

If that means anything—and that provision is included in the contract—it means to me that the AEC cannot cancel the contract because a more attractive rate is offered by someone else—in other words, if the AEC is overcharged.

Mr. ANDERSON. Mr. President, I am sure the Senator from Arkansas knows that a renegotiation between two contracting parties does not mean that one of the parties will cancel the contract and will look elsewhere for the commodity which is being supplied to it under the contract.

Mr. FULBRIGHT. However, does the Senator from New Mexico think that one who was a party to such a contract would be willing to renegotiate the contract, if the other party to the contract had no power of cancellation?

Mr. ANDERSON. At least, Mr. President, I would hope that one branch of the Government would permit another branch of the Government to do it in a fair fashion.

Mr. FULBRIGHT. We all hope so; but does the Senator from New Mexico think that all Government agencies deal fairly and equitably among themselves, with one another?

Mr. ANDERSON. It is "a consummation devoutly to be wished."

Mr. FULBRIGHT. Yes; but does the Senator from New Mexico think it has been achieved?

Mr. ANDERSON. No, I do not think so.

Mr. President, I regret that I have detained the Senate for so long, but I do not think the fault is wholly mine.

Mr. FULBRIGHT. Mr. President, will the Senator from New Mexico yield once more—in regard to the matter of cancellation, that I discussed with him, so that at this point I may insert a letter into the RECORD?

Mr. ANDERSON. That is a very important matter, and I hope the Senator from Arkansas will insert the letter in the RECORD. I yield to him for that purpose.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to insert at this point in the RECORD a letter dated July 14, 1954, signed by E. H. Dixon, president of the Middle South Utilities, Inc., and by J. M. Barry, chairman of the Executive Committee of the Southern Co., stating the effect of the cancellation clause in the proposed contract which we discussed at some length yesterday; that is to say, the Senator from New Mexico and I did. I think the letter clarifies that particular matter.

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

JULY 14, 1954.

Hon. J. W. FULBRIGHT,
Senate Office Building,
Washington, D. C.

DEAR SENATOR FULBRIGHT: This letter is in response to your request for an explanation of the cancellation provisions in our proposal to the Atomic Energy Commission under date of April 10, 1954.

The cancellation provisions which we have proposed might well be characterized as a "one way street." They can be made operative solely at the discretion of the Atomic Energy Commission. The precise wording of our proposal in this respect is as follows:

"(7) Termination:

"(a) After commencement of full-scale operation, termination will be allowed on 3 years' notice, during which period assignment may be made to another governmental agency, at contract rates, including all taxes and other adjustments.

"(b) Upon termination seller shall be entitled to and will absorb capacity at least as rapidly as load growth will permit, but in any event in the amount of at least 100,000

kilowatts in each year, absorbing associated proportions of costs. Buyer may assign any balance to another governmental agency at an increased price to be approved by FPC, such price to include recognition of any increased costs then encountered or foreseen by seller. To extent such capacity is not used by buyer or assignee, buyer will reimburse seller for pro rata proportion of base capacity charge, as adjusted, and taxes.

"(c) In event of partial termination above formula will be applied on a pro-rata basis.

"(d) In event buyer relinquishes right to capacity after termination, base capacity charge (including adjustments) will be thereafter reduced $1,500,000; proportionally in case of partial reductions.

"(e) Buyer will repay seller for any fair and reasonable cancellation charges payable by seller to a third party and costs, losses and other expenses incurred by seller by reason of cancellation."

As you will observe, the Government is free to use all of the electric power contracted for during the 3-year-notice period at the contract price. In other words, if the AEC requirements diminish or are eliminated, any other Government agency including TVA may use this power. In this event there would be no cost of cancellation since the Government would be receiving full value in the form of electric power and energy for the money it would be paying.

If no electric energy is required by the AEC, the TVA, or any other Government agency starting with the very first day that notice of cancellation is given (a completely unrealistic situation, for surely such a condition would be discernible to AEC far in advance of the event) the maximum payment required of the AEC (U. S. Government) would be $40 million over an 8-year period. This amount is arrived at as follows:

Notice period:	*Without call on unabsorbed capacity*
1st year	$7,275,000
2d year	7,275,000
3d year	7,275,000
Subtotal	21,825,000
After termination:	
1st year (5/6)	6,062,500
2d year (4/6)	4,850,000
3d year (3/6)	3,637,500
4th year (2/6)	2,425,000
5th year (1/6)	1,212,500
Subtotal	18,187,500
Total	40,012,500

It should be pointed out that the maximum amount of cancellation costs would occur only in the event of severe economic distress for otherwise some agency of the Government would certainly be able to use this electric power and thus avoid the cancellation charges. In the event of a situation where the Government could find no market for such electric power, presumably the sponsor companies would be similarly situated and would incur losses proportional to the amount of power for which they become responsible. Over the full cancellation period this could amount to over $18 million. A continuing absence of market for the power after the cancellation period could cost the sponsors $7,275,000 annually until a market for the power could be found.

If, during the cancellation period, the sponsors are able to absorb the power at a rate greater than 100,000 kilowatts per year, they have agreed to do so, and this would result in a comparable saving to the Government.

One further point is deserving of mention. The 3-year notice period was designed primarily to protect the consumers in the Memphis area of TVA. In view of the fact that 3 years are required to design and build a major electric-power station, it was felt that this should be the minimum notice of cancellation afforded the Atomic Energy Commission, since power was to be delivered to it through TVA and elimination of this power source in less than the time required by TVA to arrange for its replacement might be detrimental to the public-utility service rendered by that agency.

We should comment on the provisions in our proposal if electric power is required by the AEC beyond the initial 25-year contract period. In this case, also, the Government alone has the option for continuing the arrangement for two additional 5-year periods. At the end of the initial 25 years, the company will still have unamortized nearly 30 percent of its investment. Only the Government has the option of termination during the first 25 years or continuance of the arrangement after 25 years.

It is interesting to observe that other power contracts made by AEC, including the TVA contract at Paducah, contain similar cancellation provisions, though differing in detail. The cancellation provisions in our proposal were made at the insistence of AEC in order to give that agency a means of terminating its power obligations within a reasonable period of time in the event of a change in the need of AEC for power.

We shall be glad to furnish any additional information you may desire.

Very truly yours,

MIDDLE SOUTH UTILITIES, INC.,
By E. H. DIXON, *President.*

THE SOUTHERN CO.,
By J. M. BARRY, *Chairman, Executive Committee.*

Mr. SPARKMAN. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. SPARKMAN. First, Mr. President, let me apologize to the Senator from New Mexico for keeping him on his feet any longer. He has been doing a magnificent job in presenting the matter to the Senate, and certainly no one is better qualified than he to do it.

During the last several days that this debate has been going on, the Senator from Arkansas [Mr. FULBRIGHT] has repeatedly raised the question of an imaginary overcharge on the part of the TVA to the Atomic Energy Commission. He seems to be rather obsessed with the idea that there is an overcharge. Let me ask the distinguished Senator from New Mexico, who for a long time has been a member of the Joint Committee on Atomic Energy, whether he ever heard any member of the Atomic Energy Commission or any member of the Joint Committee on Atomic Energy suggest or argue seriously that there was an overcharge on the part of the TVA to the Atomic Energy Commission.

Mr. ANDERSON. No. Earlier in the day I answered that question at some length, saying that I had never heard an accusation that there was an overcharge. I think that is a point which should be checked. I regret that it never occurred to me to check it. I never thought one branch of the Government would try to overcharge another branch of the Government, and I question seriously that such a situation exists. It might exist, and I think the matter should be checked. But certainly there was nothing in the testimony—before the committee—which comprises two large volumes—even to suggest the faintest possibility of an overcharge.

Mr. FULBRIGHT. Mr. President, will the Senator from New Mexico yield once more to me? If he will, I promise him that the question I now wish to ask will be my last question of him today.

Mr. ANDERSON. Mr. President, I yield; but certainly I shall not hold the Senator from Arkansas to that promise, if some other question occurs to him.

Mr. FULBRIGHT. Mr. President, at this time I wish to read to the Senator from New Mexico from the CONGRESSIONAL RECORD for yesterday, at page 10377. According to yesterday's RECORD, at that point the Senator from New Mexico stated:

> and that the Government of the United States will underwrite all the risk, and will permit a group with an investment of $5 million to make profits of $75 million, and call that private enterprise.

Let me inquire whether the Official Reporter properly recorded the Senator's statement; and if so, will the Senator from New Mexico elaborate a little and give any justification for such a statement?

Mr. ANDERSON. Yes; I shall be glad to do so.

Dixon-Yates are going to put up $5 million of so-called venture capital. I do not think it is exactly venture capital, because one of the tests of venture capital is whether any risk is involved. This is like shooting fish in a rain barrel, I think. Nevertheless, let us call it venture capital. Dixon-Yates are guaranteed 9 percent on their money, which they say is a normal rate of return.

Mr. FULBRIGHT. With no contingencies? The Senator says "guaranteed."

Mr. ANDERSON. Let me finish my answer.

In the hearings the Senator from Ohio [Mr. BRICKER] said he questioned whether 9 percent was the usual return. The witness testifying said, "Oh, yes; that is the customary return." I have not the exact language before me, although I have read the hearings. The Senator from Ohio said, "They do not tell that to the State utility commissions which are regulating them." But if 9 percent is the customary and fair return, then they are entitled to it.

They will go on through 25 years of the contract, and when they get to the end of the contract they will have the possibility of completely owning a plant which will have been paid for entirely by Government purchases of power under a Government contract. The issuance of $95 million or $100 million worth of securities will have been made possible only because of that firm Government contract. Otherwise the sponsors could never have borrowed the money, and the testimony will show that they were unable to get the money until the guarantee was promised.

If the Senator from Arkansas wishes to go into the early history, he can check the facts for himself. I cannot lay my hands on the exact page, because I am a little tired after 5 hours, but the Senator will find that the original proposal ran into figures of several hundred million dollars. It was finally trimmed down to $100 million. How could they bring it down to $100 million? Because

the Government was guaranteeing that it would purchase this electric power at prices which would completely amortize the plant and leave it entirely free from debt at the end of a 25-year period; and I assume the plant would not be completely worn out.

Someone may say, "But they will get a 25-year-old plant which is completely worn out." However, unfortunately, right next to them will be the plant of the Tennessee Valley Authority, which is being depreciated on a 40-year basis. So I assume the Dixon-Yates plant would have at least 15 years of life left. Actually there may be 40 or 50 years of life left, because all over the country there are generators which have been running for 50 years or more, and are still in good condition.

I did not mean to say that these people will certainly emerge with that kind of profit, because I do not think they will. But if things work out ideally—and I should have expressed it that way—they will have the possibility of taking back, in the final analysis, a $75 million profit on their $5 million investment.

Mr. FULBRIGHT. Does the Senator know that if the cost of the plant goes up to $117 million that would very materially affect the return of the $5 million?

Mr. ANDERSON. Yes; I do.

Mr. FULBRIGHT. Why does the Senator assume——

Mr. ANDERSON. Let me answer the question. If the cost goes up from our $107 million to just under $117 million, the Government of the United States will put up $4½ million of the extra $9 million, and the operators, Dixon-Yates, will put up $4½ million.

Mr. FULBRIGHT. If that should happen, the return on their investment of $5 million would be cut from 9 percent to 3.8, would it not?

Mr. ANDERSON. Not according to the proposal for a contract. We have to go by the proposal, which I placed in the RECORD—and I am glad I did place it in the RECORD. The operators will have an opportunity to pick up the extra $4½ million out of their increased rates as they go along. I may be in error. I read the proposal only once, but I believe that is what would happen.

Let me say to the Senator that I do not worry nearly as much about the possibility that these people will be able to take a profit—whatever it may be—at the end of the contract, as I do about the cancellation provisions. I am glad the Senator from Arkansas placed in the RECORD the letter which he submitted. I wish an opportunity to analyze it. However, I do not believe that that letter answers the point I made, or the question raised by the Senator from Colorado [Mr. JOHNSON] and others at the hearing, which was this: Suppose that the Government should decide not to use its power in one of these plants, and that thereupon it should cancel, and the contracting party should find another customer ready, willing, and able to buy all power for which the Government had contracted, at the rates for which the Government contracted. The sponsoring company, the private capital, the risk capital, would proceed to collect, in the case of the EEI and OVEC plants which are being built at a cost of $1 billion, as much as $400 million cancellation charges, and still sell every kilowatt of their power at the price they expected to charge the Government.

I know there has been argument about that point, but the Senator from Colorado [Mr. JOHNSON] asked the same question. He asked, "Suppose Du Pont should come in and build a plant"——

Mr. FULBRIGHT. Is this under the Dixon-Yates contract?

Mr. ANDERSON. There is no Dixon-Yates contract.

Mr. FULBRIGHT. I thought the Senator put it in the RECORD.

Mr. ANDERSON. I put the proposed contract in the RECORD.

Mr. FULBRIGHT. I mean according to that.

Mr. ANDERSON. The Senator will check me if this is not correct, but according to the Dixon-Yates proposal, as explained and amplified by the letter which the Senator from Arkansas placed in the RECORD, in case there are contract cancellations, the total contract cancellation cost against the Federal Government will be $40 million plus.

Mr. FULBRIGHT. Not more than that. That is the maximum.

Mr. ANDERSON. No; $40 million plus—not $40 million, but $40 million plus.

I am sorry to have to take a moment to look up that point, but I shall be glad to supply the reference if I can. I wrote down somewhere the figure $40 million plus, and I thought I could find it.

Yes; I refer to page 950 of the hearings, from which it will appear that if they enter into contracts for coal and things of that nature, which the sponsors must finally cancel, they shall get more than that. The language at the top of the page is as follows:

> For example, if they contracted for coal and there was no use made of this plant and you had to settle with the coal company, that would add to the $40 million. That is the meaning of the fair and reasonable expenses.

Reference is made earlier to "fair and reasonable expenses payable to third parties." We do not know what those fair and reasonable expenses would be, or how many millions of dollars would be involved. However, there would be involved $40 million plus.

I do not think it is clear as to whether or not, in case the Government decides to cancel and the power is sold to some buyer outside the Government, the operators will still be in a position to collect every penny of their $40 million cancellation charges, even though they sell every kilowatt of the power at the full price they expected to get from the Federal Government. There is nothing I have been able to find in the Dixon-Yates proposal which changes that in the slightest. If the Senator from Arkansas can find it, I shall be glad to have him show it to me.

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

Mr. ANDERSON. I yield.

Mr. FULBRIGHT. Did I correctly understand the Senator to admit that the allegation of $75 million profit is subject to substantial qualification?

Mr. ANDERSON. Very definitely.

Mr. FULBRIGHT. The Senator does not make that assertion?

Mr. ANDERSON. Of course not.

Mr. FULBRIGHT. He simply picks the figure out of the air.

Mr. ANDERSON. No; I did not pick it out of the air.

Mr. FULBRIGHT. Where did the Senator get it?

Mr. ANDERSON. At this hour I will not go back over the subject. I suggest to the Senator that he read the RECORD tomorrow and find my answer. I have just finished telling him.

Mr. FULBRIGHT. Does the Senator yield the floor?

Mr. ANDERSON. Yes; I yield the floor.

Mr. FERGUSON obtained the floor.

Mr. FULBRIGHT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. FULBRIGHT. Mr. President, I wish to make one observation about the last statement of the Senator from New Mexico.

Mr. FERGUSON. I am glad to yield, provided I do not lose the floor.

Mr. FULBRIGHT. I wish only to say that the assertion about the effect of the cancellation clause is, I am quite confident, completely inaccurate. There is no intention whatever of signing a contract under which Dixon-Yates could get a $40 million windfall—in other words, get the $40 million and at the same time sell all their power at the full price. That is absurd on its face, and I do not think anyone thought to negative such an assumption, because it is such an absurdity that it never would have occurred to anyone that a rational person would make such a contract.

I ask that Senators examine the letter which I placed in the RECORD, which is signed by responsible parties, explaining what the cost of the cancellation would be. I think any reasonable person will say that if there were no loss to the private company, if it could sell all the power to its own customers, or if some other Government agency, such as TVA—and that is the most likely probability—were to take all the power, the cancellation would cost the Government not one cent.

FATE OF THE BILL PROHIBITING PICKETING OF THE WHITE HOUSE

During the delivery of Mr. ANDERSON's speech,

Mr. DANIEL. I thank the Senator from New Mexico for yielding. I regret to interrupt the discussion on the atomic energy bill. However, I wish to address myself for a few minutes to the action of the Subcommittee on the Judiciary, of the Committee on the District of Columbia, which I understand has voted an indefinite postponement of the consideration of H. R. 9344, which would make picketing of the White House illegal.

I was unable to attend the hearing before the subcommittee yesterday, but I

have before me the following newspaper account:

MORSE STOPS WHITE HOUSE PICKET BILL

The House-passed bill to prohibit picketing of the White House was stopped cold in a Senate District Subcommittee yesterday by Senator WAYNE MORSE, Independent, of Oregon, who said it would infringe rights of free speech and petition.

MORSE, holding the proxy of Senator MATTHEW M. NEELY, Democrat, of West Virginia, voted down Subcommittee Chairman SAM W. REYNOLDS, Republican, of Nebraska.

Mr. President, I sincerely hope that the full committee will not permit this bill to be pigeonholed.

The President and the White House are entitled to at least as much respect and protection as any other official or building in the Nation's Capital, yet we find that picketing is prohibited on the sidewalks and buildings of the Capitol Grounds, the Supreme Court, the foreign embassies, and practically all other important public buildings except the White House.

The purpose of H. R. 9344 is to treat the White House exactly as the Congress has already treated the embassies, the Capitol Grounds, and the Supreme Court with respect to physical demonstrations and picketing.

The bill has passed the House. It was introduced and sponsored there by a member of the Texas delegation, Representative BRADY GENTRY, of Tyler. It was he who first called my attention to the need for this legislation. Representatives GENTRY came to Washington at a time when Communists and other sympathizers of the convicted Rosenberg spies were surrounding the White House in an attempt to influence the actions of the President in behalf of the Rosenbergs. This caused Representative GENTRY to inquire as to the status of the law and to discover that the White House had not been given the same protection against possible violence that had been given to other major public buildings and officials here in Washington.

The hearings before the subcommittee disclosed, according to the testimony of Chief of Police Robert V. Murray, that the police officers of the District of Columbia spent 5,000 man-hours, at a cost of about $10,000, in order to police the picketing on that occasion.

This bill does not refer to labor disputes or any possible legitimate cause for picketing. It merely prohibits such demonstrations on the sidewalks and streets surrounding the White House when done "for the purpose of influencing the actions of any court, officer or agency of the United States."

The Senator from Oregon [Mr. MORSE] is reported as saying that the bill would infringe the rights of free speech and petition. Would the Senator want to permit such pickets to parade in the gallery of the Senate, at our doors, or would he favor demonstrations of any nature in the gallery? Obviously, the prohibitions against such actions are in the same category and prohibit free speech and petition to the same extent. However, there are other peaceful and proper means which the people have for petition, contract, and persuasion of Members of the Congress and the White House.

Justice Holmes once said that freedom of speech does not mean the right to yell "fire" in a crowded theater. Neither does it mean the right physically to surround the White House, the courts, the Congress, or foreign embassies with a mob which might lead to violence.

In the recent attempted mass assassination in the House of Representatives we saw just what the ardor for a cause can lead to in the case of those who are misguided. There was evidence of the same thing in the attempted assassination of Mr. Truman at Blair House. What if such determination should seize a mob of picketers which is picketing the White House? What better opportunity would those of evil design want than that provided in such circumstances? As such picketings wear on through the weeks, there might come a time when passions become high and tempers wear thin. At such a time anything might happen. Therefore, reasonable precautions should be taken to remove the possibility of such an occurrence in a country where neither compulsion nor violence is a part of our Government. That is the purpose of H. R. 9344.

It is late in the session, and I hope that the full committee, when it meets again, will take up the bill, and not permit it to remain pigeonholed. I hope it will take favorable action on the bill so the Senate will be given an opportunity to vote on it before adjournment.

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. The Senator from New Mexico has the floor.

Mr. MORSE. I am asking the Senator from New Mexico to yield for a few moments. It will not take long, because my reply to my good friend the Senator from Texas will be short; but I think, as a matter of personal privilege, I should be allowed to reply, and the speech I make should not be counted against me in connection with the measure pending before the Senate. I make that as a unanimous-consent request.

Mr. ANDERSON. Mr. President, I yield, and do not object to the unanimous-consent request.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. MORSE. I am very glad the Senator from Texas has made his case before the Senate this afternoon in support of the picketing bill. The Senator from Texas and I are lawyers, and, as we said out in the cloakroom in a conversation earlier this afternoon, we can disagree with each other as lawyers and still go together to lunch afterward. We said that because of the reports which had been made to the effect that the difference between us was on a different plane than simply a professional difference of two men who hold different points of view on the issue now before the Senate.

My reply to the Senator from Texas can best be stated, I think, by the extemporaneous remarks I made in the committee yesterday, following a very brief hearing on the bill. I shall have something to say about future hearings on the bill in case the action of the subcommittee of yesterday should not stand. I fully expect, under the practices, policies, and procedures of the District of Columbia Committee, that the action will not stand.

I think the Representative from Texas [Mr. GENTRY], as I said following his remarks in the committee yesterday, made a very able presentation of the point of view of the proponents of the bill, as did the Senator from Texas this afternoon. I wish to pay a compliment which, in my judgment, is very deserved, to the new Senator from Nebraska [Mr. REYNOLDS], who sat for the first time in committee yesterday as the chairman of the committee. I thought he was exceedingly fair and professional in his conduct of the hearing, and he certainly presented his point of view in support of the bill in a very able manner. But, Mr. President, I disagree with the objectives of the bill, a majority of the committee disagree with the objectives of the bill, and, in accordance with the parliamentary rights of the majority of the committee, with instructions from the Senator from West Virginia [Mr. NEELY], whose proxy I held, we simply followed the ordinary course, when a majority disagrees with a bill, of asking for indefinite postponement, and that motion carried.

Mr. President, I now read from page 18 of the official transcript of the hearings. The following occurred as the hearing closed:

Senator REYNOLDS. I gathered Senator MORSE is opposed to the bill.

Senator MORSE. I made that very clear at the full committee meeting the other day.

Senator REYNOLDS. I did not happen to be a member of the committee at that time.

Senator MORSE. I will be happy to review briefly my point of view to the full committee.

I think the passage of the bill would be a great mistake as far as its symbolism to the rest of the world is concerned. I think that the right to picket in the United States is an essential part of freedom of speech and freedom to petition the Government. If we have not police departments—and we have one here that can do the job—if we have not police departments that can maintain order when American citizens petition their Government, why, then, let us get police departments that can.

There is always a risk of living in a democracy. There is always the risk of being free, and sometimes in a free country some wild-heads get out of hand now and then. But that is part of the risk you run when you live in a nonpolice state.

The reason why I asked Mr. Bryan the question as to whether or not he thought picketing could be maintained before the executive department of any police state was to bring out my point that of course it could not be. I do not propose to be a party to police-state methods in the United States.

I just do not know a President—I cannot imagine a President who would say, "Deny to Americans the right to walk in orderly fashion in front of the White House by way of orderly petition." I want it orderly. It can be kept orderly.

But you see, most of these picketing entourages defeat their own purpose. They hurt their own cause because most of them by sign and attitude demonstrate the weakness of their own case. Nevertheless, Mr. Chairman, in my judgment it is a very precious right—this right to petition your Government and to demonstrate by way of petition in an orderly fashion. I think it is part of being free. I think that the right of American citizens to walk in an orderly fashion before the executive department of

this Government is a pretty important right of petition.

I am not worried about the danger of mob rule. The right to picket the White House symbolizes to the world that the President is just a citizen who sits in the White House. He is just a servant of the people. He is not our master. We have the right to petition him in an orderly fashion.

Well, now, let us take the Capitol grounds and the Supreme Court picketing restrictions. A distinction can be drawn and I will draw it, although I will not stand on the distinction. But as far as the Congress is concerned, we ought to be ashamed of ourselves that we hide behind a piece of legislation that prevents American citizens from petitioning us by walking in front of the Capitol Building in an orderly picket line. Such political cowardice. Of course it ought to be repealed. If people want in an orderly fashion to petition the Legislature of this country, they ought to petition it and be allowed to petition it.

Now, when you come to the Supreme Court you come to another phase of this system of government by checks and balances. I seriously question the propriety of a political petition before a judicial body that acts on the basis of the judicial record. I think there is quite a distinction between an attempt to politically petition a court and politically petition lawmakers, because the court's function is not a political function—it is a judicial function.

I would go along with the protection of the court from political interference just as I have been heard to say so many times on the floor of the Senate of the United States that political considerations should not ever be taken into account in judicial determinations. That is why, for example, I felt in the tidelands bill this year that the case ought to be decided on the law and not on political pressure. The case ought to be decided on the basis of constitutional principles.

As I said facetiously at one point in the course of that debate, of course, I believe in Supreme Court decisions even when they go against us. I believe they are just as much government by law when they are against us as they are when they are for us. But there were some who thought they were political decisions when they did not like the results.

I would recognize a distinction between protecting a court from political petition, but not the President and the Congress. They should be subjected to political petition through freedom of speech. And because I think there is this very important principle of the right to petition the political departments of our Government—the executive and legislative—I shall cast my vote against reporting out the bill.

Senator REYNOLDS. I am just as jealous as Senator MORSE is of the constitutional right to petition.

Then the Senator from Nebraska [Mr. REYNOLDS] made what I consider to be a very able argument in support of his position in favor of the bill. I shall not speak to that at this time, but the record of the hearing speaks eloquently for him, and undoubtedly he will speak for himself a little later, if he cares to do so.

I read further from the record of the committee hearing:

Senator MORSE. Mr. Chairman, will you permit a brief further comment?

Senator REYNOLDS. Certainly.

Senator MORSE. I want to point out three points, in contradistinction to the views expressed by the Senator from Nebraska.

No. 1: The right to picket is the right that has been sustained time and time again by the Supreme Court as a right that relates to the right to petition government, and the right to exercise freedom of speech, subject, of course, as the decisions make clear, to reasonable legislative regulations. There is no question about the fact that this right to picket is definitely connected by judicial decision with the right to petition and to freedom of speech.

Second, I would like to call the Senator's attention to the fact that in colonial days—in the times of our Constitutional Conventions—large numbers gathered at the seat of the Conventions and petitioned against the Constitution—that is, even before it came into being there was strong public demonstration against even adopting the Constitution. So that this right and this form of democratic demonstration really existed prior to the adoption of the Constitution.

You will find it in some of the judicial decisions—a review of this innate and democratic instinct on the part of the American people. If you are going to keep your government your servant and not your master, you must be able to petition your government.

The Senator spoke about the matter of labor picketing. Of course, some of the worst examples of picketing abuse are in the field of labor. I have had on more than one occasion something to say about it in a quasi-judicial capacity where a picketing line was an illegitimate picket line and represented what the Senator has in mind, namely, an abuse of the right to picket. But some of the worst riots in the history of this country have arisen over labor picketing. The Haymarket riot, for example, and one of the famous Los Angeles cases is another.

There is always, as I said earlier, the risk in a democracy, if we are to remain free, that some ill-advised groups will get out of hand. But we have our checks for those. It is one of the risks you have to run if you are going to be free.

If I recall the Omaha situation correctly that the Senator refers to, it was not a picketing situation. It was almost a lynch situation. It was a case of where they wanted to take the law into their own hands.

Senator REYNOLDS. I was simply referring to what a mob can do when it gets out of hand.

Senator MORSE. Surely. We take judicial notice of that. You get it, of course, in your lynch-law situations, too. But our courts have made it perfectly clear that under the police power of the State or the Federal Government there is a duty of the law-enforcement officers to see to it that the right of freedom of speech and the right of petition is carried on in a very orderly fashion.

I have always insisted on that, and one reason why I asked for the regulations to be put into the record of this hearing is that I think when you come to examine these regulations—I have never read them but I have read many others—I think you are going to find very reasonable checks already on the books that will guarantee adequate power on the part of the Police Department to maintain order. That we must have.

I do not want any picket line—labor picket line, political picket line, demonstration picket line—that is not subjected to reasonable police power check.

Now let me point out that you will find if you check cases, a considerable number of judicial decisions on the so-called political demonstration line. I refer to those political demonstration lines in the late thirties up and down the west coast. Some of them got into court and the courts held that they were primarily political demonstration lines against the shipment of scrap iron to Japan. The major cities on the west coast, port cities, had those lines. They taught a great lesson. It is too bad that the country as a whole did not heed them.

I remember in respect to one at Portland, Oreg., there were those who thought I ought to be fired from the University of Oregon because of the public position I took on it. I pointed out what the line was seeking to demonstrate was that much of the scrap iron was going to come back in the bodies of American boys. In the opinion of the reactionaries that made me some sort of a wild-eyed radical who ought to be dismissed from the State payroll, and we had a very interesting time over there. But time proved me right. That picket line, I think, performed a great educational service.

You see, in a democracy sometimes things have to be dramatized in order to get people to understand; and so long as it is done in an orderly fashion and so long as adequate police power exists to control it, I am not going to vote to take that form of public education away from the people; nor that basic right of petition and freedom of speech.

The last point I want to make is that I do not share the Senator from Nebraska's point of view as to the exercise of a judicial function on the part of the President of the United States in the Rosenberg case and similar cases. He is exercising an executive function if he exercises his power of pardon. He exercises an executive function which our constitutional fathers put in the Constitution as a check on the judiciary.

There is no question about the fact in my judgment that a study of the history of the pardon concept will show it is a political power. It is a case of where the people thought it was wise to give to their political leader the power to check a judiciary that, in the case of the Federal judiciary, is appointed for a lifetime and, therefore, is not subject to political check by direct check upon the individual himself wearing the robes.

You have your political check, it is true, through the legislative process.

So I would say that this right to petition the President of the United States on a pardon matter is simply carrying out the right to petition him to exercise a political power that he has in the Constitution.

There is nothing more I can add to my point of view, except detail for the record. I have laid down, I think, the basic principles on which I object to this bill.

Senator REYNOLDS. I think the Senator has made his position crystal clear. I hope that the chairman has made his position equally clear.

Senator MORSE. I have great respect for the Chair's point of view.

Senator REYNOLDS. Apparently our views are diametrically opposed to each other. I assume that you have Senator NEELY's proxy to vote as you vote.

Senator MORSE. That is right.

Senator REYNOLDS. Do you care to make a motion?

Senator MORSE. I simply move that the hearings be adjourned.

Senator REYNOLDS. The hearing is adjourned.

Should the subcommittee make a recommendation to the main committee?

Senator MORSE. I will move that the bill be indefinitely postponed.

Senator REYNOLDS. Let it be recorded there are 2 votes to indefinitely postpone the bill, and 1 vote "no." It will be so reported to the main committee, reserving the right of the chairman to bring in a minority report.

Senator MORSE. Oh, surely.

Senator REYNOLDS. Thank you, gentlemen.

(Whereupon, at 10:50 a. m. the hearing was adjourned.)

Mr. President, I have nothing more to add, at least at this time, except two very brief remarks.

First, I wish to point out the right to picket Buckingham Palace exists; and the Queen of England is not only the head of the state, but she is also the

head of the English church. I think that right, as it exists in England, is a demonstration of the source of the almost instinctive impulse of the American people to insist upon preservation of the freedom to speak and the freedom of petition. It is rather basic in American jurisprudence and it is rather basic in American political philosophy. In view of the time limitation this afternoon, when I am speaking on time which has been yielded to me by unanimous consent, it would be improper for me to take the time to discuss a series of cases which bear out the general observations which I made yesterday in the committee meeting.

The last point I wish to make is that in the committee yesterday we simply followed the parliamentary procedure which is typical of Senate committees. After there had been some hearing on the bill, a majority of the committee reached the conclusion that further consideration of the bill should be indefinitely postponed.

We heard really only three witnesses. We heard Representative GENTRY, of Texas, who spoke for the bill. Representative HIESTAND, of California, was unable to be present, and by unanimous consent, his statement was made a part of the record. It was only a one-page statement, supporting the testimony of Representative GENTRY.

The Assistant Corporation Counsel of the District of Columbia appeared to inform us that the Commissioners had no objection to the bill, but a reading of the record will disclose that his testimony was not what might be called strong advocacy. He pointed out that the Commissioners approved the bill, but there was not very much testimony.

The Chief of Police testified neither for nor against the bill, as he made clear in answer to a direct question which I put to him. He pointed out what the cost of supervising such picket lines is in terms of dollars and man-hours, but made it very clear in answer to a direct question which I put to him that he was neutral with regard to the bill, and that the District of Columbia Police Department could maintain order in any picket line stretched in front of the White House or elsewhere in the District of Columbia.

That was the case. Having heard it, I exercised my parliamentary right as a member of the committee to move the indefinite postponement of the bill. I think that is where it will rest. But if it does not, we shall have some hearings, or the committee will have to deny to me my right as a member of the committee to hearings on a bill which I think is fundamental in its relationship to what I consider to be some very precious rights.

If we are really to consider the bill, notwithstanding the indefinite postponement which was voted yesterday, I shall urge upon the committee that I be accorded the right—and I doubt if there is a member of the committee who would deny it to me—to insist upon some extensive hearings, because we shall have to make a full and detailed record of the whole history of freedom of speech and the right to petition. I shall wish to bring to Washington a group of outstanding leaders, a group of constitutional scholars, a group of people who share my point of view with regard to the bill. A very precious principle is at stake, and I certainly will desire full and fair hearings. I do not think there will be a single vote in the District of Columbia committee to deny me the right to such hearings.

Mr. REYNOLDS. Mr. President, I appreciate the suggestion of the Senator from Oregon that I reply to his argument, but I shall not do so at this time. Any argument I may have will be made before the committee in support of minority views which I propose to submit to the committee.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, as previously announced, the Senate will meet on Saturday. We expect to hold evening sessions all this week. The unfinished business is Senate bill 3690, proposing amendments to the Atomic Energy Act.

When the pending bill is out of the way, we hope to schedule for consideration a number of other bills, with respect to some of which previous announcement has been made, although they will not necessarily be taken up in the order in which they are mentioned. They are Calendar No. 644, House bill 6287, a bill to extend and amend the Renegotiation Act of 1951.

Calendar No. 1315, Senate bill 2910, a bill providing for the creation of certain United States judgeships, and for other purposes.

Calendar No. 1720, Senate bill 3706, a bill to amend the Subversive Activities Control Act of 1950.

Calendar No. 1794, Senate bill 880, a bill to amend the license law of the District of Columbia.

Calendar No. 1797, Senate bill 2601, a bill to provide for Federal financial assistance to the States and Territories in the construction of public elementary and secondary school facilities.

Calendar No. 1774, House bill 7815, a bill to provide for the construction, maintenance, and operation of the Cougar Dam, in Oregon, and so forth.

In addition, there will be the social security extension bill, when it is finally reported from the Finance Committee, the foreign aid authorization bill, and the farm bill.

I am also hopeful that during the week we may have the conference report on the tax bill. The conferees have been in session today. Also, perhaps, this week we shall have the conference report on the housing bill.

In addition to the legislation which will be carried over from Friday to Saturday, we expect to have a call of the calendar for the consideration of bills to which there is no objection, beginning at the point where the previous call was concluded.

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

Mr. KNOWLAND. I yield.

Mr. FULBRIGHT. When does the majority leader expect to reach a vote on the unfinished business?

Mr. KNOWLAND. When the debate has run out and the amendments have been disposed of, we expect to vote.

Mr. FULBRIGHT. I understand that; but when does the distinguished majority leader estimate such an eventuality might take place?

Mr. KNOWLAND. The distinguished Senator from Arkansas has been a Member of this body longer than has the Senator from California. I have seen times when I became a little despondent as to the possibility of reaching an early vote, and then, as if by some miracle, the procedures were hastened along. I am merely saying that whenever the debate is concluded, I hope all Senators will remain in attendance so that we may start voting on the amendments, on the third reading of the bill, and on the final passage of the bill itself.

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

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

Mr. GORE. It had been my understanding that the distinguished majority leader expected the debate to continue until 9 o'clock tonight, and that if it were not concluded at that time, it would be resumed tomorrow.

Mr. KNOWLAND. That is correct.

Mr. GORE. I thank the majority leader.

ORDER FOR RECESS TO 10 O'CLOCK A. M. TOMORROW

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate completes its labors this evening it stand in recess until 10 o'clock tomorrow morning.

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

ADMISSION OF COMMUNIST CHINA TO THE UNITED NATIONS

Mr. LEHMAN. Mr. President, I ask unanimous consent that a statement I recorded for the American Friends Service Committe's radio program entitled "Our Friend in Washington," on the subject of seating Communist China in the United Nations, be printed in the body of the RECORD at this point in my remarks.

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

STATEMENT BY SENATOR LEHMAN

In recent days the issue of the possible seating of Red China in the U. N. has been forcefully presented to the public, but in what I consider to be a misleading manner.

As far as I know, there has been no official announcement that any one of our allies is going to propose the admission of Red China into the U. N., as a unilateral undertaking. It is, of course, possible—and even likely—that such a proposal might be made as part of a Far Eastern agreement for the settlement of the Korean and Indochinese conflicts. I have no inside information on this, but Prime Minister Churchill might well have discussed this possibility with President Eisenhower during his recent visit here. This is the only explanation for the recent excitement of Senator KNOWLAND and his rash statement that if Red China is admitted to the U. N. he will urge and insist that the

United States withdraw from the U. N. and resign its membership in that world organization.

As a result of this statement by Senator KNOWLAND, there has been a sharp division of opinion in the Senate. There has been support for Senator KNOWLAND'S position by some Republicans and by some Democrats, including the minority leader, Senator LYNDON JOHNSON. There has been strong opposition to Senator KNOWLAND'S position—that is, to his demand that the United States withdraw from the United Nations if Red China is admitted—on the part of numerous Democrats, including, I may say, myself, and by Senators FULBRIGHT, GILLETTE, and SPARKMAN, among others.

The great danger, in any public discussion of this issue, is in failing to perceive that there are really two issues involved. One is the question of whether the United States Government should agree to the admission of Red China into the United Nations. The second issue is whether the United States should withdraw from the United Nations if Red China is, in fact, admitted by formal action of the United Nations.

As far as I am concerned, as of the present moment, I am opposed to admitting Red China into the United Nations. I am strongly and unreservedly opposed to such a move unless and until Red China can prove that she is willing to accept the full obligations of U. N. membership, including a devotion to peace and a respect for the integrity and sovereignty of her neighbors. The Communist regime must show that it is willing to conduct itself on a civilized basis and willing to contribute to the establishment of security, justice, and world peace. Until such a time I will continue to oppose it and I think the United States Government should oppose it.

But the worst and most disastrous attitude we could possibly take is the attitude expressed by Senator KNOWLAND—namely, that if the United Nations should at some time agree to the admission of Red China over our protest, we will withdraw from the U. N.

To take that attitude is to assume the same rigid and inflexible posture that has long characterized Soviet Russia. To take that attitude is to foreclose all possibilities of peaceful settlement of the Far Eastern conflicts by negotiation and agreement. The implication of this attitude is that our only solution to the situation in the Far East is total war. That solution will never be accepted by the other nations of the free world. I do not think it will be acceptable to the American people.

Any proposal to withdraw from the U. N. is, in my judgment, nothing but madness. To do so would be to abdicate our role of world leadership, won at such great cost. It would, of course, seriously cripple the U. N., but it would cripple us even more. It would isolate us. It would leave us friendless and alone. We would be without allies and without the respect and confidence of the other free nations of the world.

The United Nations, despite any imperfections it may have, and despite the many disappointments we have experienced as a result of its shortcomings, is still the best hope of peace and security in the world. Under no circumstances should we consider abandoning our membership in this great organization. We would be forfeiting our world leadership and our strength.

THE PRESIDENT'S HIGHWAY PROGRAM

Mr. FERGUSON. Mr. President, it is seldom that I deliver two addresses in one day to this distinguished body. Today I am impelled to take the floor on two major subjects, one of which I have already discussed.

On behalf of the President of the United States, Vice President NIXON delivered one of the most important addresses ever given in America. In it, the Chief Executive clearly demonstrated the need for more and better highways for a growing America. I say that this is a most challenging and a thrilling thing for the President to do. It pleases me beyond measure that recognition of a long time problem has been given by the top leader in this country.

This is not a new situation which the President is demanding that we take action on at this time. It has been with us and it has been known to us but not until the President spoke out in a forthright and clear manner, were Americans generally made aware of the sever necessity for building the roads that we need for the cars that we now own and operate and will own and operate in the future. In fact, the President says that $50 billion within the next 10 years—in addition to current normal expenditures—will be only a good start on the highway system we need for a population of 200 million Americans.

Mr. President, I believe that in the past we have lacked imagination with respect to the real need of the American public for highways.

I believe that the President, in speaking out, has stimulated and will continue to stimulate the imagination of the American people to the point where they will go to work now in the building of needed highways.

Most certainly, the economic growth of the United States demands an integrated and cooperative approach to the highway problem by the Federal Government and the 48 State governments.

Despite substantial, and sometimes magnificient, efforts by local government to provide 1954 model highways for 1954 model traffic, all efforts are essentially limited and even haphazard until together all interested authorities can devise the grand plan proposed by the President. The American economy is a unified economy of many widely separated but interdependent areas, industries and crops. The highway net essential to their common development must be based on a unified, an integrated plan. For the development of the absolutely necessary highway pattern, the common thread of Federal interest is essential.

My record with respect to highway development is such that I can thoroughly endorse the President's program of $50 billion overall increase in what we now spend for highways throughout the United States. Earlier in this session I introduced a highway measure that would have provided $2,208,000,000 Federal contribution for assistance to the States in new highway construction. I addressed the Senate at the time the Federal highway-aid extension bill was under debate and pointed out extensively the need for more highway funds. I must admit that I did not go quite so far as the President, but I am now saying to my colleagues that I am wholeheartedly in accord with his proposal, and I intend to work for its adoption.

I know that the President's program will cause some concern to those who favor a reduction in Federal-aid payments to the States. In times past I also have favored the elimination, wherever possible, of such grant-in-aid programs. In the instant case, however, I am firmly of the opinion that the Federal Government has a national interest in our highway system for defense purposes. That interest cannot constitutionally be delegated to the States. Those who would argue against Federal participation, I believe, would not disagree with this principle, although they might not agree with respect to the amount of money to be spent for this purpose.

Not so many years ago we were told that the point of complete economic development had been reached and that there were no more frontiers to be opened. I believe that America is just starting, and will continue to have frontiers. It seems to me the President's proposal is ample demonstration that there are new horizons.

Because the people of this great Nation must continue pioneering, then we of the Congress must at all times keep pace with our ever increasing population. Americans have every right and should expect that their Government will do those things for them which are necessary and proper. In the field of highway construction we have traditionally assigned this responsibility to Government and the record of the past four decades shows that the various levels of Government have been able to meet this responsibility. But they have met the responsibility only in terms of the amount of money available to highway departments to do the job.

It has been a lack of money that has prevented the full development of our highway systems. As I stated, I believe we lacked imagination of what was going to be necessary in the future, rather than that we did not want to spend money for the highways.

There is no doubt in my mind that the building of highways affects every part of the Nation. No State can any longer build highways only to its border, and fail to connect a good highway with a good highway in another State. Those days are past. A highway system affects every hamlet in America. It affects the value of real estate along the highway and near the highway. It develops new horizons so far as the development and the building of small business are concerned. If we wish to help small business, here is one way in which we can actually help it. When I speak about small business, I mean a small business with a few employees, perhaps 25, although the new social security bill recognizes employers who employ as few as 4 people. That is the kind of business that will be promoted by the development of highways, and what makes America great is small business combined with big business. So by expanding and improving our highway system America can grow and be better able to defend itself.

It would be a sad thing indeed if in the event of an atomic attack we lost thousands of our citizens because we did not have the roads to permit them to speedily

evacuate under bombardment. It is a sad thing that thousands of our American citizens lose their lives every year because of the inadequacies of our highway system. That is a condition we can remedy. It is an outrage upon the heavily taxed motorist that he is not given the roads which are in good repair and in the best possible condition for his motoring pleasure. A large volume of our commercial goods are moved over highways by trucks, and we must have roads to keep the flow of commerce uninterrupted.

It would seem to me that every Member of Congress of both the House and Senate ought to study with extreme care the President's proposal. After such study there ought not to be a single vote against it in either House. I am told, and I read in the newspapers that certain things are national "musts." I am not sure in many instances that they are really vital requirements, but I am certain this highway construction program is in fact a "must."

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the address prepared by the President and delivered by the Vice President before the Conference of Governors at Bolton Landing, N. Y.

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

ADDRESS OF VICE PRESIDENT RICHARD NIXON TO THE GOVERNORS CONFERENCE, LAKE GEORGE, N. Y., JULY 12, 1954

Governor Thornton, distinguished Governors of the States of the Union, the distinguished First Ladies of the States of the Union, guests of the governors conference:

I want you to know, first of all, that it is a great privilege for me to have had the opportunity to attend this conference for the brief time that I have today. There are a number of reasons for this. I haven't the time to mention them all, but there are 2 or 3 that I think would be of interest to you.

One is that I have had the opportunity to see really very well this beautiful New York countryside. As we have sat here in the Sagamore Inn and looked out on the view from this window on Lake George I think that I can say without fear of contradiction that there is no view in the United States which excels this one.

Now, Governor Dewey, I know that you will agree with that. You will note that my language is very, very careful in that respect; and Governor Knight will agree with me that that is the highest praise that a Californian could pay to any other view in America.

And the second reason that I am very privileged to be here is that it has given me an opportunity to renew acquaintances with the governors of the States, many of whom I have met at previous conferences that have been held in Washington, and in other areas.

One regret I have is that we have not had the opportunity to have renewed acquaintances with the first ladies of the States, but I see them in front of me, rather than in back of me, as the governors are, and that in itself is a reward, you can be sure.

May I say, too, that I realize that for each of us who is here tonight, that certainly it is a great disappointment that the President of the United States, who was scheduled to address you, is unable to be here because of the death of a member of his family who was very close to him, and very dear to him.

I am here, therefore, as a substitute. But no one, as you know, can substitute for the President of the United States, and I wouldn't be so presumptuous as to indicate to you that I could.

But the President had a message that he particularly wanted to deliver to this conference. He was good enough to give me the notes that he had made for delivery of that message. Now, incidentally, I know that his appearance at the conference was advertised as being an informal speech by the President, and I know that all of you will concur from his previous appearances before your conferences that in making this informal, such as previously, the President is very, very effective. But, having seen these notes, as you will learn in just a few moments, I can tell you that the President follows the rule that the best informal speech is the one that is very well prepared. And fortunately, those notes are available for me to talk to you this evening. Unfortunately, of course, the personality, the anecdotes, the interpolations, which make the notes live, as only the President can make the notes live, I cannot, of course, effectively bring to you. But I would like to bring to you the message as it has been set down in the notes, and then if time permits, perhaps to add at the end a few remarks of my own:

"The 48 States are represented at this conference, and each of them—in area, in population, in wealth—is greater than many independent nations in the world today. Each of them is great in potential achievement, because joined with 47 others, they form the mightiest of temporal teams—the United States of America.

"Now, against that background, where is the United States going, and by what road? What are the purposes of the United States of America, for the building of a cooperative peace. The strengthening of America and her friends are overriding purposes that must have a sound economic base. How can we assure such a base?

"At home, the United States of America must be an example of national progress in its standard of living. Measured by the prosperity, the culture, the health of the free individual, America is the best market place for American products.

"Abroad, the spiral in the world's standard of living means a spiral in purchasing power. And this, of course, is to the advantage of every American producer, every sound American investment in better world living standards will earn rich returns for America. And in a period of crises, ignited by circumstances often beyond present control or immediate remedy, we must maintain a military dike on our defense perimeter. But behind it we must achieve the fullest possible productive strength, exploiting every asset, correcting every deficiency in our economic situation. We don't want a blueprint for a regimented economy, but we must have vision, comprehensive plans, and cooperation between the States and Federal Government.

"And the road we should take is outlined by the American philosophy of government. What is that philosophy? The President likes to think of it in these terms: It is rooted in individual rights and obligations—expressed in maximum opportunity for every individual to use rights and to discharge obligations—maintained by keeping close to the individual his control over his government—it is sparked by local initiative, encouraged and furthered by the Federal Government. Financed traditionally by demanding of visible, tangible, and profitable return on every dollar spent. A tax economy of enterprises, directly or indirectly, which are self-liquidating.

"Now, that philosophy, applied to public affairs, is the middle road between chaos on the one side, and regimentation on the other.

"It is significant that in the United States we talk of individual rights, we talk of States rights—but not of Federal rights, because the Federal Government is normally considered a depository of certain well-defined and limited obligations: For national security, for foreign affairs, for leadership within the community of 48 States.

"Now, in that light, what are the domestic jobs that must now be done to further the purposes of America? What is the prospect before us?

"First, on the bright side, we live in a dramatic age of technical revolution through atomic power, and we should recognize the fact that the pace is far faster than the simpler revolutions of the past. It was a very long generation from the Watt steam engine to a practical locomotive. It was less than 9 years from the atomic bomb to the launching of an atomic-powered submarine. We have seen a revolutionary increase in opportunity, comfort, leisure, and productivity of the individual.

"Thirty years ago, the machine economy was almost entirely limited to factories and transportation. Today it is in every area of living, even in the garden patches and on the front lawns.

"Look at the prospects in population. In 1870, the population of the United States was 38½ million people, and our population growth in the previous half century was one of the wonders of the world.

"In 1970, the population of the United States, it is estimated, will reach 200 million. It will grow in the next 16 years as much as the entire population of the United States was in 1870.

"So much for the credit side. On the dark side, as we look into the future, we see a shortage of 300,000 classrooms in the grade schools of the country, a shortage of 813,000 hospital beds, an annual increase of 250,000 disabled who require vocational rehabilitation. And we have also dislocations in our economy requiring undesirable Government intervention—everything from subsidies even to outright seizure and control, in the recent past.

"Also on the dark side, we have a transportation system which in many respects it is true is the best in the world, but far from the best that America can do for itself in an era when defensive and productive strength require the absolute best that we can have.

"Now all of these needs must be attended to, along with the other unlimited problems in which we have common interests and common responsibilities. And all of them require some measure of Federal-State cooperation. Some are insoluble, except in closest cooperation.

"For example, the top priority in our planning must be given to transportation, and to health and efficiency in industries to the national defense and the national economy. A Cabinet committee has just been established by the President to explore and to help formulate a comprehensive transportation policy for the Nation, taking into account the vital interests of carriers, shippers, the States and communities, the public at large. But more specifically, our highway net is inadequate locally, and obsolete as a national system.

"To start to meet this problem at this session of the Congress, we have increased by approximately $500 million the Federal moneys available to the States for road development. This seems like a very substantial sum. But the experts say that $5 billion a year for 10 years, in addition to all current, normal expenditures will pay off in economic growth; and when we have spent $50 billion in the next 10 years, we shall only have made a good start on the highways the country will need for a population of 200 million people.

"A $50-billion highway program in 10 years is a goal toward which we can—and we should—look.

"Now, let us look at the highway net of the United States as it is. What is wrong with it? It is obsolete, because in large part it

just happened. It was governed in the beginning by terrain, existing Indian trails, cattle trails, arbitrary section lines. It was designed largely for local movement at low speeds of 1 or 2 horsepower. It has been adjusted, it is true, at intervals to meet metropolitan traffic gluts, transcontinental movement, and increased horsepower. But it has never been completely overhauled or planned to satisfy the needs 10 years ahead.

"At this point in his notes, the President had a personal anecdote illustrating the problem. Thirty-five years ago this month, the Secretary of War initiated a transcontinental truck convoy to prove that the gas engine had displaced the mule, even on our relatively primitive roads. A second lieutenant named Dwight Eisenhower went along as an observer. All-weather roads in the United States at that time totaled 300,000 miles. The autos and trucks numbered 7,600,000. That truck convoy left Washington on July 7. It arrived in San Francisco on September 5, 60 days and 6,000 breakdowns later.

"Today, all-weather mileage is approximately 1,800,000 as compared with 300,000 miles. But autos and trucks number more than 56 million, as compared with 7,600,000.

"It is obvious, then, that the increase in mileage has lagged behind the increase in vehicles. The road system, moreover, is fundamentally the same, either haphazard or completely arbitrary in its origin, designed for local movement, in an age of transcontinental travel.

"Now, what are the penalties of this obsolete net which we have today? Our first most apparent, an annual death toll comparable to the casualties of a bloody war, beyond calculation in dollar terms. It approaches 40,000 killed and exceeds 1.3 million injured annually.

"And second, the annual wastage of billions of hours in detours, traffic jams, and so on, measurable by any traffic engineer and amounting to billions of dollars in productive time.

"Third, all the civil suits that clog up our courts. It has been estimated that more than half have their origins on highways, roads, and streets.

"Nullification of efficiency in the production of goods by inefficiency in the transport of goods, is another result of this obsolete net that we have today.

"And finally, the appalling inadequacies to meet the demands of catastrophe or defense, should an atomic war come.

"These penalties warrant the expenditure of billions to correct them.

"Now, let us look at the highway net as it should be. The President believes that the requirements are these: a grand plan for a properly articulated system that solves the problems of speedy, safe, transcontinental travel—intercity communication—access highways—and farm-to-market movement—metropolitan area congestion—bottlenecks—and parking.

"Second, a financing proposal based on self-liquidation of each project, wherever that is possible, through tolls or the assured increase in gas tax revenue, and on Federal help where the national interest demands it.

"And third—and I would emphasize this, particularly at this conference, because I know how deeply the President believes in this principle: a cooperative alliance between the Federal Government and the States so that local government and the most efficient sort of government in the administration of funds, will be the manager of its own area.

"And the fourth, very probably, a program initiated by the Federal Government, with State cooperation, for the planning and construction of a modern State highway system, with the Federal Government functions, for example, being to advance funds or guarantee the obligations of localities or States which undertake to construct new, or modernize existing, highways."

And then I would like to read to you the last sentence from the President's notes, exactly as it appears in them, because it is an exhortation to the members of this conference:

"I hope that you will study the matter, and recommend to me the cooperative action you think the Federal Government and the 48 States should take to meet these requirements, so that I can submit positive proposals to the next session of the Congress."

And I know that in making this request to the Governors Conference, that the President believes it is essential that we have cooperation in this field. He believes that only with cooperation, and with the maximum of State and local initiative and control, can we have a program which will deal with the problem and deal with it effectively.

And now I trust that you will not consider me presumptuous if in the very few minutes remaining I add a footnote to the message of the President of the United States.

We have been discussing tonight a 50-billion-dollar highway program over 10 years. And it may seem difficult to attain, because of the cost. But I think all of us are aware today that we spend almost $50 billion every year for national defense. I don't think we could have any more striking evidence of what a great vista of progress we have in store for our country, if we can have peace.

Now, I don't propose to discuss this great problem in a very few minutes specifically, or to offer any new program to you here tonight. That is, of course, the prerogative of the President and the Secretary of State. But I do suggest that in considering the threat to the peace of the world, in considering why we spend the $50 billion to meet that threat, the threat which is presented by the Communist conspiracy, that we sometimes have a tendency to place primary and almost exclusive emphasis on the possibility of atomic war, and of armies marching across the border in the traditional pattern.

I think we should have in mind that there are two great factors today which indicate that the greatest danger we face in the future may not be traditional war or, for that matter, atomic war. And the first factor is the deterrent effect of the atomic weapon itself.

It is significant that even some military men say that the atomic weapon in the long run may turn out to be one of the greatest forces for peace in the world.

Why is this the case?

I thought I had it very eloquently and effectively explained to me by a man it was my privilege to meet on the trip that Mrs. Nixon and I took around the world last fall. He had been described to me before I left by a man who has definite opinions on men and subjects—General MacArthur. The man that he was talking to was General Slim, the Governor General of Australia, who served during the war in various commands.

And General MacArthur, before I went, said, "I urge you to have a conversation with General Slim"—as I had planned to do—"and I can tell you that in my opinion he is a hard-hitting, hard-bitten, hard-fighting man." I found that General Slim, the Governor General of Australia, was all of that, and that he was a man who was thinking very seriously of the grave problems confronting the world.

He developed this thesis that I have just mentioned, the thesis that the atomic bomb might turn out to be a force for peace rather than for war, and he pointed out that in the history of wars we find that a national leader does not start a war unless he thinks he can win it, or unless he thinks he can win more in the war than he will lose.

Now, how has a national leader to determine that he can or will win more than he will lose?

He does that when he feels that he has a clear advantage. In times past, that advantage could be obtained by increasing the quantity—increasing the quantity, for example, of men, of bows and arrows, of guns, of planes, of tanks—whatever the weapons happen to be at a particular time in our history. And once the quantitative advantage was obtained, a war could be risked with a reasonable chance of winning.

And then, General Slim pointed out, that now, for the first time in the world's history, we are approaching a period when numbers may no longer be decisive. Because once a nation has enough atomic and hydrogen weapons, and planes to deliver them, to destroy the power of its enemy, whether it has 10 times as much makes no difference.

We may soon reach that point in the world, he pointed out, when no world leader at that time may feel that he can risk war as an instrument of policy, because the result will be, at best, double suicide.

That is the first factor which militates against the theory that the great danger to us today is a war of any kind.

The second one is in examining the tactics of the only potential threat to the peace of the world. In 1917, what was communism? Nothing but a cellar conspiracy. The Communists did not control a government in the world. Today they control 800 million people, and a third of the globe.

How did they get this control? Secretary Dulles has pointed out that they have gained this control by armed attack across a border only in gaining two insignificant parts of Finland and Poland. All the rest—the great gains—have been obtained through the tactics of internal subversion revolution. For example, China was won to the Communist side by Chinese, Czechoslovakia by Czechs, Hungary by Hungarians.

And so it would seem that the major danger we face in the world today may be that kind of action.

Now, where do we face that danger? Primarily in the uncommitted areas of the world, in areas which unfortunately have no tradition of freedom, or in many instances very little tradition of freedom. Those areas primarily are in Asia and in Africa—Africa, the richest continent in the world, 95 percent of which is controlled in a colonial status.

These are the points of attack by the Communists today, the primary points of attack. Now, what is the danger? Revolution, we have decided. But a revolution is not possible unless people follow leaders who are won over to a cause.

What is the appeal? Why are people won to the Communist cause, particularly in these areas of the world?

I think, very simply stated, we must realize that people in Asia, these uncommitted areas, in Africa—people are on the march, they want to better their lives, they are dissatisfied with the status quo. There are some significant things which are characteristic of most all of them. Some of these nations have just recently acquired their independence, others are still in colonial status, all want independence, and they want to maintain it, if they already have it.

Second, most of these are peoples who have suffered the greatest humiliation that a people can suffer, and that is, being looked down upon by other peoples in the world.

Third, all are substandard in their standards of living.

Fourth, all have suffered grievously from war.

And so, what do they want? Independence. Equality. Economic progress—and peace.

They don't like the slavery, the cruelty of communism any more than we do. But they

will take it if it promises some progress toward the goals which they want, in opposition to those who offer only to leave them where they are. And all the defense pacts, the armies in the world, will be useless if the people are on the other side. We saw that, in reverse, in Guatemala.

Now, what do we do about this problem? We are doing a number of things. First, of course, we exposed the Communists, exposed the fact that while they say they are for all these things, in practice they produce the opposite.

And second, we are lining up the great moral power of the United States and the free nations, on the side of the aspirations of these people. And I thought the statement that Prime Minister Churchill and President Eisenhower issued at the conclusion of their conference, will have a great impact in those areas of the world in doing just that.

But, in order to give this kind of leadership, it means that we must have a sound base in America, a great example of freedom, of equality, of economic progress, for all the world to see.

Our economy must not be fat and static, but it has to be dynamic and expanding. And that is why it is so essential that the very best leadership in America, from both of our great major parties, from all segments of our Government, join together in making the American democracy sound and strong, and productive and free.

Mr. FERGUSON. The subject of the President's address has been noted by editors of newspapers throughout the country as being of great importance. In the New York Herald Tribune of this morning, the lead editorial, entitled "Eisenhower the Builder," starts out by saying:

President Eisenhower's "grand plan" for better roads has been stated only in broad outline. In brief, it advocates spending $50 billion over the next 10 years for the highways that America needs. This is probably 2 or 3 times the present rate of expenditure from all sources, but it is no more than has been proposed all along by experts of every variety.

Mr. President, that is true.

I ask unanimous consent that the editorial be inserted in the RECORD as part of my remarks.

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

EISENHOWER THE BUILDER

President Eisenhower's grand plan for better roads has been stated only in broad outline. In brief, it advocates spending $50 billion over the next 10 years for the highways that America needs. This is probably 2 or 3 times the present rate of expenditure from all sources, but it is no more than has been proposed all along by experts of every variety. The necessity exists. Automobiles are outstripping highways; transportation must be improved for economic growth, safety, comfort, and, not to be overlooked, the requirements of defense in an atomic age. Our swelling population is making increasing demands on the future as well as the present. And furthermore it is well to remember that a building program of this magnitude would have untold benefits for all business and personal prosperity. This, then, is a magnificently conceived plan in the national interest.

The details will come later. But the exposition before the Conference of Governors made it plain that this is by no means an airy lot of wishful thinking. The plan proceeds from the universally admitted point that the roads have to be built and also that they have to be paid for. Obviously there are both national and local responsibilities involved here, but the main thing is to get started on the highways and preferably with some decent regard as to nationwide planning. Forty-eight separate systems pose too many problems in engineering and finance; still, there are very few people who would consciously wish to leave everything to Washington.

What President Eisenhower proposes is a cooperative alliance between Federal and State governments, with fiscal administration left in local hands. The source of revenue would depend on the project—self-liquidating as far as feasible. Federal help, if necessary. It may be that we shall see a lot of agreement with the States on Government credit back of construction, much as in the case of the New York State Thruway. Certainly there will be continued reliance on the gasoline tax, even though many of the Governors would like to acquire this impost exclusively for their own.

The idea is plainly a judicious combination of tolls, taxes, and outright assistance, but with a heavy emphasis on cooperation. Who is to pay for what can be left to be worked out in detailed discussions? The fact is that everybody pays and that everybody wants first-class roads. And President Eisenhower has asserted himself vigorously on the instant need for $50 billion worth of progress. That is real leadership.

Mr. FERGUSON. Mr. President, the Washington Evening Star has an editorial on the same subject, which is headed "Our Highways and the Future." That is a good heading, because highways mean much to the future.

I was struck by the fact that my good friend Jim Berryman, of the Star, in one of his excellent cartoons, depicted the Vice President as reading the speech to the governors and suggested that, while he usually presides over the Senate, this time he was doing a master's job in giving the facts to the governors of the States of this great Nation.

I hope the governors will view the highway program in the light in which the President envisions it. Some of them will have to use imagination in contemplating the future of America. Some among them may think pioneering days are of the past and that the roads in use today are adequate for the future of America, but I do not consider that to be true.

Mr. President, I ask unanimous consent that the editorial appearing in the Washington Evening Star be printed in the RECORD.

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

OUR HIGHWAYS AND THE FUTURE

As numerous governors have been quick to indicate, the President's grand plan for a vast program of highway improvement and expansion is more than a little bit controversial in terms of how the States are to figure in it. But what is not controversial about it is the fact that some such program—regardless of conflicting views as to methods of financing and directing it—is imperative for the future well-being of the Nation.

For General Eisenhower—speaking through Vice President NIXON to the governors' conference at Bolton Landing in New York—has not exaggerated in declaring that the present road network in the United States "is inadequate locally, and obsolete as a national system." Nor has he exaggerated in warning that this deficiency, as long as it exists, will continue to impose very severe penalties on the American people—penalties that include (1) serious economic losses resulting from inefficient transportation of goods that have been efficiently produced; (2) a terrible annual toll of dead and injured in highway accidents; and (3) "appalling inadequacies to meet the demands of catastrophe or defense should atomic war come."

It is true, of course, that the United States probably is far ahead of most other countries in road development. But that does not alter the fact that as a nation—with our unparalleled and ever-growing number of high-speed passenger automobiles and trucks—we still have a long way to go before we can even approach attainment of the kind of local, State, and interstate highway system that we need. And our problem in that sense is particularly pressing because our American population is increasing at a rate of about 25 million every decade—which means, if the present trend continues, that there will be 200 million of us by 1970, and perhaps almost as many as 300 million by 2000 A. D., which is fewer than 50 years from now, a brief span in the lifetime of human society.

Accordingly, having in mind such highly significant factors as this rapid population growth, the President has proposed a Federal-State cooperative program under which—in addition to current normal road expenditures—$50 billion would be laid out during the next 10 years on projects designed to make a good start on the network of highways that the Nation will sorely require in the relatively near future. As for financing the undertaking, he has suggested that each of the projects be put on a self-liquidating basis wherever possible—to be paid for through toll charges or the collection of gasoline taxes. Further, where necessary, he would advance Federal funds to support those parts of the plan that could not be carried out otherwise.

More than a few of the governors have taken a rather dim view of all this because of a fear that it would seriously impinge on States' rights. Nevertheless, although it lends itself to debate in that respect, there can be no doubt—in view of our expanding economy and fast-growing population—that something like the President's proposal needs to be put into effect in one way or another, and the sooner the better.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

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

Mr. KNOWLAND. Mr. President, since this is an important bill and it is desired that ample opportunity be afforded to debate it, I had hoped that Senators who wished to discuss the bill or offer amendments would be prepared to carry on tonight. I did not expect the session to go beyond 9 o'clock. It is now only a quarter to 8. If other speeches on the bill could be made I should be glad to keep the Senate in session for that purpose. I certainly would not want any Senator to feel that he had been foreclosed from discussing this important subject. I was wondering whether any amendments were prepared to be offered and perhaps to be taken up. I fully realize that we cannot have a vote on final passage tonight, and I would not press for final passage or even for action of the

amendment dealing with powerplants, but I was hopeful that if there were amendments, they might be offered at this time.

Mr. President, apparently there are no further speeches to be made at this time. I understand that a number of Senators on the other side of the aisle who had to be out of town today and will not be back until tomorrow are very anxious to vote on the proposed legislation and, perhaps, to speak on it. In view of the fact that the Senate will meet at 10 o'clock in the morning. I respectfully ask all Senators on both sides of the aisle, even though they may have other business to attend to, to be here promptly at 10 o'clock a. m. tomorrow, so we can have a quorum call just before the morning hour. If they will do that, we can then proceed with the debate.

I wish to express my appreciation to Senators on both sides of the aisle who have debated the bill today. I think the debate has been pertinent to the subject. If we do not lose too much time on quorum calls I think there will be ample opportunity for discussion and voting tomorrow. I ask the cooperation of all Senators in being present for the quorum calls.

The PRESIDING OFFICER. What is the pleasure of the Senate?

RECESS

Mr. KNOWLAND. Mr. President, if there are no amendments to be offered or other business to be transacted, I move that, pursuant to the order previously entered, the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 49 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, until tomorrow, Thursday, July 15, 1954, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 14 (legislative day of July 2), 1954:

DIPLOMATIC AND FOREIGN SERVICE

Francis A. Flood, of Oklahoma, for promotion from Foreign Service officer of class 2 to class 1.

William W. Walker, of North Carolina, for promotion from Foreign Service officer of class 3 to class 2.

The following-named Foreign Service officers for promotion from class 4 to class 3:

William Barnes, of Massachusetts.
Findley Burns, Jr., of Minnesota.
John E. Devine, of Illinois.
Harrison Lewis, of California.

The following-named Foreign Service officers for promotion from class 5 to class 4 and to be also consuls of the United States of America:

Frank J. Devine, of New York.
David H. Ernst, of Massachusetts.
Douglas N. Forman, Jr., of Ohio.
Harold G. Josif, of Ohio.

The following-named Foreign Service officers for promotion from class 6 to class 5:

Alan G. James, of the District of Columbia.
Abraham Katz, of New York.
Lawrence C. Mitchell, of California.
Jacob M. Myerson, of the District of Columbia.
Peter J. Peterson, of California.
Milton K. Wells, of Oklahoma, now a Foreign Service officer of class 2 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

The following-named persons, now Foreign Service Officers of class 3 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

C. Vaughan Ferguson, Jr., of New York.
Paul Paddock, of Iowa.

The following-named persons, now Foreign Service officers of class 5 and secretaries in the diplomatic service, to be also consuls of the United States of America:

Thomas H. Murfin, of Washington.
Harry F. Pfeiffer, Jr., of Maryland.
DeWitt L. Stora, of California.

William O. Hall, of Oregon, for appointment as a Foreign Service officer of class 1, a consul, and a secretary in the diplomatic service of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

Alexander B. Daspit, of Louisiana.
Harvey Klemmer, of Maryland.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

John M. Bowie, of the District of Columbia.
Miss Edelen Fogarty, of New York.
Francis J. Galbraith, of South Dakota.
William F. Gray, of North Carolina.
Miss Jean M. Wilkowski, of Florida.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Sam G. Armstrong, of Texas.
Daniel N. Arzac, Jr., of California.
Robert S. Barrett IV, of Virginia.
Melvin Croan, of Massachusetts.
Walker A. Diamanti, of Utah.
Richard W. Finch, of Ohio.
Martin B. Hickman, of Utah.
Edwin D. Ledbetter, of California.
S. Douglas Martin, of New York.
Calvin E. Mehlert, of California.
John E. Merriam, of California.
J. Theodore Papendorp, of New Jersey.
Harry A. Quinn, of California.
Charles E. Rushing, of Illinois.
Robert H. Wenzel, of Massachusetts.

The following-named Foreign Service staff officers to be consuls of the United States of America:

John L. Hagan, of Virginia.
Arthur V. Metcalfe, of California.
Nestor C. Ortiz, of Virginia.
Normand W. Redden, of New York.

The following-named Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America:

Lucius D. Battle, of Florida.
Richard E. Funkhouser, of the District of Columbia.
John T. Hanson, of Maryland.
Donald D. Kennedy, of Oregon.

IN THE NAVY

The following-named women officers of the Navy for permanent promotion to the grade of lieutenant commander in the staff corps indicated, subject to qualification therefor as provided by law:

SUPPLY CORPS

Margaret E. Barton
Natalie T. Bell
Betty J. Brown

MEDICAL SERVICE CORPS

Frances Spear

IN THE NAVY

Harold W. Sill (Naval ROTC) to be ensign in the Navy, subject to qualification therefor as provided by law.

Frederick B. Griswold (Naval ROTC) to be ensign in the Navy as previously nominated and confirmed, to correct name, subject to qualification therefor as provided by law.

Carl H. Olander (Naval ROTC) to be second lieutenant in the Marine Corps, subject to qualification therefor as provided by law.

The following-named (ROTC) to be second lieutenants in the Marine Corps, subject to qualification therefor as provided by law:

Egbert Horton, Jr.
Frank J. Simmons
Charley H. Wheeler, Jr.

Harold D. Esterly, Jr. (Reserve officer) to be lieutenant in the Medical Corps in the Navy, subject to qualification therefor as provided by law.

Pauline E. Clarke (Reserve officer) to be lieutenant in the Medical Corps in the Navy, subject to qualification therefor as provided by law.

The following-named (civilian college graduates) to be lieutenants (junior grade) in the Dental Corps in the Navy, subject to qualification therefor as provided by law:

Albert A. Capozzoli, Jr.
Fenner P. Lindblom
Thomas R. Milliette

The following-named Reserve officers to be lieutenants (junior grade) in the Dental Corps in the Navy, subject to qualification therefor as provided by law:

James E. Ainley, Jr.	Harold W. Hodson
James R. Boyce	John K. Jennings, Jr.
Joseph N. Brouillette	Edward P. Kleclnic
Paul B. Carrington	Bill C. Terry
Homer Clarke	James C. Toye
William E. Downey, Jr.	Robert A. Wooden
Roger H. Flagg	Julius Zuckerman
Richard D. Foster	

The following-named Reserve officers to be second lieutenants in the Marine Corps, subject to qualification therefor as provided by law:

Thomas E. Ackerman	Marcia J. Earles
Allen E. Alexander	Albert D. Eilers
Roi E. Andrews	Clifford Farley
John C. Archbold	Walter D. Fillmore
Michael S. Arcieri	Richard J. Fitzhenry
Richard F. Armstrong	John W. Foley
Richard J. Beach	Thomas P. Ganey
Pierre H. Begnaud	Francis X. Frey
Daniel G. Bishop	Paul W. Fuetterer
Dennis F. Boalch	Grady V. Gardner
George I. Bomgardner	Elmer T. Garrett, Jr.
Robert L. Bridges	John F. Gillespie
Wayne F. Burt	Roland N. Grattan
Ernest W. Buschhaus	Robert C. Green
Robert G. Bustos	Jack Haskins
Walter E. Byerley	Joseph C. Hedrick
Earnest S. Camp	Charles J. Hilbert
John W. Chinner	Joseph E. Hopkins
Charles W. Clarchick	James Jaross
John W. M. Clark	Thomas W. Jones
Layne H. Clark	John F. Joy
William G. Clark	Louis I. Kane
James R. W. Cochran	Donald E. Keller
Frederick M. Cole	Kenneth E. Kemp
Jack R. Collins	Gary D. Kent
John J. Collins	Thomas L. Lambert
Normand A. Cote	Walter R. Ledbetter, Jr.
James A. Crowley	
Billy R. Cummins	Richard A. Mankowski
Carl W. Delaughter, Jr.	Gene H. Martin
Herman C. Deutschlander	John P. McGovern
	William C. McGovern
Henry C. Dewey	William D. McGuire
Merritt W. Dinnage	Dennis J. Murphy
Joseph A. Donnelly	Leo P Murphy

Samuel O. Newlon
Patrick L. O'Connor
Cyril M. O'Hara
William D. Patterson
Edward R. Pierce
Albert E. Power
Henry J. Quevedo
Richard B. Quigley
John E. Redelfs
Richard G. Ritchie
Robert O. Ritts
Henry W. Roder
Joseph S. Rosenthal
Edwin K. Rushing
Patrick J. Ryan
Norman C. Sanderson
Patrick J. Saxton
Harry E. Smith, Jr.
Cleo P. Stapleton, Jr.
Richard O. Spencer
Thomas F. Tague
Kenneth G. Thompson
Bozzie F. Thornton, Jr.
Leon B. Turner
Charles M. Vanmanen
Warren L. Veek
John C. Watkins
Edwin G. Weatherford
Robert C. Wise
Clifford C. Wren, Jr.

The following-named to be ensigns in the line in the Navy, for limited duty only, classification deck, subject to qualification therefor as provided by law:

Archie G. Deryckere
Cecil F. Knight
Ralph S. Mason
Richard M. McClenahan
John J. McDermott
George H. McKinnon
George W. McMillin
Hugh A. Moore
Walter E. Richards
Kenneth R. Sawyer

The following-named to be ensigns in the line in the Navy, for limited duty only, classification ordnance, subject to qualification therefor as provided by law:

George Bernier, Jr.
Herman F. Coleman
Rodney W. Couser
Robert E. Daley
Clarence A. Devine
Henry J. Grothe
Max A. Harrell
James W. Holmes, Jr.
Loren H. Kinne
George R. Langford
Francis W. Lannom
John Mack
George W. Merkle
John H. Miller
John J. Muniz
Dighton "W" Peugh
John Popp, Jr.
Lewis M. Popplewell
Robert L. Schibel
Lewis W. Schnatterly
Albert L. Smith
William Soczek
Russell J. Sullivan
Charles E. Tate
John W. Welsch
Vincent F. Welsh
Henry P. Woodcock, Jr.

The following-named to be ensigns in the line in the Navy, for limited duty only, classification administration, subject to qualification therefor as provided by law:

Robert W. Bender
Francis V. Dugan
Gilbert J. Kaiser
Larrimar C. Sheffield

The following-named to be ensigns in the line in the Navy, for limited duty only, classification engineering, subject to qualification therefor as provided by law:

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James F. Barkley
Kermont C. Brasted
John Bravence, Jr.
Philip P. Buchholz
James L. Chamberlain
Donald J. Clifford
Charles E. Cogswell
Charles H. Courtney
Louis A. Downey
Roger V. Eriksson
John N. Evosevich
John F. Gildea
Grant G. Gullickson
Walter F. Hamelrath
Harold S. Keith
Harold S. Kimbrough
Edward L. King
James L. Knepler
Eugene T. Knight
William F. Kopacka
Walter S. Kraus
James A. Mares
William J. O'Connell
Robert S. Patten
Julian L. Raines
William A. Springston
John J. Teuscher, Jr.
Earl R. Willmeroth
Edwin F. Woollard
Harold Zettle

Paul P. Connolly to be ensign in the line in the Navy, for limited duty only, classification hull, subject to qualification therefor as provided by law.

The following-named to be ensigns in the line in the Navy, for limited duty only, classification electronics, subject to qualification therefor as provided by law:

Gilbert H. Beckwith
Walter F. Behrle
Nestore G. Biasi
Joseph K. Booth
Frederick L. Bradshaw
Carl D. Bush
Don P. Carlson
Patrick J. Cusick
Roy K. Gadberry
Francis X. Hayes
Richard G. Higgins
Charles E. Horn
Stephen Jauregui, Jr.
Samuel F. Keller, Jr.
George M. Langford
Ernest I. Lissy
Cyrus McConnell, Jr.
John R. Moore
Percy J. Moore
Norbert W. O'Neill
Robert O. Otto
Thomas B. Rhodes
William C. Richardson
Henry C. Rodgers
John K. Rork
Richard K. Sedlak
Ray O. Thornton
Richard M. Wallace
Daniel E. Whaley, Jr.

The following-named to be ensigns in the line in the Navy, for limited duty only, classification aviation operations, subject to qualification therefor as provided by law:

Benjamin O. Bibb
Charles L. Brammeier
William G. Hunter

The following-named to be ensigns in the line in the Navy, for limited duty only, classification aviation ordnance, subject to qualification therefor as provided by law:

Frank O. Baty
John D. Frazier
Bowheart "H" Frentress, Jr.
Max C. Gunn, Jr.
John I. Keener
John L. McCracken, Jr.
David W. Offrell
Charles B. Rose
William A. Rose
John O. Yarwood
Vincent L. Zelones

The following-named to be ensigns in the line in the Navy, for limited duty only, classification aviation engineering, subject to qualification therefor as provided by law:

Melvin C. Premo
James D. Wallace, Jr.

The following-named to be ensigns in the line in the Navy, for limited duty only, classification aviation electronics, subject to qualification therefor as provided by law:

Morris D. Anthony
Jack "G" DeBoer
Thomas R. Legett, Jr.
Chester R. Smith
George W. Pearson

The following-named to be ensigns in the line in the Navy, for limited duty only, classification aerology, subject to qualification therefor as provided by law:

Norman E. Halladay
James S. Rose

The following-named to be ensigns in the Supply Corps in the Navy, for limited duty only, subject to qualification therefor as provided by law:

Francis X. Baglioni
John E. Brooks
Robert E. Cotton
Frank J. Dusenberry
Joseph B. Hanly
Robert W. Lawrence
Harold A. Rice
Ray H. Stevenson

The following-named to be ensigns in the Civil Engineer Corps in the Navy, for limited duty only, subject to qualification therefor as provided by law:

Lloyd H. Gibboney
Fred Moore, Jr.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of first lieutenant:

Max C. Aaron
Edwin M. Ackley
Wilson J. Acord
Carl C. Adams
Joseph B. Adams
Robert K. Adams
William J. Addis
Clarence L. Ainsworth
Vernon J. Aird
Charles L. Albert, Jr.
Robert H. Albert
Murrie G. Alcorn
Jack B. Aldridge
George M. Alexander, Jr.
Maurice H. Alexander
James G. Allemann
Albert L. Allen
Bill H. Allen
George C. Allen
John H. Allen, Jr.
Lacy J. Allen
Russell U. Allen
Robert G. Amend
Edwin A. Amundsen
Eldon C. Anderson
Hugh L. Anderson
Leroy H. Anderson
Richard R. Anderson
Wallace E. Anderson
John J. Andrews
Ben Anello
George L. Anglin
Theodore J. Annis
David R. Anton
William V. Arbacas
Leonard O. Armstrong
Robert L. Armstrong
Daniel W. Arnold
Louis C. Arnold
Robert W. Arsenault
Robert O. Arthur
Jere L. Atchison
Eldon H. Audsley
Charles E. Austin, Jr.
Arthur H. Auvil
Louis J. Bacher
Floyd C. Bagley
Alva S. Bailey
William H. Bailey
Kenneth Baker
Benjamin H. Baldwin, Jr.
Walter A. Bandyk
Thomas F. Baratta
Walter J. Baranski
James L. Barbour
Hunter C. Barker
Cletus Barnes, Jr.
Lewis S. Barnes
Robert W. Barnett
James L. Barnidge, Jr.
Walter W. Barr
Oliver R. Barritt
George E. Bartlett
Henry R. Bartyzel
Joseph C. Bass
Bruce Bauer
Thomas W. Baumgartel
Monta G. Baxter
William R. Bay
Paul C. Bean
James N. Beatty
Robert C. Becker
William H. Becraft
Lyle L. Beeler
Rolfe H. Beith
Jack L. Bell
Theodore J. Bell
Peter Benavage
Horace M. Bennett
Joseph L. Bennett, Jr.
Leroy H. Benson
William J. Benyo
James F. Benz, Jr.
Norman J. Berg
Raymond R. Berling
Norman Berry
Ralph L. Bixby
James A. Bixler
Robert R. Blakslee
Robert L. Blalack
Joseph E. Blanchard
Paul R. Bley
Howard F. Block
Joseph A. Boennecke
Douglas W. Bogue
Nicholas C. Bohonak, Jr.
George C. Bond, Jr.
Willard K. Bond
Gordon P. Bonnet
Stephen F. Bonora
Gilbert H. Boreman
William P. Bormann
David D. Bornhauser
Robert M. Boudreaux
Richard T. Bourbeau
Jack W. Bouvy
Oscar T. Bowen
Daniel W. Bowman
Robert S. Box, Jr.
Martin Boyle
William W. Boynton
Samuel W. Bradford, Jr.
Willie W. Bradley
Raymond E. Bramel
Tillman A. Branch
Stanley H. Brannon
Harold D. Breece
John W. Brening
Joseph C. Bridgers
Kenneth V. Brierly
William J. Brill
Joseph C. Brinkley
Donald J. Brisbois
Harry A. Broadus
Samuel L. Brogli, Sr.
Edward E. Brooks
Stephen L. Brooks
Andrew M. Brown
George H. Brown
James R. Brown
Robert H. Brown
Robert M. Brown
Charlie R. Browning
Thomas H. Bruce
Howard A. Bruning
George F. Bruton
Leonard J. Brzezinski
Arthur A. Bucci
Robert Buck
Robert E. Buckler
John D. Buckley, Jr.
Richard N. Buethe
William H. Bunch
Wallace B. Bunker
Harrison F. Burch
William J. Burk
Richard M. Burke
Robert L. Burke
Clarence A. Burkett, Jr.
Claude L. Burkett
William L. Burnett
John L. Burns
Rezin D. Burns
Floyd R. Burt
Howard L. Burton
John R. Burton
Alphonse L. Bushlow
Henry W. Bushwitz
Michael Butchko, Jr.
Arthur S. Butler
Edward L. Butler
Jerry K. Butler, Jr.
Clyde U. Butterfield
Alvin F. Butters
Peter P. Butz
Kenneth L. Byers
Melburn W. Cairns
Martin J. Calcagno
George L. Caldwell
Percy L. Calhoun
Francis W. Callahan
Joseph W. Callahan
William P. Callow
Charles H. Cameron
Dougal H. Cameron
Henry C. Campbell
Jack N. Campbell
William J. Campbell
Salvatore J. Campilongo
Orville G. Candler, Jr.
Thomas Carcelli
Walter J. Carman
Alfred C. Caron
Robert W. Carson
Jay H. Casper
Joseph Castro
John Catalano
Charles D. Cates
Leroy R. Cates
Michael V. Cervin
Alton B. Chambers
Charles H. Chapin, Jr.
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Donald B. Chapman
Robert R. Chapman, Jr.
Arthur L. Charlton, Jr.
Daniel H. Charron
Charles R. Chester
Edward L. Chrisinger
Leo Christian
Charles O. Christie
Martin S. Christie
Frank M. Cieszynski
Leo P. Cinko, Jr.
John W. Clabaugh, Jr.
William S. Clancy
Ralph H. Clark
David A. Cleeland
Donald L. Clegg
Grover Cleland, Jr.
Francis M. Clements
Matha D. Clements
James Cline, Jr.
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Charles H. Clipper
Mervin F. Cloninger
Robert Clydesdale, Jr.
Fred R. Coats
Preston L. Cobb
Henry P. Cobbs, Jr.
Jerry D. Coggins
James E. Cole
Philip J. Cole
Ernest E. Coleman
Harry L. Collins
Thomas E. Collins
Lawrence L. Colyer
Jay B. Combs
John G. Compton
Albert M. Conerly

Richard F. Connell
Gordon R. Cooke
Joseph E. Cooke
Donald J. Cooley
Frank E. Copeland
Dale X. Coppock
Clifton J. Cormier
William C. Corning
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James A. Cory, Jr.
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Robert G. Coulter
William L. Coulter
Donald G. Courtney
James R. Courtney
Louis Couto
Vernon E. Cowart
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Clarence C. Craig
Luther C. Craumer
James R. Crawford
Paul E. Crawford
Nick J. Cremonese
Walter D. Croas
Theodore P. Croasdell
Ernest Crocker, Jr.
Jack W. Cromer
Rex W. Crook
Perry E. Crookham
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Walter L. Czechowski
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Leslie R. Darr, Jr.
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Toufic J. David
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Baylus B. Davis
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Hugh C. Davis
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Jules E. Davis
Kenneth L. Davis
Walter B. Davis
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William E. Day
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John L. Dean
Paul R. Dean
Curtis L. Deatrick
Walter E. Degener
Eugene J. Degennaro
Curtis C. Dekle
Remes E. Delahunt
Lavern L. Delesha
Loomis L. Dement
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Ralph P. Dempsey
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Harold S. Dennis
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Merle L. Denny
Durward A. Denstad
Samuel A. Denyer, Jr.
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Joseph C. Dero
Norbert M. Derr
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Floyd A. Dickover
David E. Dickson
Phil A. Dierickx
Luther F. Dietz, Jr.
Louis P. Dilberger, Jr.
Fiore C. Dimeo
George D. Dimick
Harold T. Dixon
Richard R. Dixon
Robert J. Dlamater
William H. Dodds
Melvin C. Dodson
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Brynley W. Dolman
Leo J. Donahue
Alfred V. Dorgan, Jr.
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Sidney C. Dowell
Willard C. Downs
Oliver E. Doxey
William S. Doyle
Fryar E. Draper
Weldon J. Dryden
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Louis E. Duncan
Ralph M. Duncan
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William L. Durkin
Maurice F. Dwyer
Bryon A. Eaton
Harvey M. Eaton
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Phillip A. Edmondson
Merritt S. Edmunds
Allan R. Edwards
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Fred T. Edwards
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Robin R. Edwards
Veston Edwards
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John A. Enos
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Eddie E. Evans
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Theodore Fasano
Lawrence E. Fellows
Mark P. Fennessy
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Donald S. Ferguson
James J. Ferguson
Melvin H. Fesselmeyer
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Wayne R. Floyd
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Robert W. Folkes
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John E. Forde, Jr.
John N. Foreman, Jr.
James R. Forman
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Lenard H. Forsberg
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Ambrose F. Fox
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Riley D. Franks
Warren H. Fraser
Robert H. Freeman
Wilton K. Freeman
Eugene C. Frey
Elton V. Friar
Robert T. Fries
Jay C. Frost
Robert A. Frye
James H. Fulbright
James S. Furst
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Robert L. Gallant
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Austin O. Gandy
Virgil R. Gant
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Willard D. Garrett
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Louis E. Gerard, Jr.
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Randolph M. Gibbs
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Paul B. Gilbreth
Albert C. Gilder
James A. Gillis, Jr.
Earle A. Gimber
Salvador Giovingo
Eli Girouard
Charles H. Glassett, Jr.
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John R. Gloshen
Sargent Goen
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Hubert M. Good
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Benjamin S. Green
Harold A. Green
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J. D. Green
Robert B. Greene
George W. Greenlee
Leo Greenspan
Jacob Greenwald
Virgil C. Gregory
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George C. Haines
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Lowell N. Hall
Willis P. Hall, Jr.
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Dean R. Hansberry
Carl R. Hansen
Elmer R. Hansen
Harold V. Hansen
Sigmund P. Hansen, Jr.
John K. Hanson
Percy J. Haralson
James E. Hardway
Homer A. Hardwick
Casper P. Hare
Robert A. Haring
Floyd E. Harnage
John E. Harrell, Jr.
Warner P. Harrington
Jerry W. Harris
Jesse R. Harris
Russell P. Harris, Jr.
Frank M. Harrison
Harris I. Hart, Jr.
George J. Hartfiel
Leonard R. Harvey
Milwood C. Harvey
John A. Hathaway
Wayne A. Hathaway
James E. Hathorne
Richard T. Hatlin
Earle Hattaway
Everett W. Haughey
Donald L. Hawbecker
Herman Hawks
Walter C. Hay
Clark D. Hayden
Charles M. Hayes
John L. Hayes
Winford D. Hayes
Samuel Head
Paul A. Hearns
Hardin W. Hegwood
Ross J. Heikes
Lloyd R. Hendershot
James Y. Henderson
Rudolph R. Hendrick
Leo Hendricks II
Edward Hendrickson
Michael Henetz
Ralph L. Henney
Ernest C. Henry
Howard C. Hensley
John C. Hergert, Jr.
Rush F. Herring
Robert E. Hickey
Ray C. Hicks
Robert L. Higginbotham
Walter J. Hilderbrandt
William R. Hindes
Garold W. Hines
Leonard W. Hitchcox
William K. Hodge
Earl C. Hodges
James R. Hoekstra
James L. Hoffman
James F. Hogsett, Jr.
Ernest C. Hohlt, Jr.
John A. Holcomb
Voline P. J. Holcombe
Frank M. Holder
Wilfred D. Holdren
Frederick L. Holl
Eugene R. Hollaway
John A. Holley
John H. Holliday
Thomas J. Holloway
Ottie P. Holman, Jr.
William C. Holmes
William L. Holtz
Paul F. Honeycutt
Donald R. Hopkins
Lawrence W. Hopkins
Travis W. Hopkins
Virgil B. Hood, Jr.
Theodore Horstmann
Jake Horton
Mansell E. Hosey
Truman B. Hoskins
James L. Houle
Edward J. House
George W. Howe
Kenneth Hoyt
Frederick E. Huber
Willis D. Huddleston
Rayburn A. Hudman
Herman D. Hudson
Clifford M. Hueston
William C. Huffman
Clifford H. Hufford
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Lewis H. Humphrey
William N. Humphrey
Eugene Hunt
Nicklos F. Hurley, Jr.
Joseph J. Huron
Marlow B. Hurtig
Roger G. Hutcherson
Edwin G. Hutchinson
James B. Hutson
Clayton W. Hutton
Charles H. Ingraham
Robert E. Ingraham
Jack J. Ireland
Eugene O. Irving, Jr.
John W. Irwin
Donald A. Ives
Raymond C. Jablonski
Ralph R. Jacobs
Joseph J. Jannik
Dean G. Janus
William E. Jefferson
Louis B. Jeffrey
Clarence E. Jenkins
Richard L. Jenkins
Charles C. Jensen
Donald L. Jensen
Jesse A. Jessen
Joe W. Jinks, Sr.
Carl Johansen, Jr.
Fred D. Johns
Fred E. Johns
Edward Johnsen
Joe L. Johnson
Luther B. Johnson
Richard M. Johnson
Roy K. Johnson
Roy M. Johnson
Charles Jones
Claude G. Jones
Frederick S. Jones
Herschel B. Jones
James F. A. Jones
Robert W. Jones
Warren B. Jones, Jr.
Howard V. Jordan
Robert H. Jordan
Eric I. Jorgensen
George Juba
Spencer P. Judkins
Eulas F. Justis
John Kader, Jr.
Charles J. Kanellos
Lewis C. Kasch
Edward M. Kasica
Bertram W. Keller
Edward J. Keller
Keith A. Keller
Matthew L. Keller
Guy M. Kelly
James S. Kelly, Jr.
Amous J. Kendrick
Clarence E. Kennedy
Jack A. Kennedy
Donald S. Kenny
James L. Kent
Jack M. Kerner
John Kerr, Jr.
John D. Kerr
Louis E. Kerr, Jr.
Wayne H. Kerr
Roy F. Kibbee
Arthur F. Kidd
Earl E. Kilburn
Caroll E. Kilduff
Roger T. Kirk
George J. Kluth, Sr.
William J. Kniseley
James E. Knott
James L. Knott
Albert G. Koesterer
Wayne W. J. Kohagen
Daniel T. Komlenic
Robert V. Koontz
Raymond A. Koste
Joseph Kouba
John Kozlowski
Burnell H. Krause
Edward H. Krepps
Anthony L. Krizan
Edwin A. Krueger
Valentine J. Kucharczk
Lester W. Kuchler
Sigmund J. Kuczynski
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Frank P. Kunkle, Jr.
Louis E. Labahn
Fred V. LaBarber
Milbert L. Ladner
Lucien J. LaFond
Stanley A. Lahendro
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Stanley W. Lamonte
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James T. Lancaster
Cecil W. Land
James E. Landis
Gail Lane
William F. Lane
Keary L. Lane
Walter L. Lang, Jr.
James F. Langley, Jr.
William G. Langley
Isaac C. Langston
James T. Langston
Clarence G. Lanning, Jr.
Edward W. Laperriere
Scott E. Lark
Edward A. Larocque
Edwin O. Larson
Robert N. Larson
Charles J. Laskowski
Donald W. Lawrence
Jewell H. Lawson
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Herbert J. Leak
James G. Leath
Henry B. Lebouf, Jr.
Maurice A. Ledbetter
Harry J. Lee
James E. Lee
William C. Lee, Jr.
Levy P. Lemoine
Richard Lendon
Paul K. Leroux
Howard F. Leroy
Richard W. Levan
Nathan Levy
Claude R. Lewis
Paul L. Light
Earl H. Lillestrand
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John F. Link
John B. Lippard
Joseph F. Lisicky
Paul V. Lloyd
Prince L. Lockaby
John L. Locke
Orville C. Locke
Oscar L. Lockhart
Robert J. Loesch
Elmer E. Long, Jr.
Albert H. Lord
Paul A. Lorentzen
J. T. Lovell
Herschell D. Lowery
Eugene F. W. Lueckel
Carl R. Lueders
Darrell Q. Lundgren
Havard F. Lundy
Edward A. Lushis
Alexander F. Luther
Theodore Lutzenburg, Jr.
Howard Lyon
Wilbur L. MacDonald
John J. MacGillivray
Chris Mackay
Justin J. Mackelprang
Arthur J. Maddock
Norman C. Madore
Daniel L. Mahan
Robert L. Malch
Anthony H. Manemann
Jack Mann
Vernon O. Mann

James L. Manning
Rosslyn D. Manning
Hugh B. Mantooth
John W. Manuel
Victor Marafine
Evan H. Maranville
Howard E. K. Marohn
Jacob H. Marquette
Peter Maroska
Billy E. Marsh
James K. Marsh
Philip C. Marsh, Jr.
William J. Marsh
Romeo G. Martel
Francis E. Martin
Galen R. Martin
John D. Martin
Robert E. Martin
Andrew G. Marushok
Robert G. Mason
Emmett B. Massey
William W. Massey
Alvin T. Maxwell
Kenneth F. May
Temple R. Mayhall
Doctor H. McAdory
Harry C. McAlister
Robert J. McArthur
Hilton N. McCann
Harold S. McCarthy
Ted R. McCarty
Arnold L. McClintic
Raymond F. McCloskey, Jr.
Harry S. McClung
Robert J. McClure
George L. McConnel
Charles A. McCormik, Jr.
Gerald D. McCormick
Merrill W. McCue
Aubrey L. McCullough
J. D. McCullough
Frederick F. McCune
John H. McDaniel
Francis J. McDonald
James A. McDonald
James D. McDonald
James E. McDonald
Charles E. McEwen, Jr.
John J. McGee
Ervin G. McGinley
Arthur V. McGreevy
Herbert G. McGruder
Donald E. McIntyre
Douglas N. McKenzie
Norman E. McKonly
Benjamin V. McLane, Jr.
James J. McLaughlin
Melvin W. McLaughlin
Robert McLellan
John J. McMasters
William F. McMillian
Charles E. McNally
Frederick T. McNamara, Jr.
Charles J. McNees
Don E. McPherson
Joseph A. McPhillips
H. Clint McShane
William D. Mead
Manuel Medeiros
Donald L. Meek
Wendell A. Meek
Theodore Meinke
Edward L. Merrell, Jr.
Burton A. Merriam
George F. Metz
Nathan Mervish
George L. Mestler
William P. G. Meyers, Jr.
Harold J. Michael
Ernest C. Michel
D. C. Mickey
Wallace W. Mikelson
Harold C. Miller
James D. Miller
Samuel W. Miller III
Stanley G. Miller
Carl R. Miller
George H. Miller
Martin A. Miller
Merton M. Miller
Nicholas J. Miller, Jr.
Norman V. Miller
Charles F. Millhauser
George R. Mills, Jr.
Anthony Miranda
Edward M. Mitchell
Thomas R. Mitchell
William G. Mix
Casimir A. Mokrzycki
Edward J. Monagle
Edward J. Monahan
Richard D. Monroe
Benton R. Montgomery, Jr.
Charles G. Mood
Carl W. Moog
Max W. Moore
Kenneth E. Mork
Leon Mordecai
Lloyd H. Morgan
Raymond B. Morgan
Carmen P. Morocco
Floyd L. Morris
Frank B. Morris
John L. Morris
Eugene M. Morrison
George B. Morrison
Joseph V. Mortillaro
Donald J. Morton
Peter G. Morton
Roy Mousetis
Albert L. Mueller
Gordon S. Murphy
Richard F. Murphy
Clarence A. Murray, Jr.
George S. Murray
Paul H. Myers
Edward R. Nasin
Charles R. Nault
Nile D. Naylor
Clayton C. Nelson
George B. Nelson, Jr.
Robert L. Nelson
Joseph Q. Nesmith
Oral K. Newman, Jr.
Charles O. Newton
Orbin D. Newton
Ernest D. Nichols
Charles P. Nicholson
Edsel W. Nicholson
Frederick J. Nickel
Michael J. Niekowal
Jack R. Nielsen
Casey R. Nix
Grover H. Nix, Jr.
Lavern C. Noble
Edward S. Norris
Olin K. North
Willie E. Norton
Harry Norvell
Teddy W. Nowak
Ray H. Nugent
Martin W. O'Brien
William J. O'Brien
Wilbert H. Ockenfels
Arthur O'Donogue
Gordon F. Ogilvie
Walter H. O'Grady
Joseph S. Ohina
William G. Ohlhaver
Mark V. Okonek
Forrest A. Oldenburg
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Milton P. Oliver
William M. Oliver
Carl Omasta
Robert P. Oneal
George Opacic
James H. Orr
Charles L. Osborn
Kirk E. Osgood
Mario C. Osimo
Clarence J. Overs
Delmar A. Owen
Morris C. Owens
Norman S. Owens
Archie F. Owensby
Mario Paccioretti
Wayne G. Palmer
Wilbur J. Palmer
Joseph A. Paluszak, Jr.
Pasquale Paolino
Frank Papale
Marshall E. Papke
Herbert E. Park
Barney W. Parker
Norman E. Parker
James C. Parrish
Fred A. Parsels
Harvey L. Parsons
Cecil L. Patrick
Ray W. Patterson
Vernon E. Paubel
Bernhart R. E. Pautsch
Clarence B. Pawelski
Mitchell W. Pawlik
Norman E. Payne, Jr.
Frank H. Pearce
Joseph W. Peden, Jr.
Eric T. Pedersen
Burton O. Perkins
William J. Perrigo
Samuel C. Perry, Jr.
Robert A. Peterson
William M. Peterson
James D. Petty
William Philbin
Joseph V. Phillips
George J. Pidgeon
Julius B. Pierce
Edward J. Pierson
Adrian C. Pifer
Earl A. Pike
Jesse T. Pike
Roy W. Pippin
Ernest F. Piskowski
Nathan S. Plummer
Edward C. Poirier
William F. Poliak
Joseph A. Polidori
Darrel D. Porter
Raymond A. Post
Robert L. Post
Lester E. Powell
William L. Premo
Alexander Pressutti
Chester W. Price
Gordon I. Price
James C. Price
Charley L. Pryor, Jr.
Richard E. Pryor
George D. Pullen, Jr.
John S. Pulliam
Donald Quagliotti
Felix E. Queen
Ralph T. Quick
Joseph J. Quinn
Paul H. Rafi
Charles A. Ranberg
Ray E. Rapp
John H. Rasmussen
Charlie L. Ray
James S. Ready
Kenneth E. Reaka
John M. Reece
Charles L. Reese
Chester E. Reese
Frank M. Reeve
Charles D. Reeves
Robert N. Reeves
Frank C. Regan
Calvin C. Reid
Willard J. Reid
Walter J. Reilly
Vincent S. Reina
Francis A. Reissig
Wylie W. Reogas
John T. Reville
Maurice V. Reynolds
Earl F. Rhoads
Clifton Rich
Leo W. Rich
Irving S. Richards
James C. Richmond
Kenneth W. B. Riebe
William H. Riggin, Jr.
Joseph E. Riggs, Jr.
Earl B. Rish
George W. Ritchie
Robert L. Robertson
Andrew J. Robinson, Jr.
Arval N. Robinson
James A. Robinette
Adolph A. Rocheleau
Richard T. Rodd, Jr.
John A. Rodriguez
George H. Roebuck, Jr.
Hillman G. Rogers
William M. Rogers
John F. Romanak
John Ronsvalle
Lowery L. Roobian
James A. Rook
William J. Rose, Jr.
William W. Rose
Ferdinand J. Ross, Jr.
Robert G. Ross
Keith M. Rote
Salvatore P. Roti
Earl L. Rottsolk
Eugene F. Rowe
Lon F. Rowlett
Edmund V. Rozycki
Eugene J. Rucchio
Roy J. Rucker
Donald E. Rupe
Clark Ruse
Marvin R. Rush
William M. Russ
Athus D. Russell
Howard A. Ruud
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Sidney J. Ryan
William J. Ryan
Lester J. Sadler
Harry L. Sagar
Frank H. Saitta
Don L. Sanborn
Jerome Sanders
Milton W. Sanders
Lonnie B. Sandifer
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William A. Saucier
Franklin L. Sausser
Arthur E. Sauter
Arthur J. Sautter
Alfred Scalcione
Ewell D. Scales
Don Scarboro
Philip W. Schaefer
Henry J. Schaeffer
Rudolph Schantek
John K. Schels
Earl R. Schiffman
William K. Schlef
Joseph K. Schlick
Otto M. Schmidlen
Grover P. Schmitt
Harold N. Schultz
Edward W. Schultze
Carl H. Schulze
William T. Schumacher
Charles F. Schwab
David K. Schwinn
John J. Scott
Robert G. Scott
Russel Scott
Wilkins M. Scott
Lloyd Scruggs
Floyd B. Seamans
James P. Sedinger
Earl H. See
John E. Seissiger
Thurman B. Self
Dwight W. Seymour
Chester O. Shanks
Melvin B. Shansby
William T. Sharp
Paul E. Shea
Melvin W. Shellhorn
Deward E. Shelton
Harold E. Shelton
David E. Sherrill
Frank D. Shinn
Joe D. Shirley
Claude R. Short
Ralph W. Shugert
Robert E. Shull
Edward A. M. Sickert
Joseph C. Siembida
Burt C. Simms
Benjamin S. Singleton
Kenneth W. Singleton
Ned S. Skinner
Larue C. Slack
John W. Slagle
Joseph Sleger, Jr.
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George A. Slusarz
Hubert A. Smiley
Arthur D. Smith
Calhoun Smith
Charles M. Smith
Chester L. Smith
Edward O. Smith
Hulon C. Smith
Hugh L. Smith
Joe E. Smith
Lloyd A. Smith
Patrick D. Smith
Robert D. Smith
Robert E. Smith
Wallace Smith
Wendell P. Smith
William E. Snyder
James V. Snyder
Russell S. Soehner
Raymond W. Solomon
Frank M. Soltys
Michael Sophos
Elmer H. Sorley
Lucion N. Sowell, Jr.
Donald E. Spangler
Hugh S. Spears
George D. Spencer
Justin A. Spencer
James O. Spiller
Leonard C. Spina
Alan J. Spindler
Paul W. Spithaler, Sr.
Robert C. Sroufe
Newbert B. Staley
Max R. Stamps
Ralph B. Stanley
Andrew W. J. Stanton
Burnell E. Starnater
Youry A. Stcherbinine
Raymond B. Steele
Samuel W. Stein
Clifford D. Steiner
Robert E. Stephens
Robert W. Stephens
Frederick R. Sternkopf
Glenn B. Stevens
James A. Stevens
Jesse L. Stewart
Robert F. Stewart
Donald C. Stegermain
Frederick D. Stice
Hugh A. Stiles
Otto G. Stiles
Harold R. Still
Leland S. Stites
Robert E. Stokes
Oscar W. Stoll
Paul W. Stone
Donald W. Stonebraker
Dale E. Stout
Henry B. Stowers
John Strahan
Charles A. Straw
Hubert R. Strong
Earl C. Stutler
Commodore Stutts
Joseph F. Sudduth
Elroy Sudeck
Joseph E. Sullivan
John J. Sullivan
Robert C. Sullivan
Vince C. Sullivan
Henry A. Summers
Burrel E. Sumner
Eddie F. Sumrall
Marvin R. Sutliff
Clarence R. Swann
Robert W. Swayne
Thomas F. Swean
James E. Sweeney
John E. Sweeney
Marion W. Tabler
Frank S. Takach
Raymond G. Tanguay
Fred L. Tanner
Willis C. Tapley
Mangum H. Tart
Albert L. Tate
James D. Tate
Andrew Tatusko
Donald C. Taylor
Eugene A. Taylor
Joe P. Taylor
John R. Taylor
Louis S. Taylor
Andrew Telmanik
Mabry A. Terry
Robert A. Terry
King D. Thatenhurst, Sr.
James R. Thill
Fred L. Thomas
Johnny W. Thomas
Robert E. Thomas
Robert L. Thomas
Dale Thornton
Gilbert E. Thursby
Arthur J. Thyrring
Roy P. Timerman
Wiley E. Tipton
William M. Tipton
James W. Tobias
Stephen J. Tomek
Robert H. Tomkinson, Jr.
William Toth, Jr.
Frederick D. Towle
Willis S. Travis
Robert H. Trost
Dudley J. Troutman
Clifford G. Tryon
Ralph J. Tubbs
Lenard E. Tucker
Newton C. Tullis
Fred L. Turner
Roland L. Turner
Richard D. Turner
Thomas W. Turner, Sr.
Joe N. Tusa
Joseph A. Tworek, Jr.
Joe B. Tyler
Paul H. Ulrich
William G. Umphrey
Maurice S. Updegrave
Joseph C. Usrey, Jr.
Ralph F. Valencic
Philip A. Van Camp
Carlton V. Vance
Jack L. Vanderbeck
Peter J. Vanhekken
Willard J. Vanliew
Roland D. Vary
Buckner T. Vaughn
James C. Venable
Randall M. Vernon
Virgil E. Vetsch
Joseph R. Vickerman
Wallace E. Vickery
Robert W. Virden
Frank L. Vogler
Joe Vuckovich
Hubert E. Waddell
Mac L. Waddle
George L. Wagoner
Edwin J. Walbert
Herman H. Walbert
Stanley F. Waliszek
Arthur C. Walker
Lloyd W. Walker
Warren G. Wall
John Wallace
Harold L. Walters
Johnson Ward
Charles N. Warner
Michael A. Warner
Robert T. Watson, Jr.
William L. B. Watson
Marshall Watwood
Robert W. Waugh

James H. Wayne
Leonard C. Weatherwax
Willard K. Webster
Charles R. Weddel
Melvin A. Wehmueller
John P. Weidner
Samuel A. Weimer, Jr.
Winifred F. Welch
Francis R. Werner
Gerald V. West
Wilbur E. West
George L. Westerlind
Robert H. Westmoreland
Roy L. Whidby
Howard J. White
Roger J. White
Walter R. White
William C. White
Robert L. Whitney
Earl W. Whitten
Orrin S. Whitten
Raymond C. Wilder
Charles J. Wiley
Deronda A. Wilkinson
Henry E. Wilkinson
George H. Willers
William E. Willett
Clifford W. Williams
Floyd C. Williams
James T. Williams
William G. Williams
Raymond D. Willoughby
Charles W. Wilson
Eugene T. Wilson
Jerry E. Wilson
R. B. Wilson
Wesley L. Wilson
William T. Wilson
Ashton C. Wilterding
Edward J. Wines
Malcolm E. Winstead
Dean E. Witty
Ivon D. Wofford
James R. Wolford
Carl G. Womack
Carl J. Wood
James A. Wood
John R. Wood
Stanley J. Wood
Thomas T. Wood
William O. Wood, Jr.
Reece J. Woodard
Levi Woodbury
Douglas G. Woodland
George D. Woods
Ray Woodward, Jr.
Edward A. Wright
Ira L. Wright, Jr.
John A. Wright
Raymon Wright
William J. Wright
John B. Wyatt
Keneth E. Wygal
John W. Wylie
Joseph A. Wyzykowski
Robert A. Yackel
Edward R. Yama
Otto L. Yeater
Walter A. Yoder
Veo S. Yon
Russell W. Yost
Fred F. Young, Jr.
George A. Young
Henry H. Young
Leonard R. Young
William J. Young
Frank S. Zam
Tom A. Zarkos, Jr.
Joseph A. Zarling
Ward H. Zeitelhack
John P. Zimba
Edward L. Zimmerman
Rocco A. Zullo

The following-named officers of the Marine Corps for temporary appointment to the grade of second lieutenant:

Sammy T. Adams
Cyrus S. Adcock, Jr.
Joseph W. Ahearn
Clyde E. Allen
Jesse L. Altman, Jr.
Carl S. Ames
James F. Ammons
Milton A. Anderson
Morris S. Anderson
George T. Anderton, Jr.
Arthur J. Antczak
Frederick G. Arnhoelter
John L. Arnold
John B. Arquiette
Ernest W. Arthur
Allen H. Ash
William C. Ashley
Donald W. Ator
Harold M. Austin, Jr.
John H. Austin
Robert H. Axton
Lloyd H. Azevedo
Joseph E. Babyak
Edward E. Backus
John C. Baggett, Jr.
Paul E. Bailey
Beryl E. Bainbridge
Jesse F. Baird
Gerald F. Baker
Harry J. Baldwin, Jr.
Joseph Balester
Donald S. Ballard
Ronald M. Ballog
Charles D. Banks
John M. Barberi
Ronald M. Barger
Donald E. Barlowe
Gordon P. Barnett
William S. Barrer, Jr.
Thurston B. Barron, Jr.
Frank J. Bartosik
John B. Bates
Eldon L. Baumwart
Edward E. Beach
George H. Beam
Jimmy C. Beaver
Kenneth R. Beck
William R. Beck
Richard W. Beers
James L. Belt
Russell F. Bent
Howard P. Berger
Raymond L. Berube
Dirk C. Bierhaalder
Ellis D. Bingham
Joseph J. Bischoff
John W. Bishop
Kay D. Bjorklund
James O. Black
John G. Black
John R. Black
Leroy I. Blankenship
Walter E. Blayton
Richard C. Blevins
Robert E. Block
Oliver B. Bomar, Jr.
George I. Bomgardner
David T. Bond
Royce L. Bond
Robert E. Borders
Harry R. Boring
Benjamin L. Boswell
Harry J. Bottorff
Mose W. Boyd
Thomas B. Boylan
Joe E. Bradberry
John T. Brassfield
Eugene J. Bratt
Richard P. Bray
Warren R. Bray
Robert F. Breeden
Charles K. Breslauer
Alexander L. J. Bressler
Clyde W. Brewer, Jr.
Charles R. Brindell
Stephen J. Brooks
Carroll E. Brown
Thomas L. Brown
John C. Brownson, Jr.
Frank H. Bruce, Jr.
Thomas M. Bryant
Truman G. Bunce
William J. Bunch
Brian T. Burke
Joe C. Bustin
Richard L. Buzbee
Louis A. Cabral
Robert A. Cadwell
Gene F. Camp
Albert J. Campbell, Jr.
George C. Campbell
Harold R. Campbell, Jr.
William H. Campbell
William S. Campbell
George W. Cannon
John B. Cantieny
Donald J. Capinas
Wilbur M. Carlson
Billy D. Carman
Stephen P. Carney
James H. Carothers, Jr.
Earl E. Carpenter
Charles W. Carroll
Robert E. Carruthers
Denton Carter
Logan Cassedy
Lewis R. Caveney
John P. Caynak
James L. Cellum
Charles T. Chapman
Edward J. Chapman
Junior E. Chauvin
Beryl T. Christlieb
Arthur D. Clark, Jr.
Bobby E. Clark
Robert E. Clary
Glenwood A. Clemens
John E. Clewes
Frank E. Cline
Charles R. Cochran
James B. Cody
Charles T. Coffin
Francis E. Coit
Nicholas Colangelo
Joe M. Cole
James F. Coleman
Joseph W. Connelly, Jr.
Eugene L. Conroy
Thomas J. Consodine, Jr.
Edward C. Cook
John F. Cook
Marcus H. Cook
Gordon R. Cooley
John F. Cope
Joseph G. Corbin
James B. Cordiel
Chester L. Cornish
John F. Cornish, Jr.
Leslie C. Cosby
Johnnie C. Cottrell
Carl E. Courts
Thomas J. Cowper
Donald L. Cox, Jr.
Robert R. Cox, Jr.
Alvin L. Craig
Morris W. Crain
Raymond M. Crawford
Gregory Creekmore, Jr.
George F. Cribb
Robert M. Croll
Robert R. Cronk
Donald A. Crosby
James R. Crutchfield
Jack O. Curtis
James R. Cushman
Duane L. Daake
Otis D. Daniels
Eugene R. Darling
Ben D. Daugherty
Richard K. Davenport
Travis E. Davenport
Stanley W. Dean
James J. Delaney
George F. Delatorre
John B. Demarest
James F. Dempster
Bruce T. Deneen
Lawrence J. Desjardines
Fabian E. Desjardins
James A. Dettman
Edwin L. Dickson
Jack K. Diller
Walter R. Dillow
Robert J. Divoky
John C. Dixon
Wilmer F. Doescher
Russell E. Dolan
Norman M. Dolsen
Jay A. Doub
Albin J. Doublet
Thornton E. Doudna
William Downey, Jr.
Paul L. Drake
George Drazich
Stanley E. Dressler
William E. Driggers
Elmer F. Duggan
Billy R. Duncan
Russell M. Dunn, Jr.
James A. Dupont
James E. Durham
James P. Durham
Frank W. Dutton
Frederick W. Dyson
Gerald T. Eckenfels
Charles Edwards
Joseph N. Elleston
Wilbur M. Elder
John M. Elliott
John R. Elliott
Herbert W. Elmlund
Sheldon M. Emerson
Arthur Eppley
Eldon L. Erickson
William R. Etnyre
Donald C. Evans
Richard L. Evans
Charles W. Eversole
Clifton C. Fancher
Bobby D. Fatherree
Ronald E. Fauver
Warner H. Fellows
Denton S. Fenstermacher
James E. Ferguson
Richard T. Ferry
William C. Filler
James F. Finnessey
Robert E. Finney
Ronald F. Fisher
Malcolm V. Fites
William C. Flaherty
Joseph C. Floyd
Don R. Fogt
Ronald G. Foley
James F. Forhan
Lee D. Foss
Dwight R. Francisco
Ronald L. Fraser
Hamilton P. J. Freburger
Joseph F. Frederick
Wayne E. Freeze
James W. Friberg
Clark W. Frisbie
Kenneth M. Frosch
Calvin L. Fuqua
Francis J. Gajewski
William F. Garvey, Jr.
Peter J. Gaughan
Henry L. Genco
Edward E. Gerding
Barker P. Germagian
George W. Geyer, Jr.
John P. Gibson, Jr.
Clifford R. Gilbert
Robert M. Gile
Walter L. Gimple
Clarence Glidewell, Jr.
James F. Goodspeed
Frank B. Greene
Malcome G. Gregory
Wayne T. Gregory
Ronald G. Grover
Walter C. Gustafson
Roger A. Guth
John D. Gutterman
Chester J. Haines, Jr.
Noel J. Hales
Emmett R. Haley
Ronald L. Hamby
Carl W. Hamilton
Nathan G. Hamrick
Nelson S. Hardacker, Jr.
Donnie N. Harman
Leonard F. Harmeyer
James C. Harper
James A. Harrington
Clifford P. Harris, Jr.
George C. Harris, Jr.
James R. Harris
John A. Hartwick
Robert W. Harwell
Clyde R. Hasemeyer
Paul F. Hastings
Paul G. Hastings
Harold E. Hawkins
Robert R. Hawley
Walter E. Hawthorne, Jr.
Aaron E. Haynes
Curtis E. Hays
Joe M. Head
Virgil I. Heap
Richard J. Hedloff
Henry S. Heffley, Jr.
John A. Hennessy
John O. Henry, Jr.
William E. Henson
George C. Herman
John W. Herndon
Rodger E. Hershey
James O. Hertz
Charles W. Higginbotham
Donald R. Himmer
Julian R. Hines
Floyd D. Hocking
Bernard E. Holzinger
Robert A. Hook
Walter G. Horais
Leonard F. Horan
Robert G. Hout
Henry R. Howard
John G. Howard
Robert F. Hoxie
Richard A. Huckle
Jack J. Hudson
Russell I. Hudson
Edward J. Hukle
Donald L. Humphrey
Bobby G. Hunter
Wayne B. Huston
Alfred J. Iverson
Bobby J. Jackson
Hans W. Jacobsen, Jr.
John H. James
Fidelas W. Jarnot
Gilbert V. Jeffreys
Milton H. Jerabek
Lyle R. Johnson
Robert A. Johnson
Homer R. Johnston
John A. Johnston
Jack D. Jones
Robert C. Jones
Floyd N. Jordan
Robert D. Jordan
Thomas E. Jordan
Danna Joyce
George E. Joyce
William K. Joyner
Martin D. Julian
Joe M. Jurancich
John N. Jurinski
Harold E. Justice
Byron W. Keagle
Gerald A. Keene
Charles C. Keightley
Jennings D. Kelley
Edward L. Kelly, Jr.
Edwin F. Kelly
Harold L. Kendrick
William M. Kendrick
Raymond G. Kennedy
Orlis E. Kennicutt
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Milton S. King
George Kiraly, Jr.
Daniel J. Kison
Harrell C. Kitchens
Robert D. Klein
Edward R. Klisiewicz
Charles R. Kneale
Leroy E. Koleber
Donald E. Kolling
George Y. Kolva
Howard M. Koppenhaver
Raymond M. Kresge
Herbert W. Kress
Charles A. Kritzler
Robert C. Krugh
Harold F. Kuhn
Raymond Kulak
Albert A. Laffin
Nick R. Lamekovski
William J. Lanahan
William P. Lasauskas
Archibald C. Ledbetter
Harry T. Lennen, Jr.
Robert R. Lenz
Kenneth L. Leone
John C. Lewis
William H. Light, Jr.
Eugene E. Likens
Thomas G. Lincoln, Jr.
Jack L. Little
Lamar K. Looney, Jr.
Henry J. Lorenz
Joseph J. Louder
Joseph A. Lovullo
Bobby J. W. Lucas
Donald L. Luce
Lloyd L. Lund
George W. Lutes, Jr.
James H. Lyles
Farquhar Macbeth
Glenn A. MacDonald
John Madden
Gordon E. Malone
Leslie D. Manchester
John W. Manion
Martin J. Marren, Jr.
Charles A. Martin
Floyd S. Mason, Jr.
John R. Matheson
William L. Maughan
Howard J. McCarty
William O. McClellan, Jr.
Lewis F. McClure
Warren M. McConnell
John F. McDonough
George X. McKenna
Richard B. McLaughlin
William W. McMillan, Jr.
James W. McPartlin
Albert A. McVitty
Richard R. Mealhouse
Thomas J. Medina
Earl C. Meek

Robert C. Meredith
Edward P. Mertz
John G. Metas
John F. Meyers
Jesse A. Miller
Robert B. Miller
Robert H. Miller
Rufus B. Miller
William J. Mitchell, Jr.
Alwin L. Moeller, Jr.
Gordon G. Moeller
Bobby G. Moffett
Forrest L. Moffitt
Louis V. Mondo
Robert A. Monfort
Glenn I. Mordine
Robert B. Morrisey
Gene S. Morrow
Domenick Muffi
Joseph F. Mullins, Jr.
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Harold F. Muth
Donald A. Myers
James W. Nash
Allen F. Naze
Delbert L. Nelson
John E. Newcomer
Bobby J. Nichols
John Nicoll
William J. Nielsen
Donald A. Nilsen
Paul Ninichuck
Kenneth E. Noland
Joseph P. Normandeau
Edward L. Nutter, Jr.
Samuel H. Oerly
Robert P. O'Harra
John J. Olexa
Roberto Olivares
Robert A. Olsen
Jack W. Owen
Fred E. Paige, Jr.
Eugene Palic
Nils E. Pallesen
Charles B. Palmer
Carl A. Parand
Hubert L. Parker
Rex D. Parsons
Andrew M. Patsko
Verner C. Pedersen
Clarence J. Pence
Guss H. Pennell, Jr.
John T. Perkins, Jr.
Jimmie R. Phillips
Edward Piontek
Stephen J. Pishock
Charles L. Platt
Harry Pleasants, Jr.
Adam A. Pokorski
Jack Portner
Ralph D. Proctor
Carl R. Provine
Millard E. Pullin
Joseph C. Purcilly, Jr.
Harold V. Radabaugh
Robert G. Radzavage
James W. Rahill
J. C. Rappe
Robert J. Ratcliffe
Karl A. Rauch
William A. Read
Kenneth H. Reagan
William H. Reddick
James E. Redmond
Joseph H. Reilly
Donald D. Reimer
Edward D. Resnik
Roy H. Rhymer
Otto W. Ritter
Jack E. Roesch
George F. Rogers, Jr.
Wayne L. Roles
Melvin Rothblatt
Raymond V. Rothermel
Harold W. Rowland
William W. Rubrecht
Wesley M. Rush
Robert A. Russell
James Ryan, Jr.
James N. Ryder
George W. Ryhanych
William H. Sackett
Ralph W. Salisbury
George Sampson
Frank D. Samuels
Earle L. Sanborn, Jr.
James C. Sarafiny
Victor H. Sartor
Frederick W. Saucier
William D. Saylor
Ralph L. Schiavone
William P. Schlotzhauer
Kenneth R. Schmidt
Laveen D. Schmidt
George R. Schremp, Jr.
John W. Schroeder
Robert P. Scott
Robert E. Seal
George W. Seaman
William G. Sexton
Raymond A. Shaffer
James R. Sharpe
John R. Shea
John A. Shepherd
Harlan A. Shewmake
Edward A. Shields, Jr
Morris S. Shimanoff
Robert J. Shirk
John F. Shovar
Meredith G. Shryock
William P. Sildar
Donald E. Silies
Jack A. Simmons
Jack B. Simmons
George R. Sims
Tony L. Sims
Frank W. Simutis
Richard E. Sloan
Buck D. Smith
Clarence L. Smith
Frank R. Smith
James R. Smith
Clyde R. Snodgrass
Thomas F. Snodgrass
Avery C. Snow
Herbert C. Sommerville
Melvin A. Soper, Jr.
Richard K. Sorenson
Sigurd A. Sorenson
Louis T. Sottile
Thomas J. Southworth, Jr.
Claude E. Spangler
John A. Sparks
Ralph B. Spencer
Homer F. Spiers
Norman R. Stackhouse
Robert C. Stanton
Louis R. Stargel
Fred W. St. Clair
Alfred F. Stein
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Howe A. Stidger
Raymond E. Stouch
George E. Strickland
John C. Studt
Edward B. Subowsty
Joseph R. Sullivan
Donald W. Sumner
Phillip D. Sumner, Jr.
Paul F. Sutherland
Louis S. Swenson
Wayne T. Szydloski
William L. Tanksley
Irving G. Taylor
Daniel E. Terrell, Jr.
Donald N. Thomas
Everett D. Thomason
David F. Thompson
Gerald E. Thompson
Joseph H. Thompson
Lester H. Thompson, Jr.
Roger R. Throckmorton
William M. Thurber
Lyle E. Thurston
Frank T. Tobin
Robert E. Tockstein
Larrance M. Todd
Edward H. Toms
Laurier J. Tremblay
Ralph J. Troupe
George A. Tucker
James R. Tull
Gerald H. Turley
Harry E. Vanfossen
Edward H. Van Hook
Joseph W. Vann, Jr.
Duane R. Vannote
Homer A. Varian, Jr.
Thomas A. Vaughn
Donald J. Verdon
Daniel J. Viera
Raymond H. Vigneron
James A. Vittitoe
Charles D. Vochatzer
Robert J. Votava
Elmer F. Wacklin, Jr.
Charles P. Wager
Robert T. Wages
Donald H. Wahlstrom
Allen R. Walker
Harold M. Walker
James T. Walsh
Michael J. Walsh
Raymond D. Walters
Theodore C. Walton
William W. Wamel, Jr.
Edwin L. Wampler
Elton R. Wampler
Michael E. Warholak, Jr.
Joseph E. Warnack
Harold M. Washington
Bernard Waskowski
Howell E. Watson, Jr.
Thomas W. Watson
Dale E. Watts
Stanley Wawrzyniak
Robert F. Weigle
Gerald A. Weiland
Homer L. Welch
George J. Welker
Glenn T. Wells
William J. Wescott
Donald K. West
Gilbert L. Whidden
Jean P. White
George A. Wickman
Warren H. Wiedhahn, Jr.
Richard A. Wieland
James J. Wiese
Teddy R. Wiley
Kenneth L. Williams
Warren L. Wilson
Morgan L. Wilt
Bruce M. Wincentsen
Aden D. Windham
Billie W. Windsor
Paul A. Wood
Harvey Wright
James H. Wright
Thomas J. Yardley
Arden W. Yeam
Miles M. Yetter
Norman L. Young
Timothy R. Young
Walter S. Zuck

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Wanda M. Shattuck, Brookwood, Ala., in place of A. S. Weaver, retired.

Martha J. Wyatt, Pike Road, Ala., in place of T. E. Bolling, transferred.

Charlie B. Edwards, Sycamore, Ala., in place of L. B. Ledbetter, retired.

ARKANSAS

John A. Fairly, Junction City, Ark., in place of M. P. Muse, removed.

CALIFORNIA

John D. Stephenson, Norwalk, Calif., in place of H. L. Fox, deceased.

COLORADO

George E. Hamblin, Akron, Colo., in place of E. I. Crutchfield, retired.

Ruby M. Colopy, Lake City, Colo., in place of Ethel Lewis, resigned.

George M. Price, Manitou Springs, Colo., in place of G. C. Flake, resigned.

William E. Baker, Morrison, Colo., in place of A. M. Durham, deceased.

CONNECTICUT

Burton W. Henry, Hazardville, Conn., in place of J. E. Lynch, deceased.

Calvin E. Kirchhoff, Quaker Hill, Conn., in place of H. S. McElyea, resigned.

FLORIDA

Delmer T. Warren, Fern Park, Fla., in place of E. L. Toof, deceased.

Chauncey L. Costin, Port St. Joe, Fla., in place of H. A. Drake, retired.

Louise M. Denton, Ruskin, Fla., in place of E. D. Mixon, removed.

GEORGIA

Frances Marion Clark, Blythe, Ga., in place of M. A. C. Byrne, retired.

IDAHO

Howard L. Jenkins, Naples, Idaho, in place of F. L. Mackey, retired.

ILLINOIS

Mary N. Ceyte, Bulpitt, Ill., in place of B. R. Gherardini, resigned.

Weldon A. Tranbarger, Franklin, Ill., in place of W. H. Neece, Jr., transferred.

INDIANA

David H. Jordan, Dunreith, Ind., in place of Odom Durham, resigned.

William F. Reineke, Mount Vernon, Ind., in place of M. W. Smith, deceased.

IOWA

Wendel T. Smith, Mount Pleasant, Iowa, in place of J. N. Hileman, deceased.

Charles R. Mayo, Pocahontas, Iowa, in place of V. F. McCartan, retired.

Loretta M. Steffens, Rowan, Iowa, in place of N. F. Hyde, retired.

Donald R. deGooyer, Sioux Center, Iowa, in place of Isaac Hoeven, retired.

KENTUCKY

Harry W. Holt, Coxs Creek, Ky., in place of J. E. Evans, transferred.

James O. Gibson, Hardinsburg, Ky., in place of M. H. Norton, retired.

James O. Harris, Wheelwright, Ky., in place of H. A. Stancil, resigned.

MAINE

William C. Lint, Mapleton, Maine, in place of H. M. Higgins, retired.

MASSACHUSETTS

Joseph A. Boudreau, Jr., Fiskdale, Mass., in place of M. H. Mallahy, retired.

MICHIGAN

Chester J. Orr, Standish, Mich., in place of A. M. Rokosz, removed.

Clarence L. Carlson, Whitehall, Mich., in place of F. E. Benjamin, resigned.

MINNESOTA

Leslie E. Torrison, Buffalo, Minn., in place of M. C. Hayes, removed.

Harold F. Otto, LeRoy, Minn., in place of J. C. Bert, deceased.

MISSISSIPPI

Delmer E. Edwards, West Point, Miss., in place of S. S. Burrous, deceased.

MISSOURI

Eugene M. Royce, Anderson, Mo., in place of G. C. Hayes, resigned.

Victor N. Remley, Liberty, Mo., in place of C. E. Yancey, Jr., deceased.

NEBRASKA

Reynold F. Nelson, Gordon, Nebr., in place of J. H. Holden, retired.

Russell M. Abrams, Stapleton, Nebr., in place of H. E. Callender, deceased.

NEW HAMPSHIRE

Carl Chase Blanchard, Farmington, N. H., in place of E. E. Lefavour, retired.

Frederick James Rowe, Portsmouth, N. H., in place of P. J. Hickey, deceased.

NEW JERSEY

Paul R. Cronce, Frenchtown, N. J., in place of C. S. Hoff, retired.

Harry H. Seylaz, Lincroft, N. J., in place of C. S. Toop, removed.

Theodore Lee Adams, Ocean City, N. J., in place of Leroy Jeffries, retired.

Abel V. Del Vecchio, Springfield, N. J., in place of O. F. Heinz, retired.

Bruno P. Zorn, Waldwick, N. J., in place of James McQuilken, Jr., resigned.

NEW YORK

Ida Mae Hopkins, Cincinnatus, N. Y., in place of L. H. Ingersoll, retired.

Ralph L. Marshall, Freeport, N. Y., in place of E. A. Rice, retired.

Doris J. Hammond, Millport, N. Y., in place of H. C. Fiala, resigned.

Berta L. Wixon, Trumansburg, N. Y., in place of M. E. Fausette, retired.

Edna H. Purcell, Waterloo, N. Y., in place of J. F. Marshall, resigned.

NORTH DAKOTA

Mandrup C. Olufson, Enderlin, N. Dak., in place of J. G. Martin, transferred.

OHIO

John L. Bricker, Mount Sterling, Ohio, in place of Palmer Phillips, removed.

OKLAHOMA

Walter D. Barrett, Collinsville, Okla., in place of O. V. Stevens, retired.

Martin R. Jackson, Henryetta, Okla., in place of W. E. Ingram, resigned.

Myron M. Gastineau, Taloga, Okla., in place of J. L. Foster, deceased.

OREGON

Myrl A. Haygood, Philomath, Oreg., in place of M. R. Brown, removed.

PENNSYLVANIA

Lydia S. Love, Cheyney, Pa., in place of G. V. Proctor, removed.

John W. Beach, Fairfield, Pa., in place of G. M. Neely, retired.

John W. Reznor, Greenville, Pa., in place of F. W. Moser, retired.

Leonard Wayne Elder, Rochester Mills, Pa., in place of R. M. Henry, resigned.

Edward R. Kulick, Shamokin, Pa., in place of J. E. Staniszewski, retired.

C. Lyman Sturgis, Uniontown, Pa., in place of J. A. Reilly, removed.

Esther S. Neeld, Wrightstown, Pa., in place of J. E. Hilborn, resigned.

SOUTH CAROLINA

Raphael L. Morris, Clemson, S. C., in place of C. R. Goodman, resigned.

SOUTH DAKOTA

Casimir F. Kot, Stephan, S. Dak., in place of K. H. Holtzman, declined.

TENNESSEE

Josephine H. Vandergriff, Briceville, Tenn., in place of Lutie Davis, retired.

Len K. Mahler, Cookeville, Tenn., in place of F. P. Moore, retired.

Laverne M. Tabor, Crossville, Tenn., in place of H. E. Davenport, resigned.

LeRoy M. Cook, Gallatin, Tenn., in place of O. V. Smith, retired.

Charlene M. Reece, Jonesboro, Tenn., in place of E. R. McAmis, transferred.

VERMONT

Morris W. Depew, Dorset, Vt., in place of S. M. Matson, deceased.

VIRGINIA

William L. Pickhardt, Chester, Va., in place of M. H. Truby, deceased.

Beulah W. Davis, Concord, Va., in place of J. M. Cross, retired.

Marion L. Beeton, Lexington, Va., in place of F. C. Davis, retired.

Virginia C. Foskett, Lynnhaven, Va., in place of M. V. Mills, retired.

Richard F. Weaver, New Market, Va., in place of E. M. Bennick, removed.

Ralph T. Phillips, Parksley, Va., in place of H. T. Scarborough, retired.

Flora M. Branham, Pound, Va., in place of G. L. Robinson, retired.

WEST VIRGINIA

Lee F. Hornor, Bridgeport, W. Va., in place of M. K. Brown, resigned.

John L. McMahon, Follansbee, W. Va., in place of J. J. Walker, retired.

Sabinus M. McWhorter, Weston, W. Va., in place of L. S. Switzer, retired.

WISCONSIN

Clifford J. McKenzie, Centuria, Wis., in place of M. C. Hoey, transferred.

Virginia F. Waupochick, Keshena, Wis., in place of B. E. James, removed.

Amy J. Pofahl, Pleasant Prairie, Wis., in place of L. A. Pofahl, deceased.

Estelle W. Hill, Sarona, Wis., in place of H. A. Stromberg, transferred.

Herbert N. Hoskins, Shell Lake, Wis., in place of J. S. Kennedy, deceased.

Wallace L. Nelson, Siren, Wis., in place of J. S. Dodson, retired.

WYOMING

Evalee V. Arnwine, Linch, Wyo. Office established December 1, 1951.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 14 (legislative day of July 2), 1954:

UNITED STATES DISTRICT JUDGE

Walter E. Hoffman to be United States district judge for the eastern district of Virginia. (New position.)

UNITED STATES MARSHAL

William A. O'Brien to be United States marshal for the eastern district of Pennsylvania.

WITHDRAWALS

Executive nominations withdrawn from the Senate July 14 (legislative day of July 2), 1954:

POSTMASTERS

ALABAMA

Sara K. Lee, postmaster at Flat Rock, Ala.

ARKANSAS

Mrs. Jessie C. Brewer, postmaster at Higginson, Ark.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 14, 1954

The House met at 12 o'clock noon.

Rev. Father Joseph L. Teletchea, St. Patrick's Church, Washington, D. C., offered the following prayer:

O God, who at this critical moment of the world's history hast chosen to place such great burdens upon the minds and hearts of our Representatives, go before them, we beseech Thee, in all their doings with Thy gracious inspiration, and further them with Thy continual help, that their every prayer and work may begin from Thee, and by Thee be duly ended.

Let not ignorance draw them into devious paths, nor partiality sway their minds. Neither let respect of riches or persons pervert their judgment; but unite them to Thee effectually by the gift of Thine only grace, that they may be one in Thee and may never forsake the truth; that so in this life their judgment may in nowise be at variance with Thee; and in the life to come they may attain to everlasting rewards for deeds well done. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5173. An act to provide that the excess of collections from the Federal unemployment tax over unemployment compensation administrative expenses shall be used to establish and maintain a $200 million reserve in the Federal unemployment account which will be available for advances to the States, to provide that the remainder of such excess shall be returned to the States, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MILLIKIN, Mr. MARTIN, Mr. WILLIAMS, Mr. GEORGE, and Mr. BYRD to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to a bill and concurrent resolution of the Senate of the following titles:

S. 1303. An act to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship by voting in a political election or plebiscite held in occupied Japan; and

S. Con. Res. 79. Concurrent resolution to express the sense of the Senate on continuing the operation of a tin smelter at Texas City, Tex., and to investigate the need of a permanent domestic tin-smelting industry and the adequacy of our strategic stockpile of tin.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 4854) entitled "An act 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," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CORDON, Mr. MILLIKIN, Mr. WATKINS, Mr. ANDERSON, and Mr. JACKSON to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2900) entitled "An act to authorize the sale of certain land in Alaska to the Harding Lake Camp, Inc., of Fairbanks, Alaska, for use as a youth camp and related purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CORDON, Mr. WATKINS, Mr. KUCHEL, Mr. JACKSON, and Mr. LONG to be the conferees on the part of the Senate.

SPECIAL ORDERS GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 3 hours tomorrow, after the business of the House is completed and following any special orders heretofore entered into, and that I may address the House for an hour today.

The SPEAKER. The Chair wishes to announce that any speeches over an hour in length must have the approval of all Members of the House.

The gentlewoman from Massachusetts asks unanimous consent that she may speak for 3 hours tomorrow afternoon. Is there objection?

Mr. MASON. Mr. Speaker, I will have to object.

The SPEAKER. The gentleman from Illinois objects.

Is there any other request the gentlewoman wishes to submit?

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that I may be allowed to speak for 2 hours tomorrow afternoon.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that I may speak for 1 hour this afternoon, following the legislative program and any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

SANTA MARGARITA RIVER PROJECT

Mr. MILLER of Nebraska. Mr. Speaker, I call up the conference report 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 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, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2111)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to 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, California, 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, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 1.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the language inserted by the Senate amendment insert the following:

"That the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388), and Acts amendatory thereof or supplementary thereto, as far as those laws are not inconsistent with the provisions of this Act, is authorized to construct, operate, and maintain such dam and other facilities as may be required to make available for irrigation, municipal, domestic, military, and other uses the yield of the reservoir created by De Luz Dam to be located immediately below the confluence of De Luz Creek with Santa Margarita River on Camp Joseph H. Pendleton, San Diego, California, for the Fallbrook Public Utility District and such other users as herein provided. The authority of the Secretary to construct said facilities is contingent upon a determination by him that—

"(a) the Fallbrook Public Utility District shall have entered into a contract under subsection (d), section 9, of the Reclamation Project Act of 1939 undertaking to repay to the United States of America appropriate portions, as determined by the Secretary of the actual costs of constructing, operating, and maintaining such dam and other facilities, together with interest as hereinafter provided; and under no circumstances shall the Department of the Navy be subject to any charges or costs except on the basis of its proportional use, if any, of such dam and other facilities, as determined pursuant to section 2 (b) of this Act;

'(b) the officer or agency of the State of California authorized by law to grant permits for the appropriation of water shall have granted such permits to the United States of America and shall have granted permits to the Fallbrook Public Utility District for rights to the use of water for storage and diversion as provided in this Act; including, as to the Fallbrook Public Utility District, approval of all requisite changes in points of diversion and storage, and purposes and places of use;

"(c) The Fallbrook Public Utility District shall have agreed that it will not assert against the United States of America any prior appropriative right it may have to water in excess of that quantity deliverable to it under the provisions of this Act, and will share in the use of the waters impounded by the De Luz Dam on the basis of equal priority and in accordance with the ratio prescribed in section 3 (a) of this Act; this agreement and waiver and the changes in points of diversion and storage, required by the preceding paragraph, shall become effective and binding only when the dam and other facilities herein provided for shall have been completed and put into operation: *Provided, however,* That the enactment of this legislation does not constitute a recognition of, or an admission that, the Fallbrook Public Utility District has any rights to the use of water in the Santa Margarita River, which rights, if any, exist only by virtue of the laws of the State of California; and

"(d) The De Luz Dam and other facilities herein authorized have economic and engineering feasibility.

"SEC. 2. (a) In the interest of comity between the United States of America and the State of California and consistent with the historic policy of the United States of America of Federal noninterference with State water law, the Secretary of the Navy shall promptly comply with the procedures for the acquisition of appropriative water rights required under the laws of the State of California as soon as he is satisfied, with the advice of the Attorney General of the United States, that such action will not adversely affect the rights of the United States of America under the laws of the State of California.

"(b) The Department of the Navy will not be subject to any charges or costs in connection with the De Luz Dam or its facilities, except upon completion and then shall be charged in reasonable proportion to its use of the facilities under regulations agreed upon by the Secretary of the Navy and Secretary of the Interior.

"SEC. 3. (a) The operation of the dam and other facilities herein provided shall be by the Secretary of the Interior, under regulations satisfactory to the Secretary of the Navy with respect to the Navy's share of the impounded water and National Security. In that operation, 60 per centum of the water impounded by De Luz Dam is hereby allotted to the Secretary of the Navy, 40 per centum of the water impounded by De Luz Dam is hereby allotted to the Fallbrook Public Utility District. The Department of the Navy and the Fallbrook Public Utility District will participate in the water impounded by De Luz Dam on the basis of equal priority and in accordance with the ratio prescribed in the preceding sentence: *Provided, however,* That at any time the Secretary of the Navy certifies that he does not have immediate need for any portion of the aforesaid 60 per centum of the water, the official agreed upon to administer the dam and facilities is empowered to enter into temporary contracts for the delivery of water subject, however, to the first right of the Secretary of the Navy to demand that water without charge and without obligation on the part of the United States of America upon 30 days' notice as set forth in any such contract with the approval of the Secretary of the Navy: *Provided further,* That all moneys paid in to the United States of America under any such contract shall be covered into the general fund of the Treasury, and shall not be applied against the indebtedness of the Fallbrook Public Utility District to the United States of America. In making any such temporary contracts for water not immediately needed by the Navy, the first right thereto, if otherwise consistent with the laws of the State of California, shall be given the Fallbrook Public Utility District.

"(b) The general repayment obligation of the Fallbrook Public Utility District (which shall include interest on the unamortized balance of construction costs of the project allocated to municipal and domestic waters at a rate equal to the average rate, which rate shall be certified by the Secretary of the Treasury, on the long-term loans of the United States outstanding on the date of this Act) to be undertaken pursuant to section 1 of this Act shall be spread in annual installments, which need not be equal, over a period of not more than 56 years, exclusive of a development period, or as near thereto as is consistent with the operation of a formula, mutually agreeable to the parties, under which the payments are varied in the light of factors pertinent to the irrigators' ability to pay. The development period shall begin in the year in which water for use by the district is first available, as announced by the Secretary, and shall end in the year in which the conservation storage space in De Luz Reservoir first fills but shall, in no event, exceed 17 years. During the development period water shall be delivered to the district under annual water rental notices at rates fixed by the Secretary and payable in advance, and any moneys collected in excess of operation and maintenance costs shall be credited to repayment of the capital costs chargeable to the district and the repayment period fixed herein shall be reduced proportionately. The Secretary may transfer to the district the care, operation, and maintenance of the facilities constructed by him under conditions satisfactory to him and to the district and, with respect to such of the facilities as are located within the boundaries of Camp Pendleton, satisfactory also to the Secretary of the Navy.

"(c) For the purposes of this Act the basis, measure, and limit of all rights of the United States of America pertaining to the use of water shall be the laws of the State of California: *Provided,* That nothing in this Act shall be construed as a grant or a relinquishment by the United States of America of any of its rights to the use of water which it acquired according to the laws of the State of California either as a result of its acquisition of the lands comprising Camp Joseph H. Pendleton and adjoining naval installations, and the rights to the use of water as a part of said acquisition, or through actual use or prescription or both since the date of that acquisition, if any, or to create any legal obligation to store any water in De Luz Reservoir, to the use of which it has such rights, or to require the division under this Act of water to which it has such rights.

"(d) Unless otherwise agreed by the Secretary of the Navy, De Luz Dam as herein provided shall at all times be operated in a manner which will permit the free passage of all of the water to the use of which the United States of America is entitled according to the laws of the State of California either as a result of its acquisition of the lands comprising Camp Joseph H. Pendleton and adjoining naval installations, and the rights to the use of water as a part of said acquisitions, or through actual use or prescription or both since the date of that acquisition, if any, and will not be administered or operated in any way which will impair or deplete the quantities of water to the use of which the United States of America would be entitled under the laws of the State of California had that structure not been built.

"SEC. 4. After the construction of the De Luz Dam, the official operating the reservoir shall deliver water to the Fallbrook Public Utility District, pursuant to regulations issued by the Secretary of the Interior, as follows:

"(1) One thousand eight hundred acre-feet in any year until the reservoir attains an active content of sixty-three thousand acre-feet;

"(2) Not in excess of four thousand eight hundred acre-feet in any year after the reservoir attains an active content of sixty-three thousand acre-feet and until said reservoir attains an active content of ninety-eight thousand acre-feet; and

"(3) Not in excess of eight thousand acre-feet in any year after the reservoir attains an active content of ninety-eight thousand acre-feet and until the conservation storage space of the reservoir has been filled.

"SEC. 5. The Secretary of the Army through the Chief of Engineers, acting in accordance with section 7 of the Flood Control Act of 1944 (58 Stat. 887) is authorized to utilize for purposes of flood control such portion of the capacity of De Luz Reservoir as may be available therefor.

"SEC. 6. There are hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, $22,636,000, the current estimated construction cost of the Santa Margarita River project, plus or minus such amounts as may be indicated by the engineering cost indices for this type of construction, and, in addition thereto, such sums as may be required to operate and maintain the said project.

"SEC. 7. From time to time the Attorney General, the Secretary of the Interior, and the Secretary of the Navy shall report to the Congress concerning the conditions specified in section 1 of this Act, and the first report thereon shall be submitted to the Congress no later than one year from the date of enactment of this Act."

And the Senate agree to the same.

Amend the title so as to read: "An Act to authorize the Secretary of the Interior to construct facilities to provide water for irrigation, municipal, domestic, military, and other uses from the Santa Margarita River, California, and for other purposes."

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

A. L. MILLER,
WESLEY A. D'EWART,
JOHN P. SAYLOR,
CLAIR ENGLE,
WAYNE N. ASPINALL,
Managers on the Part of the House.

EUGENE D. MILLIKIN,
ARTHUR V. WATKINS,
THOMAS H. KUCHEL,
JAMES E. MURRAY,
CLINTON P. ANDERSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to 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, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1: The House accepts the Senate amendment.

Amendment No. 2: The House recedes from its disagreement to the amendment of the Senate and agrees to the same with an amendment as heretofore set forth.

The managers for the House expressed concern at conferences on this bill lest the language of section 2 (a), coupled with the requirement set forth in section 1 (b), that prior to construction the State of California shall have granted a permit to the United States for rights to the use of water for storage and diversion as provided in the bill, would serve as a roadblock to proceeding with construction of the project. As a result of this concern, a letter was sent to the Attorney General asking what doubts the Justice Department might have concerning possible adverse effect on riparian rights, under California law, from action taken to obtain permits for the appropriation of flood flows which would be stored by the De Luz Dam. By letter dated June 22, 1954, the Attorney General furnished the conferees a 17-page memorandum on the matter, the conclusion of which follows:

"Loss to the United States of America of invaluable presently existing, long-exercised, riparian rights to the use of water in the Santa Margarita River will ensue if the requisite steps are taken to prosecute to completion appropriative rights in that stream to meet demands for water at Camp Pendleton, the United States Naval Hospital, and the United States Naval Ammunition Depot."

The managers for the House have carefully studied this memorandum and they wish to make it clear that they are not convinced by this memorandum that the riparian rights of the United States could be prejudiced under California law by prosecution to completion of appropriative rights to flood waters. With this understanding of their position and upon pointing out that the memorandum bears out their original concern with respect to the language in section 2 (a), the managers for the House agreed not to press further for changes in the language in section 2 (a) as it became evident that such action could only end in permanent disagreement.

The House agrees to the title change made by the Senate.

A. L. MILLER,
WESLEY A. D'EWART,
JOHN P. SAYLOR,
CLAIR ENGLE,
WAYNE N. ASPINALL,
Managers on the Part of the House.

Mr. MILLER of Nebraska. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to, and a motion to reconsider was laid on the table.

JAMES I. SMITH

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1673) for the relief of James I. Smith, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Line 7, strike out "act." and insert "act".
Line 9, strike out "have" and insert "has."

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

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider was laid on the table.

HATSUKO KUNIYOSHI DILLON

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5578) for the relief of Hatsuko Kuniyoshi Dillon with an amendment of the Senate thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 10, strike out all after "act." over to and including line 3 on page 2.

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

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

DOES THE AMERICAN MEDICAL ASSOCIATION BLOCK MEDICAL ADVANCEMENT?

Mr. SIEMINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. SIEMINSKI. Mr. Speaker, for insertion at this point in the RECORD, under unanimous consent, are the remarks of a brave and fearless man; grievously wounded in World War II, Mr. Joseph F. Burke returned to America from the battlefields of Europe determined to brighten the plight of the wounded.

Here is his story as told the other day, on July 9, 1954, to the Astoria chapter, of the Disabled American Veterans in Long Island City, N. Y. Mr. Burke, a constituent, is 2d national junior vice commander of the DAV.

The core of Mr. Burke's remarks would suggest that the American Medical Association do its best to keep its muzzle on when it passes through soldier terrain, lest it bite the hand—Uncle Sam's—that has helped it so often; and, as the AMA moves, to be very careful, lest it knock over signs which read "men at work," especially when the work is directed at brightening the

plight of the wounded, now and for the future:

AMA: AMERICAN MEDICAL ASSOCIATION OR AGAINST MEDICAL ADVANCEMENT

(Remarks by Joseph F. Burke, second national junior vice commander, Disabled American Veterans)

There are times when a man stands on a public platform and feels the need to speak out against an organization. His evaluation of that organization is necessarily tempered because of the realization that the people who make up the membership are not at fault. I am in that situation now as regards the American Medical Association. The American people, or all peoples of the world, for that matter, are indebted to those who follow the Hippocratic oath. Your speaker is certainly one of those. On January 2, 1944, I was wounded on the approaches to Cassino, Italy, while serving my country in time of war. The repair of the left arm wound by amputation was one of the easier operative procedures performed by these masters of the medical profession. With both arms and legs damaged to the extent of smashed bones, torn muscles, and severed nerves, and internal wounds showing a number of punctures of the stomach, liver, lungs, and spleen, it is a marvel to me today that the surgical team of Major Brinker and Captain Moore was able to repair such bodily damage in six exhaustive and intensive hours of surgery. It was their skill and God's will that permits me to address you tonight. I say this not because I am unique, as there are many in this room who know that this is a typical case history of thousands of former GI's. The debt of gratitude I owe these men I will never be able to repay.

And because of my strong feeling against the policies of the American Medical Association, the remarks I make tonight reflect only my own personal opinion, and is not to be construed as being the feeling of the national organization of the Disabled American Veterans.

Yet, as a veteran I must speak out against the American Medical Association, who professes to represent the thoughts of the entire medical profession. Their expressions of disagreement with the Veterans' Administration hospital program has been injurious to the entire veteran population. The American people, through its elected representatives, has brought for the finest medical program for veterans, only to suffer attacks on their efforts to care for the wars' disabled. As a result, we face a serious curtailment of the Disabled American Veterans' program for veterans. We find that by advocating the return of mental and tubercular patients to city, county, and State institutions under the guise of a reduced tax program, the AMA reveals an immature outlook, since there will be no savings, because these local governments will be charged with too big a burden and the veterans will then receive less than the best of care as intended by our laws. We demand an opportunity to monitor the care to be given our mental and tubercular patients in Veterans' Administration hospitals instead of in city, county, and State institutions which at best would be inefficiently administered, and without any control by the Federal Government. Again, where would the savings be in taxes? It would cost just as much for the maintenance and care of these veterans in these lower institutions because they are overcrowded now. This influx of a veteran population would make conditions chaotic, with the resultant loss of medical efficiency and proper care to the patient, both veteran and nonveteran.

The Disabled American Veterans will continue to fight any approach of this sort under the guise of tax reduction. We believe that the American people will willingly accept the care of the war disabled and the necessary hospitalization and care of the indigent war veterans as a part of the cost of war. Congress recognized this responsibility and provided for it by laws.

It is true in the technical sense that the majority of our hospitalized veterans are admitted for disabilities labeled nonservice connected. However, honest medical opinion will admit that a probable relationship of the postservice disease or debility exists with the veteran's service. So, with this aforementioned probable relationship who can say that those who experienced the anxiety attached with the hazards of war have not incurred that basic lowered threshold of fatigue and susceptibility which invites illness. Since medical opinion may be altered with the new policy of the AMA this theory may not stand a professional argument today.

One of the strong points made by the AMA against the hospitalization of veterans was that their investigation disclosed that a veteran earning $50,000 a year was found hospitalized for a nonservice connected condition. Now I ask you, how many veterans today are making $50,000 a year? The argument is unfounded on the surface, and in addition, it was later discovered that the veteran had been, in fact, treated for a service connected condition. A second point made by the AMA against hospitalization was that the Veterans' Administration hospitals harbor an army of alcoholics. Now all of us in this room know the strict rules by which the Veterans' Administration hospitals operate. It is an established fact that a veteran will receive an immediate disciplinary discharge and not be eligible for readmission for 90 days if he displays drunkenness on the ward. This charge simply cannot be true because the regulations do not permit prolonged hospitalization for such a condition. In passing, please let me call your attention to the often expressed opinion of the medical profession that alcoholism is a disease; very often the manifestation of a mental disorder. Does the AMA now say that a disease should not be treated?

The AMA arguments against nonservice-connected cases appears to revolve around the issue of ability to pay. Certainly we realize that group hospitalization or insurance plans are available. However, being mainly group policies, they are available to only those whose employment status serves as a prerequisite. The employer or union can insure that the group plans are the best available for the employees and union members. Yet this takes care of only a certain segment of the population. There are private plans available to anyone outside of a company or union, but these are usually so honeycombed with so many clarifying and delimiting clauses that the average policy is not sufficient to meet an individual's need. Ability to pay is a misnomer in many cases even with the above plans which have limitations. The average cost for an operation and hospitalization at prevailing rates, room and board, nursing care, averages $12 a day. Medicines, treatments, X-rays, and doctor's visits are all extra. A reasonable figure for 1 month's hospitalization under these conditions would amount to $870 a month. The average head of a family earns $3,500 per year. Where is the ability to pay?

The AMA makes the claim that veteran's hospitalization programs are nothing but socialized medicine. Today we face these continuous increasing cries from one agency or another, "the road to socialism." Crying socialism is no argument since it is an established policy in politics today to label your opponent with an unpopular title. Bipartisan legislation over the years in our State and Nation have caused such things to come into being; social security, Federal old-age benefits, employment compensation, compulsory disability insurance, and Federal aid to education. Is the AMA opposed to these advances and progresses? Then why do they feel that taking care of or insuring the proper health of the veteran segment of the population is another step toward socialism?

Let us look at how the AMA people have benefited under the Government aid. Under the GI bill, how many doctors have increased their knowledge in their chosen field? How many ex-GI's have become doctors under the GI bill? Millions of dollars which have been advanced in this country for medical research has helped the advance of medicine. Was this socialism? The generosity of the American people, through charitable drives, contributed a great deal of money to medical research on cancer, tuberculosis, heart disease, crippled children's research, and muscular dystrophies. Would the AMA prefer that these necessary monies be obtained through taxation rather than this support of medicine by the people? Let me give you the benefit of my own experience with the shortsightedness of the AMA.

In World War II, I was one of 50,000 amputees and like everyone of them, my amputation healed and I found myself ready for an artificial arm. I found that since the Civil War, no improvements had been made in the prosthetics devices field. Now mind you, the doctor's job is not finished with the sewing of a stump; he is also responsible for the fitting of the amputee with a suitable limb and insure the ability to obtain some use of the artificial limb. Imagine our dismay when we found that the artificial hand was not expected to perform any function other than to serve as a cosmetic device; to appear two-handed. A heavy cumbersome thing which served better hanging in the closet. The useful device was a heavy hook which was still operated by rubber bands and a heavy cable which proceeded to tear the sleeves out of our clothing. I know the leg amputee had only about three times as many heartaches trying to walk in the crude limbs which served no better than the old fashioned peg. This was certainly disheartening to the new born amputee. However, near the end of World War II, the plight of the amputee became evident and a newspaperman, a retired officer who was himself an amputee, and a few other interested people from all walks of life convinced the Government to form a committee on prosthetic research.

This committee was formed by and of members unrelated with the AMA, who failed to encourage the project and refused it help. With the support of Congresswoman EDITH NOURSE ROGERS, the Army and the Navy, the limb manufacturers, this research began. The difficulties were tremendous and each year was a greater struggle for necessary funds from the Congress for its operation. At no time did the AMA offer its help, and it would have been greatly welcomed, and would have been an invaluable aid; yet, what are the committee's results? Its research programs at the Army Prosthetic Research Laboratory, Northrop Aviation Corp., New York University, the University of Southen California, and the International Business Machines produced artificial aids to greet the amputee of the Korean conflict and all amputees which were far superior to any available to World War II at the close of the war. This work is still going on today, and as yet the AMA as an organization has not contributed one iota toward the program.

I charge that the AMA no longer stands for American Medical Association, but it means to me "against medical advancement." In the halls of Congress as of this moment, facts against the AMA are being brought out. We know that isolationism as regards to people means that the concern of these people is for the United States itself. But even those people who believe in such a "go it

alone" theory, would not go along with the AMA theory of isolationism in medicine. Medical research in other countries beside our own has brought forth many new and constructive theories as regards, for instance, cancer. The AMA is now fighting the introduction into this country of such proven research. I point out to you in passing that Sir Alexander Fleming, an Englishman, was not an American but contributed greatly in the advance with penicillin which has benefited mankind. Sister Kenny, an Australian, whose treatment of polio although proven beneficial time and time again has yet to receive AMA approval. This hierarchy which speaks for the medical profession in the United States with its dangerous control of medical thinking has done more to retard medical advancement than any uneducated or illiterate segment of our population in their refusal to accept medical treatment over the years. We as veterans and especially in our consideration of disabled veterans, which is the only reason for the DAV to be in existence, that is our creed, that "our mission as a Disabled American Veterans organization is not fulfilled until all our country's wartime disabled, their widows, and their dependents, have been adequately cared for," recognize as one of our greatest adversaries those who speak for the AMA. The crucifix of the AMA's making bears not the figure of Christ, but the war's mangled veteran. Since the days of George Washington, it was recognized that the war's disabled became more susceptible to the ravages of disease. We feel that the Veterans' Administration program of care for the hospitalized veteran at times can be improved. On the basis of results today, we know that it is the finest medical program in the country. We have more than 6,300 doctors, 865 dentists, and 13,800 trained nurses. This program of care for the veteran is without parallel in any other nation in the world. The debt of honor has been assumed by the American people with little or no complaint. The veteran himself is a taxpayer and yet the AMA for reasons best known to itself continues to fight the well regulated program of the United States Government. It fights the administration of President Eisenhower on the health program which he has offered to the Nation. I charge the AMA as being against medical advancement because of their own self-centered interests and of dictating to this Nation what the policies of health and welfare should be from their conception and their conception alone. The DAV will continue to fight the AMA on the issues of disabled veterans, and I hope all the people of this Nation will fight those few who speak for the AMA, who resist the health and research programs necessary for the well-being of our country.

SPECIAL ORDER GRANTED

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

AUTHORIZING THE SPEAKER TO RECOGNIZE MEMBERS ON MOTIONS TO SUSPEND THE RULES

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it shall be in order on Wednesday, July 21, for the Speaker to recognize Members for motions to suspend the rules.

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

There was no objection.

RULES FOR PROCEDURE ON REVIEW OF DECISIONS OF UNITED STATES TAX COURT

Mr. KEATING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1067) to authorize the Supreme Court of the United States to make and publish rules for procedure on review of decisions of the Tax Court of the United States, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That chapter 131 of title 28 of the United States Code be amended by adding at the end thereof a new section, as follows:

"'§ 2074. Rules for review of decisions of the Tax Court of the United States

"'The Supreme Court shall have the power to prescribe, and from time to time amend, uniform rules for the filing of petitions of notices of appeal, the preparation of records, and the practice, forms, and procedure in the several United States Courts of Appeals in proceedings for review of decisions of the Tax Court of the United States.

"'Such rules shall neither abridge, enlarge, nor modify the substantive rights of any litigant.

"'Such rules shall not take effect until they shall have been reported to Congress by the Chief Justice at or after the beginning of a regular session thereof but not later than the 1st day of May, and until the expiration of 90 days after they have been thus reported.'

"SEC. 2. The chapter analysis of chapter 131 of title 28 of the United States Code immediately preceding section 2071 is amended by adding at the end thereof the following:

"'2074. Rules for review of decisions of the Tax Court of the United States'."

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

There was no objection.

The Senate amendment was agreed to, and a motion to reconsider was laid on the table.

REPORTS FROM COMMITTEE ON RULES

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until midnight tonight to file any rules.

The SPEAKER. Is there objection?

There was no objection.

TO AMEND THE ATOMIC ENERGY ACT OF 1946, AS AMENDED

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 630, Rept. No. 2214), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Joint Committee on Atomic Energy, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SPECIAL COMMITTEE TO INVESTIGATE EXPENDITURES OF CANDIDATES FOR THE HOUSE OF REPRESENTATIVES

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 439, Rept. No. 2215), which was referred to the House Calendar and ordered to be printed:

Resolved, That a special committee of five Members be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1955, with respect to the following matters:

1. The extent and nature of expenditures made by all candidates for the House of Representatives in connection with their campaign for nomination and election to such office.

2. The amounts subscribed, contributed, or expended, and the value of services rendered, and facilities made available (including personal services, use of advertising space, radio and television time, office space, moving-picture films, and automobile and other transportation facilities) by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, to or on behalf of each such candidate in connection with any such campaign or for the purpose of influencing the votes cast or to be cast at any convention or election held in 1954 to which a candidate for the House of Representatives is to be nominated or elected.

3. The use of any other means or influence (including the promise or use of patronage) for the purpose of aiding or influencing the nomination or election of any such candidates.

4. The amounts, if any, raised, contributed, and expended by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, including any political committee thereof, in connection with any such election, and the amounts received by any political committee from any corporation, labor union, individual, individuals, or group of individuals, committee, or partnership.

5. The violations, if any, of the following statutes of the United States:

(a) The Federal Corrupt Practices Act.

(b) The act of August 2, 1939, as amended, relating to pernicious political activities, commonly referred to as the Hatch Act.

(c) The provisions of section 304, Public Law 101, 80th Congress, chapter 120, 1st session, referred to as the Labor Management Relations Act, 1947.

(d) Any statute or legislative act of the United States, or of the State within which a candidate is seeking nomination or reelection to the House of Representatives, the violation of which Federal or State statute, or statutes, would affect the qualification of a Member of the House of Representatives within the meaning of article I, section 5, of the Constitution of the United States.

6. Such other matters relating to the election of Members of the House of Representatives in 1954, and the campaigns of candi-

dates in connection therewith, as the committee deems to be of public interest, and which in its opinion will aid the House of Representatives in enacting remedial legislation, or in deciding contests that may be instituted involving the right to a seat in the House of Representatives.

7. The committee is authorized to act upon its own motion and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made to the committee under oath, by any person, candidate, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in such complaint are immaterial or untrue. All hearings before the committee, and before any duly authorized subcommittee thereof, shall be public, and all orders and decisions of the committee, and of any such subcommittee shall be public.

For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such public hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the 83d Congress, to employ such attorneys, experts, clerical, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, and to take such testimony as it deems advisable. Subpenas may be issued under the signature of the chairman of the committee or any subcommittee, or by any member designated by such chairman and may be served by any person designated by any such chairman or member.

8. The committee is authorized and directed to report promptly any and all violations of any Federal or State statutes in connection with the matters and things mentioned herein to the Attorney General of the United States in order that he may take such official action as may be proper.

9. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties prescribed by law.

That said committee is authorized and directed to file interim reports whenever in the judgment of the majority of the committee, or of a subcommittee conducting portions of said investigation, the public interest will be best served by the filing of said interim reports, and in no event shall the final report of said committee be filed later than January 3, 1955, as hereinabove provided.

AMENDING TITLE II OF THE CAREER COMPENSATION ACT OF 1949

Mr. LATHAM. Mr. Speaker, I call up House resolution (H. Res. 624) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (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. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from New York is recognized for 1 hour.

Mr. LATHAM. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH].

I yield myself such time as I may require.

Mr. LATHAM. Mr. Speaker, I rise to urge the adoption of House Resolution 624 which will make in order the consideration of 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.

House Resolution 624 provides for an open rule with 1 hour of general debate.

Mr. Speaker, this bill proposes to revise upward the scale for computing reenlistment bonuses paid under the Career Compensation Act. Under the proposed legislation, payments will be based upon the number of years for which a person reenlists, computed upon the grade in which an enlisted member is serving at the time his enlistment expires preceding his reenlistment.

First reenlistment bonuses would be greater than for the second and become progressively less for the third and fourth reenlistments. The reason for this is that the number of men reenlisting at the end of the first enlistment period is much smaller than after the second, third, and fourth. It is therefore important that the incentive for enlistment be highest at the end of the first enlistment period.

Mr. Speaker, according to the report on this bill, the maximum amount of reenlistment bonuses to which an individual would be entitled to under this bill would be $2,000. S. 3539 would raise the amount of bonuses to $560 more than is allowed under the present limitation.

The bill would also provide that no reenlistment bonuses would accrue after the completion of 20 years of service, notwithstanding the maximum bonus allowance.

Mr. Speaker, the bill attempts to revise the reenlistment bonus scale so that the individual who has advanced up in the services through promotion would receive a larger bonus for reenlistment than the individual who has not progressed in rank over the years.

This bill should receive the attention of the House membership for the simple reason that it is vital that the United States maintain a strong military force.

Mr. Speaker, I hope that the rule will be adopted by the House without delay and that we may proceed to the consideration of the bill.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have no objection to the consideration of this rule or to the bill which it makes in order. I know of no objection to the bill.

My purpose in taking this time is to say to the chairman of the committee that I think the minority is at least entitled to the courtesy of being informed as to what rules are to be called up so that we may know just what to expect and what is going to be done.

I did not know this rule was to be called up. Neither the rule nor the bill were available at the desk; we had to send for them and just succeeded in getting them.

I had been informed that another bill was to be called up.

I think I am easy to get along with and I am not going to complain unduly, but I take this moment to say that I shall insist from now on that we be given ample notice of what rules are going to be called up in the morning. I do not want to consume the time of the House by quorum calls but I shall certainly be forced to do that in order to keep ourselves on this side informed as to what is the program for the day.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Illinois.

Mr. ARENDS. As was included in the whip notice put out at the beginning of the week certain bills were listed, including this one, should rules be granted. When I received notice that the Committee on Rules had kindly granted a rule I discussed it with the ranking member of the Armed Services Committee, the gentleman from Georgia [Mr. VINSON], and he agreed that it would be all right to call it up. So we thought there was no misunderstanding whatsoever and that the bill could be considered at this particular time.

Mr. SMITH of Virginia. I am quite modest about these things and I do not want to inject myself into things needlessly, but I do hope the leadership on the other side, and especially my chairman, will remember the fact that we have a minority on the Rules Committee, and that the rule is called up before the bill is called up.

I happen to be the ranking minority member of the Committee on Rules and would like the courtesy of being advised as to what is going to be called up mornings by way of rules.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. ALLEN of Illinois. I would say to the gentleman from Virginia that I am sorry about this. Frankly, I did not know what was coming up myself.

Mr. SMITH of Virginia. I hope that in the future the leadership on the majority side will inform the chairman of the Committee on Rules what it is expected to bring up on the floor the following day.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. HALLECK. Certainly the gentleman does not undertake by reason of this particular circumstance today to mean that we have not been very, very diligent in informing the minority as to what

was coming up. We try to get out as complete a whip notice as possible, but sometimes we are not able to be definite and cannot always put on the whip notice a precise time the bill will be called. Certainly that is something to be desired and I am sorry that the gentleman is discomforted by this particular operation. Possibly the Rules Committee should have been notified along with members of the legislative committee. However, the gentleman voted for the rule on yesterday or at least was present when a vote was taken and he might have been informed that these measures would be coming along for consideration.

Mr. SMITH of Virginia. I do not want to prolong this discussion. I just want to say that I think we are entitled to the courtesy of knowing what rules are going to be called up each morning before we are called upon to speak. We ought to know and have time, preferably the day before.

While I am on my feet I might mention what happened yesterday. Usually we have 10, 15, or 20 minutes in the morning before a rule is called up. I did not know that a rule was going to be immediately called up. I walked in here at 5 minutes past 12 yesterday. My chairman had called up a rule, it had been read and discussed in 5 minutes, at which time he was about to move the previous question on the rule. It is a very simple thing to give us a telephone call and say that today we are going to call up a certain rule. I hope that will be done in the future. While I am on my feet, may I inquire what is the program today?

Mr. ARENDS. I was about to inform the gentleman. After we complete this bill we want to call up the so-called tanker bill, which provides for 1 hour general debate.

Mr. SMITH of Virginia. And following consideration of the tanker bill?

Mr. ARENDS. I do not know how long these two will take and whether we will have time to go on with the next one or not.

Mr. SMITH of Virginia. The program for today will be improvised as we proceed?

Mr. ARENDS. Certainly we will let the gentleman know in ample time.

Mr. LATHAM. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. ARENDS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (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.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 3539, with Mr. HOLMES in the chair.

The Clerk read the title of the bill.

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

Mr. ARENDS. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the purpose of the proposed legislation is to revise upward the scale for computing reenlistment bonuses paid under the Career Compensation Act. Under the proposed legislation, payments will be based upon the number of years for which a person reenlists computed upon the grade in which an enlisted member is serving at the time his enlistment expires preceding his new reenlistment.

Likewise, since the first reenlistment rates are now running at a seriously low rate in comparison to second, third, and succeeding reenlistments, the amounts paid for reenlistments are greater for the first reenlistment and become progressively less for the second, third, and fourth reenlistments.

At present an individual who reenlists for a period of 2 years receives a bonus of $40; for 3 years, $90; for 4 years, $160; for five years, $250; and for 6 years, $360. These payments are made regardless of grade and regardless of whether or not it is a second, third, or fourth reenlistment. There is a present maximum bonus of $1,440 to any one individual.

Under the proposed legislation a person who, upon completing his first enlistment, reenlists for 2 to 6 years would receive 30 days' basic pay of his grade, times the number of years for which he reenlists, except that an E–1—that is, the lowest enlisted grade—would only receive two-thirds of a month's basic pay times the number of years for which he reenlists. Obviously, an individual who has not advanced beyond the grade of E–1 in his first enlistment has not satisfactorily progressed in the Armed Forces at least to the extent of entitlement to a higher reenlistment bonus. Upon the second reenlistment individuals receive 20 days' basic pay times the number of years of the reenlistment except that in this case no bonus is paid to individuals in the grades of E–1 or E–2—the two lowest enlisted grades. The third reenlistment entitles an individual to 10 days' basic pay times the number of years for which he reenlists, except that no bonus is paid to an individuad who is an E–3, E–2, or E–1. The fourth, and subsequent reenlistment entitles an individual to 5 days' basic pay times the number of years of the reenlistment contract except that no bonus is paid to E–3's, E–2's, or E–1's. The basic pay, of course, is determined by the grade in which serving at the time the present enlistment expires. The maximum amount of reenlistment bonuses to which an individual is entitled is $2,000, under the proposed legislation, an increase of $560 over the present limitation.

No reenlistment bonus accrues after the completion of 20 years of service, notwithstanding the maximum bonus allowance. In other words, an individual who reenlists in his 18th year for the fourth time will only be paid 2 years' reenlistment bonus, since all service beyond 20 years is noncreditable.

The new reenlistment bonus will not be applicable to anyone who is discharged more than 90 days preceding the date of enactment of the proposed legislation, and likewise will not be applicable to anyone who reenlists prior to the enactment of the proposed legislation. The Committee on Armed Services considered the feasibility of making the proposed legislation retroactive to include those who recently reenlisted and those discharged more than 90 days preceding the enactment of the legislation. The committee determined that such action was not feasible, since no cutoff date could be determined which would be fair to all persons involved.

The estimated annual cost is approximately $67,921,598 for fiscal year 1955.

The justification for the proposed legislation is to be found in the seriously declining reenlistment rates prevalent among all the services. It is estimated that a 5-percent increase in reenlistment rates would save the Government approximately $82 million in replacement costs. Thus, if the proposed legislation results in a 5-percent increase in reenlistment rates it will more than offset the annual cost of the proposed legislation.

Mr. VINSON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the purpose of the bill S. 3539, is to increase the present reenlistment bonuses which are paid to individuals who reenlist in the Armed Forces.

Now the justification for this bill is simple. Our overall reenlistment rates have dropped from an average of 59 percent of those eligible during fiscal year 1950 to an average rate of only 31 percent in the first 6 months of fiscal year 1954. This is a staggering drop in reenlistment rates. It costs approximately $3,200 to obtain and train a replacement for a man who does not reenlist. Just think of that and you can easily understand why every reasonable effort should be expended in order to encourage men to reenlist.

Now that is all this bill does—it adds new inducements for enlisted men to make the services a career.

Not only does it save us the replacement cost, but it will also improve the overall capabilities of our Armed Forces if we can keep these men in the service who have been trained in the multitude of specialties that make up the requirements for our Armed Forces.

The cost of this bill, some $68 million a year, will be met if we can increase our reenlistment rates by 4½ percent over and above that which prevails today. Anything beyond that will result in substantial savings to the Government.

Now, I can assure you that the Committee on Armed Services weighed carefully the cost of the bill against the potential gain. We would not have reported the bill if we had concluded that the bill would not result in increasing our reenlistment rates, but we think that this bill will have the desired results.

Let us just take a look at what this bill does. Under present law when an individual reenlists it makes no difference what his rating is or whether it is the first, second, third, or fourth reenlistment or how many years of service he has. He gets $40 if he reenlists for 2 years, $90 if he reenlists for 3 years, $160 for a 4-year reenlistment, $250 for 5 years, and $360 if he reenlists for 6

years. The whole system will be changed under this bill. First of all, the amount of the reenlistment bonus will be determined by the rate or rank of the individual reenlisting, multiplied by the number of years for which he reenlists. And, secondly, the number of days' pay which he is given for each reenlistment, multiplied by the number of years of the reenlistment, decreases as the number of reenlistments increases. Now, let me give you some examples:

Let us say that a private first class in the Army is completing a 4-year enlistment and he wants to reenlist for 4 years. For pay purposes he has over 2 years of service but less than 4, so if he reenlists for 4 years he will receive the pay of a private first class with over 2 years of service, that is, $107 per month, multiplied by the 4 years for which he reenlists. That means he will receive $428. Under the old law he would have received only $160. Now, let us assume that that same man comes up for reenlistment again and by this time he is a sergeant and he wants to reenlist again for 4 years. He now has equity built up for retirement, so as a result, since it is his second reenlistment, he only gets 20 days' basic pay, or two-thirds of $168, which is $112, multiplied by the number of years for which he reenlists, which in this case would be 4 years times $112, or $448—a little more money because of his higher rating.

Now if that same man again reenlists for a third reenlistment and is a sergeant first-class, he will have over 10 years, but less than 12 years of service for pay purposes, but since it is his third reenlistment, he will receive only one-third of the pay of a sergeant first-class, or approximately $68, multiplied by the number of years for which he reenlists, or $272. The reason for this decrease is that he now has a greater equity built up toward retirement and the inducement can be lowered.

So you can see that the bulk of the money goes to the man who will reenlist for the first and second time. This is of fundamental importance because the largest group of potential reenlistees are those who complete their first enlistment, but this is also the lowest reenlistment rate for all of the services.

As a matter of fact, in fiscal 1954 only 20 percent of the individuals who completed their first enlistment who were eligible for reenlistment, actually did reenlist and the estimate for fiscal 1955 is only 10 percent—a fantastic drop from the even low rate which prevailed last year.

I repeat, Mr. Chairman, that this bill, while costly, will result in large savings to the Government if it can increase our reenlistment rate by as little as 5 percent. Anything beyond that will result in substantial savings to the Federal Government.

Now I would like to discuss for a moment just how we arrive at the cost of this bill.

The estimate of the $68 million cost for the reenlistment bonus bill is based upon the expectation that approximately 243,000 enlisted men will reenlist during fiscal 1955. This will result in an increased cost per individual under the proposed legislation of approximately $278.83. In other words, the average cost under existing law is $258 per man to reenlist versus the anticipated average new cost under the new bill of $536.93. Thus if the anticipated number of men who reenlist is realized, the cost will be 243,593 times the increased cost of $278.83 per man, or $67,922,000.

In other words, the new bill will cost $68 million, based on the anticipated rate of reenlistments, which does not reflect the results of any increased reenlistments. If the proposed bill results in a 5 percent increase in reenlistment rates—approximately 26,000 more reenlistments—then there will be a reduction in replacement costs of approximately $83 million. The reenlistment bonus cost for this group would be $6,600,000 under present law and an additional $7 million under the proposed legislation, or a total of approximately $13,800,000. Since it would cost $83 million to replace these 25,000 individuals, it is obvious that the difference between the $13,800,000 in reenlistment bonuses and the $83 million in replacement costs would result in approximately $69 million savings, or the annual cost of the proposed legislation.

The average replacement cost of $3,200 per individual includes the cost associated with the individual's first 6 months of service while in training and travel status. Included in the cost are pay and allowances, recruiting and travel expense, pay and allowances for overhead personnel chargeable to training, a prorated portion of maintenance and operations costs chargeable to training as well as other identifiable miscellaneous costs.

I believe this will clarify any questions that may arise concerning the costs of the bill.

I heartily endorse the enactment of S. 3539.

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

Mr. VINSON. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I should like to say to the gentleman from Georgia [Mr. VINSON] that it seems to me that one of the main reasons for the decline in enlistments is the low morale brought about by the taking away of the so-called fringe benefits which the enlisted personnel have been accustomed to. In other words they have had taken away the privileges of the PX, and such things as that, which has disturbed a great many of the enlisted personnel.

Mr. VINSON. The gentleman from Pennsylvania may be correct as to other reasons why men are not reenlisting. I have not been addressing myself to that phase of it but have merely stated the facts; there are only 31 percent reenlisting. There may be various reasons why they do not reenlist and no doubt the reasons suggested by the gentleman from Pennsylvania are some of them. We have tried to solve some of these problems of fringe benefits in previous bills reported by our committee.

Mr. EBERHARTER. I merely wanted to call that to the attention of the committee, because I think it is a serious matter. It is costing the Government a good bit of money because of the loss of these reenlistments.

Mr. VINSON. No doubt it has had some effect on the number of reenlistments. The distinguished gentleman from Illinois [Mr. ARENDS] explained in considerable detail the workings of this bill.

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

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

Mr. CUNNINGHAM. I should like to ask the gentleman if this is not a correct statement: Upon the passage of this bill if there are no more reenlistments, then it will cost the Government not one penny; but if, on the other hand, this bill does induce a certain number to reenlist, it will do two things: First, it will save money; and, second, it will increase the standard of our service.

Mr. VINSON. The gentleman is correct. In that connection, it costs approximately $3,200 to train 1 recruit. If we can get more men to reenlist we can save money on the training program.

Mr. CUNNINGHAM. The difference between the $3,200 and what the bonus would be.

Mr. VINSON. It could be figured that way.

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

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

Mr. FORD. As chairman of the subcommittee on appropriations for the Department of the Army, I should like to say that we are very cognizant of the poor rate of reenlistments that has prevailed over the past several years. We, as a committee, are very much disturbed about the situation. We are very conscious of the added cost that it takes to train new men, in addition to which, it takes trained people out of combat units where they could be doing a better job for the overall defense effort. I am sure that I speak for the three members on our side of the subcommittee on appropriations for the Department of the Army in endorsing this proposed legislation. We are more than glad to see this immediate outlay for, in the long run, it will cost less and give us a better Army for this country.

Mr. VINSON. Mr. Chairman, in view of the statement by the distinguished gentleman from Michigan [Mr. FORD], I think there is no need for me to take any further time.

Mr. ARENDS. Mr. Chairman, I have no more requests for time.

Mr. VINSON. I have no more requests for time, Mr. Chairman.

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

The Clerk read 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.[4]	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 active 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."

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

Mr. Chairman, I have only a few remarks to make on this bill, and those of a commendatory nature. I think the bill addresses itself to a very serious question, and that it is a decided step in the right direction in helping solve one of the problems confronting those who are members of our armed services.

I recall reading not long ago some remarks made by Secretary Talbott of the Air Force. I think the remarks he made were uttered in Texas, but that is immaterial. I was very much impressed by what he said in the course of his remarks to the effect that the reenlistments in the Air Force had declined from 60 percent to 30 percent. He also said that if we could get the reenlistments up to 80 percent in the Air Force, it would result in a saving to the Government each year of from $1.5 to $2 billions. That saving would come about if we could keep our trained men in the service and give them reasonable inducements to reenlist. These trained men feel they cannot reenlist, for any number of reasons, and there is the necessity for the Government to spend more money to train new men.

Secretary Talbott's observation made a very pointed impression upon my mind. I take these few minutes to call the attention of my colleagues to this very effective, informative, and impressive speech made by Secretary Talbott, which certainly is of great significance in connection with the bill that is before the Committee of the Whole at the present time.

This bill is far more important than its terms and provisions would indicate. Its significance cannot be underestimated. It is a decided step in the right direction, not only in keeping trained personnel in our armed services through offering them an inducement to reenlist, but also in conveying to them the fact that the Congress of the United States is considering not only the problems that confront them as members of the various branches of the armed services but the economic problems that confront the families of each of them. I congratulate the committee on reporting out this bill.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair Mr. HOLMES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 3539) to further amend title II of the Career Compensation Act of 1939, as amended, to provide for the computation of reenlistment bonuses for members of the uniformed services, pursuant to House Resolution 624, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

AUTHORIZING CONSTRUCTION OF TANKERS

Mr. LATHAM. Mr. Speaker, I call up the resolution (H. Res. 625) providing for the consideration of S. 3458, a bill to authorize the long-term time charter of tankers by the Secretary of the Navy, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3458) to authorize the long-term time charter of tankers by the Secretary of the Navy, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LATHAM. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi [Mr. COLMER], and I now yield myself such time as I may require.

Mr. Speaker, I rise to urge the adoption of House Resolution 625, which will make

in order the consideration of the bill S. 3458, to authorize the long-term charter of tankers by the Secretary of the Navy and for other purposes.

House Resolution 625 provides for an open rule with 1 hour of general debate on the bill itself.

Mr. Speaker, S. 3458 proposes to authorize the Secretary of the Navy to charter on a time-charter basis for a period of 10 years from completion, 20 tankers each with a capacity of approximately 25,000 deadweight tons. These tankers would be capable of a sustained speed of not less than 18 knots and would be built in American shipyards within 2 years after the contract to charter.

As the Senate passed the bill, Mr. Speaker, S. 3458 would provide that upon being awarded a time charter, a private operator with whom such contract was made, would proceed with the construction of the vessel. Upon completion, the vessel would be operated for the United States Military Sea Transportation Service during the time-charter period in meeting the requirements of our Armed Forces for petroleum products. Upon expiration of the charter period, unless the charter were renewed, the vessel would revert to private use.

During the operation of the tanker for the Military Sea Transportation Service, under time charter, the private operator would pay the expenses of insurance, overhead, repairs, and maintenance of the ships as well as the wages of the crew and other expenses. The private operator would also absorb depreciation, interest and similar financial expenses of the investment in the tankers.

The House Committee on Armed Services, however, struck all after the enacting clause in the Senate bill because the committee disapproved of the fact that under the Senate plan after the 10-year charter period was over, the ships would not belong to the United States although two-thirds of their cost would have been amortized over the 10-year period through payments by the United States under the charter contract. The report brought out the fact that the House plan of direct construction of these tankers with appropriated funds will cost the United States $95,000 less per ship or a total of $19 million over a 10-year period.

Mr. Speaker, I feel that the House plan is a good one and that it makes sense from the point of view of practical business. There is no point in not actually owning these tankers after the Government pays about two-thirds of the cost involved in the amortization of these vessels. The House committee's plan seems to me to be a happy compromise and appears to be worthy of favorable action by the House. I hope that the rule will be adopted and that the bill itself will pass.

Mr. COLMER. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as the gentleman from New York just explained, this bill authorizes the construction of a fleet of modern, fast, tanker ships of some 25,000-ton capacity. The bill has a twofold purpose. One is to give the Navy the necessary tankers to carry the fuel which is needed in the operation of our Navy to any and all parts of the world wherever it may be required. Unfortunately, with the rapid progress and advancement of science in all fields, including weapons, transportation, and so on, many types of equipment rapidly become obsolete. While the Navy now has a dozen tankers, mostly in mothballs, they do not have the modern tankers necessary to deal with present-day operations. Therefore, if an emergency should arise we would be caught with too little and too late, as we all know has happened in the past. Mr. Speaker, it will be noted that there is considerable difference in the bill as passed by the other body and the bill as reported out by the Armed Services Committee of the House.

Personally, I am of the opinion, from my knowledge of the subject, that the House bill is a great improvement over the Senate bill, in that under the House version of the bill the Navy will build and operate these tankers, rather than as provided under the Senate bill, having them under charter. In the long run, the Government will save money on this operation, and in my opinion it is a much better bill.

The second purpose of the bill, while it may be considered a minor purpose, is nevertheless a necessary purpose. That objective is to keep our shipyards alerted, and to keep the shipyard organization going to furnish employment so that if we should get into an emergency we would have an organization which could build the necessary ships.

Again, Mr. Speaker, and in this connection I hope that I can with propriety point out that this means that the Ingalls Shipbuilding Corp., situated in my hometown of Pascagoula, Miss., will have an opportunity to bid upon and construct some of these valuable ships. I mention this particular yard because of its valuable contribution to our defense effort in the past at a time when we needed good ships and needed them in a hurry. This yard met the test. It has not only built merchant ships, but it has built ships for our Navy. Because of the splendid labor supply and the high character of its ship construction, it enjoys an unexcelled rating with both the Merchant Marine and Navy Departments of our Government as well as private owners.

Mr. Speaker, while I stated a few moments ago the philosophy of the House bill is different from the bill passed by its companion body, I anticipate no difficulty in the two bodies getting together in conference on a bill which will be to the best interest of the country. Certainly this should be done speedily in order that the necessary appropriations can be included in the usual supplemental appropriation bill to be passed before the Congress adjourns. In view of the great need and necessity therefor, I feel confident that this will be accomplished.

Mr. Speaker, there is really no controversy over this rule. I anticipate none on the bill itself. I have no request for time on this side and I therefore yield back the remainder of my time in order that the gentleman from New York [Mr. LATHAM] may ask for the adoption of the rule.

While unquestionably much progress has been made in faster, more efficient and more deadly submarines, and while it is equally true that newer and more efficient methods have been developed in antisubmarine warfare, there seems to be no doubt left in the minds of our military strategists that there is still a great demand for speed as an additional method for our merchant shipping as heretofore. There was testimony before the Committee for the need for new, large, and fast tankers which should be immediately available as an important part of our national defense.

The bill which this resolution takes under consideration makes provision for such ships. In fact, it provides for a program of 20 tankers with a deadweight tonnage of 25,000 tons, a speed of not less than 18 knots when fully loaded, a length of approximately 600 feet, a beam not in excess of 84 feet, and a draft of not more than 32 feet fully loaded.

It is estimated that the overall cost will be $150 million.

Mr. Speaker, I should specifically like to commend the Committee on Armed Services for writing into the bill a provision requiring that these ships be built in the United States. Moreover, it is also commendable that there was testimony to the effect that these ships in line with the policy of keeping our shipyards in an ever-alerted position would be constructed in various sections of the country. This is fair and just. This means that these valuable ships will be built in yards on the Gulf of Mexico as well as on the east and possibly the west coast. It means valuable employment for our shipyards' workers in a slack period. It means a continuous supply of available shipbuilding personnel and labor generally.

Mr. LATHAM. Mr. Speaker, there being no further requests for time, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. ARENDS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3458) to authorize the long-term time charter of tankers by the Secretary of the Navy, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 3458, with Mr. LECOMPTE in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Illinois [Mr. ARENDS] will be recognized for 30 minutes, and the gentleman from Georgia [Mr. VINSON] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, S. 3458 would provide for the construction of 20 high-speed tankers which are urgently needed by the Military Sea Transportation Service.

The Senate version of the bill would have authorized the Secretary of the Navy to enter into 10-year charter agreements with private individuals who would have these tankers built and then operate them for the MSTS for 10 years at a rate not to exceed $5 per deadweight ton per month.

The House version, and I might say it was by a unanimous vote, struck all of the Senate language and inserted new language which would authorize the direct construction of these tankers in the traditional manner of naval construction.

The reason for the committee action was twofold. First, it will save money, at least $19 million in the first 10 years; and second, it will permit a distribution of the construction throughout the shipyards in the United States.

From the testimony received during the hearings on this measure, it was the opinion of the members that there was no evidence whatsoever that the best interests of the Government would be served by the charter plan. There is no doubt as to the need for the tankers. The only doubt which has existed has been the manner in which they would be provided.

It is true, and the committee took full cognizance of the fact, that the charter plan does not require an immediate appropriation of funds. Certainly this is important. But I felt, and all of the members of the committee felt, that this consideration was far outweighed by the ultimate cost to the Government.

During the 10-year charter period, the Government would spend some $300 million, amortize for the operator two-thirds of his investment in each tanker, and end up owning nothing. This does not seem like sound business to me.

Under the House plan, the tankers will be identical in design, will be operated in the same fashion as under the charter plan, and will be owned by the Navy immediately and forever.

The charter plan has all of the advantages, and more importantly, disadvantages, of any leasing arrangement. It must cost more in the long run and in this case, it does not ever have the advantage of ultimate ownership—under the charter plan, the owner of the charter takes his tanker, the cost of which has been two-thirds amortized, and proceeds to use it for an additional 10 years. It is not too much of a stretch of the actual facts to say that the operator gets a $7½ million tanker for $2½ million.

Mr. Chairman, I cannot help but feel that the House version of this bill is the right one.

Comparative cost per day

	Private	Government	Remarks
Subsistence	$90	$100	
Insurance (hull and machinery)	200	120	This is not actual insurance but rather the amount of repairs normally covered by insurance. No overhead is included.
Insurance (protection and indemnity)	75	45	This is insurance taken out through the Department of Commerce. No overhead or profit is included which explains lower cost.
War risk insurance	65	39	This insurance also is procured through the Department of Commerce. No overhead or profit is included.
Contractor's fixed fee	0	75	This is the fee paid per day to the Government's operator. Other expenses are reimbursed. In effect, this is a CPFF contract.
Interest	520	309	The difference here is explained by the fact that the private owner would pay 4 percent on money borrowed or invested while the Government would pay only 2⅜ percent for its borrowing.
Total	950	688	

$950−$688=$262×365=$95,630 per ship per year.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield.

Mr. O'KONSKI. I want to compliment the gentleman for his clear and concise statement and to emphasize the fact that not only will this build up a reserve of first-class tankers, but the bill provides that they shall be built in the yards of this country and it will mean much to employment in the shipbuilding industry.

Mr. ARENDS. The gentleman is correct.

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

Mr. ARENDS. I yield to the gentleman from Mississippi.

Mr. COLMER. I want to commend the gentleman and the committee on the provision requiring these ships to be built in the yards of this country. If we are going to furnish the rest of the world with arms, housing, food, and everything else, we are going to have to put a little fat on the folks at home so we can provide the things for others.

Mr. ARENDS. I want to thank the gentleman for his statement and say that I think we have taken a very practical approach to this whole problem.

Mr. VINSON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, MSTS was created by a directive of the Secretary of Defense in 1949 under authority granted to him by the National Security Act. It performs all of the sea transportation for the Army, Navy, Air Force, and Marines. MSTS operates 53 Government-owned T–2 tankers. It also has under lease 4 supertankers, giving it a total fleet today of 57 tankers. All of the Government-owned tankers are small, slow, and over half their useful life is gone. It has in reserve 12 tankers, but 8 of these are minor types, 2 are Liberty ships converted to distilling ships, and the remaining 2 ships, built early in World War II, are badly damaged and not capable of speeds in excess of 12 knots.

So you can see we have virtually no reserve fleet.

When the 20 tankers authorized by this bill are built, MSTS will take 37 of its 53 Government-owned tankers out of operation and place them in reserve. That will give them a reserve fleet of 49 tankers. The 16 remaining plus the new 20 will give them an operating fleet of 36. I am not now counting the 4 tankers that are under a 5-year lease.

Thirty-seven T–2 tankers can be replaced by 20 of the new ones because each of the new ones carries almost twice the cargo of the T–2 even though its complement is approximately the same and uses only one-third more fuel. Understand that under both the Senate and the House versions of the bill, the tankers which would be built are identical. Also, the objectives of the two versions are the same, that is, to build up our tanker reserve and to stimulate, protect, and preserve our shipbuilding industry.

Let us look at the differences between the House and Senate versions. Under the Senate bill, the Secretary of the Navy would be authorized to enter into charter agreements for a period of 10 years—the commercial life of one of these tankers is about 20 years. Under this plan, the successful bidders would build 20 tankers and operate them for MSTS at about $5 per deadweight ton per month—deadweight tonnage is the total lifting capacity of a ship, which includes everything in the ship but not the weight of the ship itself.

Let us see what this charter plan means from a money standpoint: the tonnage of the ship is 25,000 which, multiplied by $5 per ton, is $125,000 per month for 1 tanker. Twelve times $125,000 is $1,500,000 for 1 year for 1 tanker. Multiply this by 10 years and you get $15 million paid out by the Government for each ship. For 20 ships, this means the Government would pay out $300 million for a mere service. It would never own a single ship.

When the Armed Services Committee figured out these costs, there was only one answer: Build the ships in traditional Navy fashion and operate them in the regular way with merchant seamen. Under the House bill, therefore, the Navy, through the Maritime Commission, would build these 20 tankers at a cost of about $7½ million each or a total of $150 million. This will mean that not only will the Government own the tankers right from the beginning, but will save $95,000 each year on each tanker or a total of $19 million during the first 10 years of ownership. This saving represents almost three new tankers itself.

The Senate version, to my mind, has three major weaknesses. First, it will cost the Government $300 million in 10 years and not a single ship will be owned; second, it would encourage successful charterers to place 1 or 2 of their older ships under foreign flag to

operate in competition with our merchant fleet; and three, it would give no assurance at all that the construction of the ships would be spread throughout the country so as to stimulate the shipbuilding industry.

Simple arithmetic, good business, and common sense dictate the acceptance of the House version.

Mr. ARENDS. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, in my opinion, one of the most vital requirements for our national defense is a modern fleet of fast tankers. The bill S. 3458 would partially meet this urgent requirement.

Our present American tanker fleet, private- and Government-owned, is comprised principally of tankers built in World War II, which have sustained sea speeds of 14½ knots.

This is an age of speed. We are building faster automobiles, faster airplanes, and faster ships. Generally speaking, the tankers which are being built throughout the world are larger and faster than those which were built during 1942–45.

Our modern airplanes and ships require more oil than did those of 10 years ago. In the event of another national emergency, our worldwide commitments will require that we support our fleet and our Air Force in the four corners of the world. At the present time, American operators are faced with competition from foreign operators who have larger, faster tankers. Thus, larger, faster tankers are needed to compete with foreign competition.

With the improvements being made in submarines, it is obvious that our present tankers of 14½-knot speeds are much too slow. What is needed is a fleet of faster tankers with speeds of 18 knots or better, which would be capable of delivering oil to our military quickly and safely. In time of war, speed is one of the best defenses against a submarine. The 20 fast tankers contemplated under S. 3458 would, in my opinion, be a step in the right direction. These fast tankers would be a valuable addition to our American tanker fleet during peacetime. In time of war, the faster tankers would be available for use in hazardous areas, while the slower 14½-knot tankers could be used in areas where the threat of submarines was not so great.

We must not hesitate any longer to begin to modernize our fleet with these fast tankers. I, therefore, am in favor of S. 3458.

Mr. VINSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Chairman, I want to express complete agreement with other members of the committee that this action is needed now. In my opinion, we have an unusually good bill and it is one that deserves the unanimous support of the Members of this House.

Mr. ARENDS. Mr. Chairman, I yield such time as he may desire to the gentleman from Maryland [Mr. DEVEREUX].

Mr. DEVEREUX. Mr. Chairman, I want to associate myself with those who have spoken in favor of the pending bill. It was my pleasure to sit in and to listen to the witnesses in many of the committee hearings because we are vitally concerned with the entire program.

I urge its immediate passage.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, I do not want my friends over here to hurry me, either. I was going to ask permission to speak out of order, but I guess I will not.

It is all right to build these tankers. I think we need them and, confining myself to an argument in favor of the bill, I suggest that we should make some provision to, in some way, have the ships manned. I know this is a mechanical age and we do not need very much manual labor any more. War has changed, they tell me, so they have this push-button war and they will not need any private soldiers after a while, to carry on a war which will be a welcome thought to some of our farmers as well as to the parents, wives, and children.

REFORMATION? REAL OR SYNTHETIC

After years of deliberation, on May 17 last, the Supreme Court solemnly and unanimously announced that segregation was illegal. Discrimination because of race, creed, or color in educational, amusement, and social programs, is unlawful.

But neither the Congress nor the courts have had the inclination, or perhaps the courage, to ban discrimination in man's most necessary activity.

Ever since Adam and Eve were expelled from the Garden of Eden, man—yellow, black, or white—unless he was the recipient of charity or a thief, was forced to work if he would eat, have clothing, and shelter to keep him confortable.

Nevertheless, notwithstanding, since the enactment of the Hobbs amendment to the Anti-Racketeering Act of 1934 which was made necessary by a decision of the Supreme Court declaring organized extortion by labor unions to be a legitimate, legal practice, some unions and more recently the Teamsters Union, headed by Dave Beck, have throughout the Nation, sometimes by force and violence or by fear, sometimes by economic pressure, forced men—yes, and women—yellow, black, or white, Catholic, Jew, or Protestant, to pay tribute to the union if they would work.

Millions, perhaps billions, have been collected from businessmen and the Government itself, from individuals who either wanted to work to earn a livelihood or to carry on a recognized, legitimate business.

The average armed robber is a merciful gentleman compared to the collectors of the Teamsters Union.

The robber merely asks you to stand and deliver on a particular occasion.

The racketeering union officials compel you to pay their demands periodically, either from week to week or from month to month.

This form of extortion has been nationwide and while, here and there, individuals have been arrested and convicted by able, courageous, law-enforcing officials, the practice as a whole has not been successfully opposed.

Early in 1953 special subcommittees of the House Committee on Education and Labor and of the Committee on Government Operations held joint hearings and made a start—a very, very slight one—in an effort to call public attention to the vicious practices above referred to.

A few racketeering officials apparently had influence enough to kill off those investigations which had resulted in the indictment of a few individuals, most of whom have, for some unforeseen and unexplained reason, been acquitted or had the charges against them dropped.

More recently the House Committee on Government Operations authorized a special subcommittee to reenter the racketeering field.

Ten days ago preliminary investigation made by me personally indicated that the teamsters had either reformed or put on a cease-extortion program. It is my hope that, if the former was not the real reason for their more recent policy, the latter situation will be permanent.

What do I mean? I cite four examples of reformation or the effect of threatened law enforcement:

First. The Teamsters Union, working out of South Bend and Hammond, Ind., recently put on a drive to organize the small Michigan dairies which purchase milk, sell it to individuals or corporations who in turn, using their own equipment, sell it to whomever wants to buy.

Independent businessmen in order to obtain dairy products were forced by union representatives to pay a monthly tribute to the union in order to continue in business.

However, after an inquiry into that situation was started, the union apparently called off its collecting officers.

Second. Another illustration of repentance or of the effect of threatened law enforcement: In Pennsylvania, truckers attempting to unload poultry hauled in from Southern States were denied that right unless tribute was paid to union officials. Recently that practice has been at least temporarily discontinued.

Third. Within the last 2 weeks drivers of truckloads of produce from Georgia to Minnesota were advised that the drive to collect an unloading fee or to force the drivers into a union was off and that, for the time being, there would be no more collections for the right to deliver merchandise there.

I have now been advised that the union officials are harassing nonunion drivers by making complaints to representatives of the Interstate Commerce Commission, charging violations of traffic regulations.

Fourth. A letter from a statewide truck owners organization in Ohio, where nonunion drivers from other States as well as from Ohio were previously forced to pay tribute for the privilege of driving on State and Federal highways and for the exercise of their right to unload merchandise, carries this concluding paragraph:

We find a slackening of this extortion racket from reports all over the country and all credit must be given to you people for

this pleasant development. Hope you continue.

This organization had previously filed with us affidavits by truckdrivers and businessmen, showing that the Teamsters Union operating in Ohio had compelled, by force or threat of force, nonunion drivers to make cash payments before they were permitted to unload their cargo—a practice which, under the Hobbs amendment, is characterized as extortion or robbery.

It would be egotistical to agree with the conclusion of the Ohio letter that the racketeering of the teamsters has been lessened because of anticipated congressional investigations and it is my hope, as I am sure it is that of all law-abiding citizens, that the teamsters and, for that matter, all other unions, have seen the inequity, the unlawful aspect, of the practice, without authority of law, through the power of organized labor, of levying tribute upon individuals in order that they may exercise their right to work or engage in business.

Ever since 1937, I have been wondering when the Congress and the Supreme Court would get around to protect the right of the woman or the man who is forced to earn a livelihood by manual labor to find and work at a job of his own choosing without being robbed—as defined by the Hobbs Antiracketeering Act—each month of a part of his wage. When is discrimination against him to end?

Apparently, the force of public opinion created by the publicity given by the press to the illegal activities of a few gangsters, as disclosed by the committee, has forced them temporarily to discontinue the practice—this either because they have recognized the enormity of their offense or because they fear what might happen.

If workers in mass-production industries are to be protected, unions are a necessity, but, to be effective, their officers must live within the law.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, the Committee on Armed Services is perhaps the most powerful committee in Congress. It is composed of outstanding Members of Congress. The gentleman from Georgia [Mr. VINSON] is one of its most powerful members and one of the most powerful Members of Congress. He is a great gentleman and his name will live long after him.

One would be almost foolish, indeed, to oppose that committee with respect to this House version of the tanker bill which the Armed Services Committee adopted under the leadership of the gentleman from Georgia [Mr. VINSON]. But I would not be worth my salt and I would not be justified in being a Member of this Congress if I did not get up and express my views with respect to this bill.

I agree with the objectives of the bill. We need some new tankers and we need them desperately. The National Security Council has so indicated. Representatives of the armed services have come before our committee and so indicated. I am convinced that we need some new tankers; there is no question about it. Also we need the construction work that would follow as a result of deciding to build these tankers. Our shipyards are in a deplorable and desperate situation, and unless we do something to alleviate that situation we will endanger our defense program. So I am in accord with the objectives of this bill. But I differ with the Committee on Armed Services with respect to how these tankers should be built.

Under the House version, the Government will build the tankers. Under the Senate version, the tankers would be built by private enterprise. Let me say that the bill before the House today is not the Administration bill. It is not the bill supported by the Secretary of Commerce. It is not the bill supported by the Secretary of the Navy.

I am disturbed because over the years and between wars the Congress of the United States neglects its private American merchant marine. We have done so traditionally, and we are in the midst of doing so again. Every time we have done it we have found ourselves in trouble whenever an emergency broke cut.

We do not have, when emergencies come upon us, the merchant ships, the merchant fleet, to carry the men and materials to the war fronts. Congress has on many occasions said that it was the policy of Congress to have a strong, privately owned merchant fleet to carry the cargoes of this country in times of peace and to serve as an auxiliary in times of war. But Congress fails to fully effectuate that policy.

Under this bill what are we doing? We are making possible a Government-owned and Government-operated merchant fleet. We have one in the course of making now in the Military Sea Transport Service. Of course, many persons will agree that we should have a nucleus Military Sea Transport Service fleet. But the Military Sea Transport Service now consists of 295 vessels, 232 of them owned by the American Government. In the course of time, if Congress continues to neglect the private American merchant marine, we are going to have a completely Government-owned and Government-operated merchant marine, which is in the course of being now and growing rapidly through the MSTS operations. A Government-owned merchant fleet will cost us much more over the years because we will pay all the costs. If we have a private fleet all the costs except subsidy are paid for by private enterprise.

This bill will present some problems. If we need tankers and if we are going to build them in American shipyards in order to give them work, we are going to have a problem, because this bill will require an appropriation before the end of this year; and there is some doubt that it will be forthcoming in the sum of some $150 million. Is that not correct?

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

Mr. TOLLEFSON. I yield.

Mr. VINSON. Of course, the gentleman is correct. But under the charter plan you would have to do that each year under an appropriation bill and no one would know anything about it. So the way to do anything is to do it directly and not by subterfuge. The gentleman knows that it would ultimately cost a great deal more to have these tankers built by charterers than it will cost for the Government to do it in the manner that we propose.

Mr. TOLLEFSON. I would take strong issue with the gentleman on that. I would say that quite the contrary is true. The program as provided in this bill will inevitably cost the Federal Government more. We have had testimony in our committee concerning the Military Sea Transportation Service operations for many weeks, and no representative of the MSTS, and that includes Admiral Denebrink, and no representative of the Defense Department, disputes the fact that private operators can build and operate these vessels cheaper than the Government can.

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

Mr. VINSON. Mr. Chairman, I yield 2 minutes to the gentleman from Washington.

Let me state what the Department said. The Department said they could operate these ships, and the admiral so testified, at $95,000 per ship per year less than they could under the charter. So in the 10 years you would save $19 million. You would save $1,900,000 a year by the Government's operating them instead of doing it under charter operation.

Mr. TOLLEFSON. May I ask the gentleman a question there?

Mr. VINSON. Yes.

Mr. TOLLEFSON. Was that Admiral Denebrink's testimony?

Mr. VINSON. Absolutely, that is his testimony. I will put it in the RECORD. He draws the comparison.

Mr. TOLLEFSON. Let me comment on that. According to the bookkeeping of the MSTS, it would be cheaper for MSTS to take one of their ships and run it from the United States to Korea, deliver its cargo, sink the ship, send the men back home to the United States by some other vessel, and buy a new one when they got back than to return the original vessel. That is so simply because of the kind of bookkeeping MSTS does. And what I say about its bookkeeping methods is no reflection on Admiral Denebrink who is a very efficient and able officer.

According to their bookkeeping, they do not take into consideration the original investment of $150 million, they do not take into consideration depreciation, they do not take into consideration the fact that they pay no taxes, they do not take into consideration the fact that they pay no insurance. Nor do they consider as part of their costs the cost of using Navy personnel in operating some of their vessels. In the long run, in the 10-year period or the 20-year period, those costs are going to be paid by Congress, by the American people, in some other form.

Mr. VINSON. If we do pay for it we own it. Under the charter plan, we will pay an exorbitant price for it and will own nothing.

Mr. TOLLEFSON. I dislike to disagree with the gentleman. On the basis

of testimony taken over many weeks in our committee, I must say that the MSTS cannot possibly compete with private operation in the operation of these vessels. In the final analysis the House bill will not only cost more than the Senate bill, but it is entirely possible that we will have to wait until next year before any appropriations are made. If so, we will not start any tanker construction this year.

Mr. VINSON. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, so the figures will be before the Committee correctly, here is the table that was prepared by the Admiral. It is estimated it will cost the charterer $950 per day to operate one of these tankers, and it will cost the Government $688 a day, a difference of $260. That per year would be $95,630 cheaper for the Government to operate them, and these figures apply to each tanker.

Now, I want to get this across to you: These tankers are 25,000 tons. We pay $5 a ton per month. That is $125,000 for the tanker per month. For 12 months that would be $1,500,000 that the tanker would cost for serving the Government during that period of time. There are 20 tankers involved. It would cost the Government during the 10-year period $300 million, and at the end of the 10-year period the Government would have nothing whatsoever. That is the whole story.

Mr. FULTON. Mr. Chairman, will the chairman yield?

Mr. VINSON. I yield.

Mr. FULTON. What is the difference between the method of building these ships and other ordinary ships, because if the gentleman's argument holds for these particular tankers, why does not the gentleman's argument hold for every kind of ship?

Mr. VINSON. It does hold for everything related to the Navy. Never before in the history of this Government have Navy ships, ships built and designed for the Navy, ever been operated on a charter basis.

Mr. FULTON. Would not your argument then aply to all private shipping?

Mr. VINSON. No, not at all.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. ALLEN].

Mr. ALLEN of California. Mr. Chairman, I would like to take a little time to go into the question of a privately owned and operated merchant marine or the proposal now before us. I will start off by saying there is no question in my mind, or in the mind of any informed person I know, but what we need a tanker program of some kind. We need these tankers quickly. The shipyards need the work. I believe the tanker tonnage that we are now short is approximately 1,250,000 tons. Any program which will get tankers building and under way immediately has a great deal of virtue. I do think, however, these two different approaches should be compared. I have great respect for the opinions of the gentleman from Georgia and the information that he has although, I must say, I cannot be in complete agreement. For the past 3 months, I have been holding hearings as chairman of a subcommittee on the Military Sea Transportation Service in its relationship to the merchant marine. I say quite frankly I doubt that anyone can make a fair comparison of the costs. I will give one example. In the transportation of men in troopships, the privately operated lines conduct the entire operation of solicitation, handling of dockside facilities and of all things other than and including the running of the ship. The MSTS on a similar operation gives the cost of the passengers carried, but only while they are on the ship and all of the other costs are borne by other branches of the services. The cost of the uniformed personnel involved in military sea transport operations is not added to the cost of the transportation, and possibly rightly so, but the costs, I think, are definitely not comparable.

In this program, the initial outlay for tankers by the Government under the administration proposal would be no outlay at all. Under the proposal of the House committee, the outlay would be approximately $150 million. Under the other program, we would pay part of that $150 million back through charter hire, covering depreciation over a period of years. I would disagee with the gentleman from Georgia because I think, probably, the depreciation which would be included in charter hire would come closer to a 20-year depreciation than the figure which he mentioned. In other words, in my opinion we would write off approximately $7,500,000 a year instead of a cost of $150 million now. As to what we end up with, I think we end up about the same in either case. To me, it is not particularly important that the Government should own the ships. I think it is far more important to have merchant ships sailing and in condition and in operation than it is for the Government to own them. I think this bill reported by the committee would have been improved had it provided in some way for an alternative program under which we could use either the direct approach of this committee bill or the approach in the bill of the other body using the private funds that could be brought in.

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

Mr. ALLEN of California. I yield.

Mr. VINSON. In regard to the suggestion that the gentleman has just made, I would say that that should be left to the Committee on Merchant Marine and Fisheries, if the ships are to be used for that purpose. What we are charged with is the responsibility for building Navy ships and these are Navy ships.

Mr. ALLEN of California. I would quite agree with the gentleman except for the fact that in time of war the merchant marine is a military auxiliary under the terms of the Merchant Marine Act of 1936. In time of war, the merchant marine carries the cargo and the supplies of the military forces. Admiral Denebrink only said within the last week that he thought the chief reliance for the carriage of cargo would have to be put on the berth liner service operated by the merchant marine. He pointed out to us that in the past 3 months the percentage of cargo which he has assigned to berth liners has been increased from 52 percent to over 70 percent of the total, which I think is a step in the right direction, and builds up the military potential in this country in far better shape than the Government operation.

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

The CHAIRMAN. The time of the gentleman has expired.

Mr. VINSON. Mr. Chairman, I yield the gentleman 2 additional minutes.

The gentleman loses sight of the fact that these are specially designed, high-speed tankers. These tankers are being built to meet certain military requirements on account of the submarine menace.

Mr. ALLEN of California. With all deference to the gentleman, the merchant-marine type of tanker which has been built recently is larger and faster and just as well built to take military cargoes as the one proposed.

Mr. VINSON. I am willing to agree that they are 32,000 ton, but they are not otherwise as acceptable.

Mr. ROOI'EY. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of California. I yield to the gentleman from New York.

Mr. ROONEY. I wonder how academic all this discussion is. The instant bill would authorize construction of 20 tankers at a cost of $150,000,000. At the present time a majority of the Committee on Appropriations is reluctant to even appropriate 3 whale boats for our merchant marine.

Mr. ALLEN of California. Commenting on that, I think a great deal of effort has yet to be made to indicate to some members of the Committee on Appropriations that the need is greater than they think.

Mr. ROONEY. May I say to the gentleman I have done my best.

Mr. ALLEN of California. I would be glad to assist the gentleman in that effort.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. SEELY-BROWN. Mr. Chairman, I ask unanimous consent that the gentleman from New Jersey [Mr. WOLVERTON] may extend his remarks at this point.

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

There was no objection.

Mr. WOLVERTON. Mr. Chairman, the bill now under consideration is one of tremendous importance, first, to our national defense; and, second, to the shipbuilding industry.

The bill (S. 3458) authorizes the President to undertake the construction of not to exceed 20 tankers. The tankers are to be approximately 25,000 deadweight tons each, shall have a speed of not less than 18 knots, and shall be constructed in private shipyards within the continental United States. Furthermore, the tankers shall be, so far as practicable, of materials and equipment produced or manufactured in the United States. An appropriation not to exceed $150 million is authorized.

As of December 31, 1953, there was in our national defense reserve fleet a total

of only 12 tankers; 8 of these are of minor types, 2 are Liberty ships converted to distilling ships, and the remaining 2 ships, built early in the war, are badly damaged and are not capable of speeds in excess of 12 knots. Thus, for all practicable purposes, we have no tanker reserve. The program proposed by the bill now under consideration provides a partial means to meet this need.

This deficiency in numbers is only one aspect of the overall problem. Most of the tankers presently in the United States-flag fleet have a sustained speed of only 14½ knots or less.

While the great strides we have taken in antisubmarine warfare are encouraging, there is no substitute for speed, insofar as decreasing the vulnerability of merchant shipping is concerned. There is an urgent need for new, large, and fast tankers to be immediately available in support of our national defense in the event of war.

CONSTRUCTION IN AMERICAN SHIPYARDS

Equally important with need of these tankers from the standpoint of national security is the need for ship construction that now exists in our American shipyards.

There is no denying the fact that our shipyards are facing a serious situation as a result of lack of work. Management and men are insistent, and rightfully so, that there be a program of ship construction started at once. Unless such is done, many yards will be compelled to close down, with resultant unemployment to thousands of shipworkers.

It is just as important to keep a competent shipworkers force ready and able to form a working nucleus ready for expansion in time of emergency as to keep our Armed Forces in a state of readiness to respond immediately. The same reasons justify both. A shipbuilder cannot be made overnight. They are skilled workers. It takes years of apprenticeship and additional years to attain the necessary skill in the numerous and varied trades that are required in the construction of ships.

Time and again we have seen emergencies break upon us that have required ships. Often we have not had them to adequately measure up to the need. This has necessitated our entering upon a hurry-up program that has caused us to spend millions of dollars preparing a sufficient number of men to do the work of shipbuilding and thereby causing extended delay in obtaining the necessary ships. However, if a sufficient working force can be kept busy at all times we are then ready at a moment's notice to expand and begin the building of ships. This can be accomplished by a program that keeps our shipyards busy with work. The pending bill will provide such a work program. Therefore, it is vital to our welfare and should have the support of every Member of Congress. It will mean strengthening our national security and, what is exceedingly important at this time, will provide work for many shipyard workers who now face unemployment.

Mr. ARENDS. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER. Mr. Chairman, I would like to add a few remarks on the need for the tankers which would be provided by this bill.

As a result of our efforts during World War II, the size of the American tanker fleet reached an all-time high in 1945, at which time over 50 percent of world-wide tanker tonnage was under the American flag.

At the present time, however, the tanker tonnage under the American flag constitutes only about 25 percent of the world's tanker tonnage.

Since 1945 the world tanker tonnage has increased almost 10 million deadweight tons, and this increase resulted from postwar construction the majority of which is registered under foreign flags. During this same period the tonnage under American flags has been reduced about 33 percent. This reduction has been brought about by sales to foreign operators and by transfers from American to foreign-flag registry. However, construction in foreign countries is in full swing while our American shipyards are being operated on a limited scale. In addition, only about 5 percent of the tankers which were being built in American shipyards in 1953 were destined for American registry.

The majority of our American tanker fleet consists of ships which were built during World War II. These ships are of 16,500 deadweight tons and 14½ knots speed. The present trend in tankers which are being built today is toward larger, faster tankers such as are envisioned under S. 3458.

The overall situation is that the tanker fleets of foreign countries are expanding and being modernized while our American fleet is not keeping pace with the rest of the world and is facing block obsolescence within the next 10 years.

Furthermore, the present American tanker fleet, private and Government-owned, built and under construction, is about 1½ million deadweight tons short of meeting our initial minimum requirements in the event of a national emergency. This shortage is equivalent to approximately 90 of our present World War II built tankers.

Not only do we need more modern fast tankers to supplement our fleet, but we need them to assist in overcoming the present plight of our American shipyards.

The 20 tankers contemplated under this bill will not be a cure-all for the present plight of our merchant fleet. It will, however, be a step in the right direction to modernize the fleet, reduce the threat of block obsolescence, and stimulate our shipbuilding industry.

I believe our national interest requires that we build these tankers immediately. I intend to vote favorably on S. 3458 and I urge all of my colleagues to do likewise.

Mr. ARENDS. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, I rise in support of this legislation and urge its adoption.

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

Mr. WIGGLESWORTH. I yield briefly to the gentleman from California.

Mr. ALLEN of California. I would like to make the comment, Mr. Chairman, that if the Senate bill were eventually adopted it would be well to add to it a simple amendment to restrict the transfer of any tanker involved to another flag.

Mr. WIGGLESWORTH. Mr. Chairman, I urge the adoption of this bill because it has been repeatedly testified by officials of the Navy Department and the Department of Defense that the most critical shortage in the entire marine picture is in reserve tanker capacity.

It has been testified that we have insufficient tankers today to meet the initial mobilization impact in case of getting into trouble.

As the distinguished gentleman from Georgia [Mr. VINSON] has pointed out, there are practically no tankers at all in our reserve fleet at this time, and there is urgent and immediate need for faster and more modern tankers.

I urge the adoption of this legislation also because of the plight at the present time of our ship construction industry.

I suppose that this industry is perhaps the most distressed industry in the entire Nation at this time.

Not a single commercial contract for construction, I am advised, has been placed in the last 18 months. As of January first next there will be only two commercial ships under construction on all the ways in this broad land of ours.

The unemployment situation among our skilled workers essential to national defense is becoming tragic.

As Admiral Leggett, head of the Bureau of Ships, has pointed out:

> The current and prospective scarcity of commercial ship construction constitutes a serious threat to our national security.

If things continue as they are now we simply are not going to have the mobilization base in terms of ship construction that is essential.

To allow essential shipyards to fold up at this time is contrary to our entire national defense policy.

Mr. Chairman, I am one who has believed that the administration proposal approved by the Senate is far more acceptable than the proposal of the House which is now before us.

I agree very largely with the sentiments expressed by the able gentleman from Washington, the chairman of the Committee on Merchant Marine and Fisheries, Mr. TOLLEFSON.

It seems to me if we can secure 20 tankers through private financing, for which we simply have to pay charter hire over a period of years without any immediate appropriation, that that is something we should be grateful for.

I believe it will cost less money, that it will assure action at this session of the Congress, that it will stimulate private enterprise, and that it will contribute immediately to the result which I am sure we all have at heart.

I am going to vote to send this bill to conference in the fervent hope that matters can be so adjusted there that this Congress will enact into law a bill which will bring about the construction which is so vital from the standpoint of national defense.

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

Mr. WIGGLESWORTH. I yield to my colleague from Massachusetts.

Mr. BATES. The thing that has concerned me about this particular bill, and which I discussed at least in the committee, was whether or not this particular bill would cause tankers to be constructed. The hour is late in this particular session; I do not know what the Appropriations Committee of this House is going to do, or what the views may be of the Appropriations Committee of the Senate.

And regardless of what has been said here today I think the other proposal perhaps would be cheaper than this.

Mr. Chairman, I ask unanimous consent to extend my remarks following the remarks of the gentleman from Massachusetts [Mr. WIGGLESWORTH].

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

There was no objection.

Mr. WIGGLESWORTH. May I say in conclusion, Mr. Chairman, that it seems to me that there is no objection which has been raised to the Senate proposal that cannot be met by a reasonable modification in the language of the Senate bill.

Mr. VINSON. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Navy or such officer as he shall designate is authorized to enter into contracts upon such terms as the Secretary of the Navy shall determine to be in the best interests of the Government for the time charter to the Navy of not to exceed 20 tankers not now in being for periods of not more than 10 years to commence upon tender of the tankers for service after completion of construction. In awarding such contracts the Secretary of the Navy shall give preference to operators who are exclusively engaged in the operation of American flagships.

SEC. 2. (a) Each tanker shall be not less than 25,000 nor more than 32,000 deadweight tons, shall have a speed of not less than 18 knots, and shall be constructed in a shipyard situated within the continental United States for operation under United States registry, such construction to be, so far as practicable, of materials and equipment produced or manufactured in the United States and shall be awarded on a competitive basis to the lowest responsible bidder, who can and will construct the said tankers within the period of 2 years as specified in subsection (d) of section 2.

(b) The hire stipulated with respect to any vessel in any charter party entered into under this act shall not exceed an average rate for the life of the charter party of $5 per deadweight ton per month: *Provided*, That such average rate will not result in the recovery of more than two-thirds of the construction cost of the ships.

(c) Any contractor shall agree as part of the contract entered into under the provisions of this act that the vessel or vessels contracted for shall remain under United States registry for 10 years after the period during which such vessel or vessels are under charter to the Navy unless the Secretary of the Navy determines at any time during such 10 years that a transfer of the registry of such vessel or vessels to a foreign country would not be inimical to the national defense, and the Secretary of Commerce likewise determines said transfer to be in the national interest.

(d) Any contract to charter entered into under the provisions of this act shall require that, except for delays not the fault of the owner, including delays excusable under the force majeure clause of the applicable construction contract, the vessel or vessels contracted for shall be tendered to the Navy for service within 2 years after the date of such contract to charter.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert: "That the President is hereby authorized to undertake the construction of not to exceed 20 tankers. The tankers shall be of approximately 25,000 deadweight tons each, shall have a speed of not less than 18 knots, and shall be constructed in private shipyards within the continental United States. The construction of the tankers shall be, so far as practicable, of materials and equipment produced or manufactured in the United States.

"SEC. 2. There is hereby authorized to be appropriated not to exceed $150 million for the construction of the foregoing vessels."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LECOMPTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 3458) to authorize the long-term time charter of tankers by the Secretary of the Navy, and for other purposes, pursuant to House Resolution 625 he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

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

The title was amended so as to read: "An act to authorize the construction of tankers."

A motion to reconsider was laid on the table.

AMENDMENT OF THE TARIFF ACT OF 1930 RE CRUDE SILICON CARBIDE

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8628) to amend the Tariff Act of 1930 to insure that crude silicon carbide imported into the United States will continue to be exempt from duty.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. REED]?

Mr. COOPER. Mr. Speaker, reserving the right to object, and I shall not object, this bill was reported favorably by unanimous vote of the Committee on Ways and Means and there are no objections on this side of the aisle.

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

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 1672 of the Tariff Act of 1930, as amended, is amended by inserting "crude silicon carbide," after "corundum ore."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. REED of New York. Mr. Speaker, H. R. 8628 is intended to assure that crude silicon carbide shall continue to be exempt from duty when imported into the United States whether it is used as an abrasive or refractory material or in metallurgy.

Silicon carbide is a manmade mineral, produced by fusing sand and coke in an electric furnace. Originally developed over a half century ago as an abrasive material, it has attained preeminence in our industrial economy as the basic material for grinding wheels, abrasive paper and cloth, and so forth, for work on hard and brittle nonferrous metals and ceramics. In war time, silicon carbide becomes even more important because it can be substituted to a considerable extent for industrial diamonds. The supply of diamond bort—produced in Africa—is never adequate in war time, and it must be severely rationed. Silicon carbide has filled the gap. It follows that a large and dependable supply of silicon carbide is necessary not only for our industrial economy but also for national defense.

The Tariff Act of 1930 now provides that "crude artificial abrasives" shall be exempt from duty, and inasmuch as crude silicon carbide has been considered as an artificial abrasive, it has been on the free list. Silicon carbide, made by fusing sand and coke in an electric furnace, has been used chiefly as an abrasive material in the manufacture of grinding wheels, abrasive paper, abrasive cloth, and so forth. In recent years, however, silicon carbide has become increasingly important in a nonabrasive use as a refractory material and in metallurgy.

Because the duty-free status of silicon carbide results from its listing as a crude artificial abrasive, the increasing use of silicon carbide for purposes other than the manufacture of abrasive products raises a doubt as to whether it should still be entitled to classification under Tariff paragraph 1672 and enjoy the resulting duty-free treatment. It is estimated that nonabrasive uses accounted for at least 40 percent of the total quantity of silicon carbide imported and consumed in the years 1952 and 1953.

The United States abrasive, steel, and refractory industries are almost entirely dependent on Canada for their supply of silicon carbide and there is only one

domestic producer of silicon carbide in commercial quantities. Statistics on United States production of crude silicon carbide are not separately reported. However, statistics are reported on production in the United States and Canada combined. These statistics are to be found in the committee report accompanying this legislation, House Report 2209. In recent years imports have supplied about two-thirds of the total United States consumption of crude silicon carbide.

All of Canada's production of silicon carbide is accounted for by 6 branch plants of 5 United States companies. One of these five companies is the only domestic producer. Petroleum-coke and high-grade silica sand which are two major raw materials used in the manufacture of crude silicon carbide are imported duty free from the United States by Canada.

It is my belief that it will be in the interest of our national industrial economy and our national security to assure the continued duty-free entry of silicon carbide.

AMENDMENT TO SECTION 208 (5) OF THE TARIFF ACT OF 1930

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9248) to amend section 308 (5) of the Tariff Act of 1930, as amended.

The Clerk read the title of the bill.

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

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 308 (5) of the Tariff Act of 1930, as amended (U. S. C. 19: 1308 (5)), is further amended to read as follows:

"(5) Automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and craft, and the usual equipment of the foregoing; and in case of all of the foregoing the collectors of customs may, under such regulations as the Secretary of the Treasury may prescribe, defer the exaction of a bond for not to exceed 90 days with respect to such items which are brought temporarily into the United States by nonresidents for the purpose of taking part in races or other specific contests for other than a money purse, but unless such vehicle or craft is exported or the bond is given within the period of such deferment, it shall be subject to forfeiture.

With the following committee amendment:

Page 1, line 8, after the word "foregoing;", strike out the balance of line 8 and all of lines 9, 10 and 11, and on page 2 strike out lines 1 to 6 inclusive and insert the following: "all the foregoing which are brought temporarily into the United States by nonresidents for the purpose of taking part in races or other specific contests; and, in the case of vehicles and craft entered under this subdivision to take part in races or other specific contests for other than money purses, collectors of customs, under such regulations as the Secretary of the Treasury may prescribe, may defer the exaction of a bond for not to exceed 90 days after the date of importation, but unless such vehicle or craft is exported or the bond is given within the period of such deferment, such vehicle or craft shall be subject to forfeiture."

The committee amendment was agreed to.

Mr. REED of New York. Mr. Speaker, H. R. 9248 will liberalize section 308 of the Tariff Act of 1930 which prescribes conditions under which articles may be imported duty free under bond on a temporary basis. This liberalization will exempt amateur sportsmen who wish to bring their yachts, automobiles, or other craft or vehicles into the United States for participation in races or other contests, when they remain in the country for not more than 90 days, from the requirement that such persons execute a bond to guarantee the exportation of the craft or vehicle.

As presently in force, section 308 (5) permits the entry without payment of duty, under bond for exportation within a period not to exceed 3 years, of vehicles and craft which are brought into the United States by nonresidents for the purpose of taking part in races or specific contests. H. R. 9248 in the case of such vehicles or craft which are brought in by nonresidents to take part in races or specific contests for other than a money purse, would permit the bond requirement to be deferred for 90 days, under such regulations as the Secretary of the Treasury may provide.

Provision is made for the forfeiture of such vehicles or craft if not exported within the period of deferment or if appropriate bond is not filed in lieu of exportation within the period of deferment.

The amendment adopted by your committee is clarifying in nature and restores certain restrictive language contained in present law which was inadvertently deleted in the introduced version of H. R. 9248.

H. R. 9248 was reported to the House by the unanimous vote of the Committee on Ways and Means.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. PHILLIPS. Mr. Speaker, I have a reservation of time for this afternoon, but I also have an appointment at the Pentagon. Therefore, I ask unanimous consent to vacate my time for this afternoon and request permission to address the House for 45 minutes on tomorrow and 45 minutes on Monday.

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

There was no objection.

PROVIDE FOR TRANSFER OF HAY AND PASTURE SEEDS

Mr. NICHOLSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 616 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2987) to provide for the transfer of hay and pasture seeds from the Commodity Credit Corporation to Federal land-administering agencies. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. NICHOLSON. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH] and yield myself such time as I may require.

Mr. Speaker, I rise to urge the adoption of House Resolution 616 which will make in order the consideration of the bill (S. 2987) to provide for the transfer of hay and pasture seeds from the Commodity Credit Corporation to Federal land-administering agencies. House Resolution 616 provides for an open rule with 1 hour of general debate on the bill itself.

S. 2987 would authorize and direct the Commodity Credit Corporation to transfer up to 900,000 pounds of hay and pasture seeds to 3 land-administering agencies of the Federal Government.

Appropriations in the amount of $145,000 to the receiving agencies would be authorized to be applied on costs of transporting and planting of the seeds. An appropriation would also be authorized to reimburse the Commodity Credit Corporation for its investment in the seeds transferred pursuant to this act. This cost would be approximately $335,600.

The receiving agencies could only use the seeds transferred for the seeding of grazing land administered by them, and it has been estimated that about 110,000 acres of additional rangeland would thus be seeded. The three receiving agencies, the Forest Service, the Fish and Wildlife Service, and the Bureau of Land Management would, with the cooperation of the range users, be able to do a tremendously important job in building up our range resources.

The ranges of this Nation are subject to deterioration through drought, depletion, noxious range plant invasion, poisonous weed infestation and fire. It appears to me that it is just as vital to take care of our range resources, to maintain and improve and expand them as it is to conserve our forest and mineral resources. This Nation is tremendously wealthy in natural resources and in the conservation of these resources lies the source of our future as a nation. I hope that the rule will be adopted and that the bill itself will pass.

Mr. SMITH of Virginia. Mr. Speaker, I know of no opposition to the rule or the bill which it makes in order. I do not desire to use any more time.

Mr. NICHOLSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2987) to provide for the transfer of hay and pasture seeds from the Commodity Credit Corporation to Federal land-administering agencies.

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

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 2987, with Mr. Bow in the chair.

The Clerk read the title of the bill.

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

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Chairman, this bill S. 2987 is an identical bill to H. R. 8431 which I introduced in the House in March of this year. The bill is very simple in principle and even very simple in wording. It merely provides to take something that the Government of the United States already owns, namely some seed now deteriorating in warehouses, under the ownership of the Government through the Commodity Credit Corporation and place this seed on the rangelands and other lands owned by the United States which themselves are either deteriorating or are not up to maximum use.

In other words, we would take some seed which we have in surplus in warehouses and put it on some land the Government owns, so that the seed itself is used and the land is improved or in some cases actually saved by the prevention of erosion.

Mr. Chairman, it seems hardly necessary for me to take the 5 minutes allowed me by the gentleman from Michigan [Mr. WOLCOTT]. The bill actually needs little or no explanation.

The mechanics as provided in the bill for the carrying out of the program are simply these. The Commodity Credit Corporation is authorized and directed to transfer to certain agencies surplus hay and pasture seeds acquired under the price-support program. These agencies are the Forest Service, Department of Agriculture, which under the bill would receive not to exceed 485,000 pounds; the Fish and Wildlife Service in the Department of the Interior which would be allowed to use 163,000 pounds; the Bureau of Land Management of the Interior Department, not to exceed 250,000 pounds.

The kinds and quantities of seeds transferred within such maximum quantities, subject to determination of availability and surplus supply by the Commodity Credit Corporation, shall be determined by such agencies, but shall not exceed quantities which may be utilized for the purposes specified.

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

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

Mr. BAILEY. I should like to inquire of the distinguished gentleman from Oregon whether the provisions of the bill are broad enough to provide for distribution to the Forest Service of the Department of Agriculture for these upstream development projects of which we have launched some 60, or which will be under construction soon. There is considerable reseeding of lands in those river valleys. Would it be broad enough to be made available to the Department of Agriculture for that purpose?

Mr. ELLSWORTH. I would think that under the wording of the bill the Forest Service would have the right, within its judgment, to place the seeds on any lands under its ownership in the Forest Service.

Mr. BAILEY. In this particular instance the Government would not actually control the land. It is a cooperative undertaking between the Government and local communities, people residing in that particular section of the valley, to build the necessary holding dams to control the flow of water and to reseed for reforestation. It is a general program of rehabilitation of the watersheds. I wondered if it would be available for that purpose.

Mr. ELLSWORTH. The program would apply to those lands actually owned by the United States Government. As I read the language of the bill, I would not think there would be any authority in this bill to allow the Forest Service to put seeds on privately owned land. The seed is put on land owned by the Government and administered by either the Fish and Wildlife Service, the Bureau of Land Management, or the Forest Service.

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

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

Mr. TALLE. May I say to the distinguished gentleman from Oregon that I am very much in favor of this bill. At the time it was being considered in committee I attempted to summarize briefly what the bill provides, and these were my words:

> Why not transfer something the Government already has in one agency, which does not need it and will not use it, to three other agencies that do need it and intend to use it? Is that not the heart of it?
>
> Mr. JOY. I think that was intent of the bill.

Then I stated that of course there must be proper accounting, so that there need be no question raised about anything being done contrary to good accounting practice. Is it not the gentleman's understanding that proper accounting will be made and should be made?

Mr. ELLSWORTH. I thank the gentleman from Iowa for his remarks. Yes, I think we need have no slightest doubt regarding the proper accounting of the program that is provided for under this bill, because the seeds are taken from one agency and used and distributed by another. I think it is absolutely mandatory that both agencies account for their action as provided for in the bill. I think we need have no worry about the manner of accounting.

Mr. SPENCE. Mr. Chairman, I have no requests for time on this side. The bill was reported unanimously by the committee. I think it is a good bill and ought to be passed.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Idaho [Mr. BUDGE].

Mr. BUDGE. Mr. Chairman, there can certainly be no more valid use for the surplus commodities held by the Commodity Credit Corporation than the preservation of the natural resources of the United States. I sincerely hope the bill will be adopted.

Mr. WOLCOTT. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, in answer to the question propounded by the gentleman from West Virginia [Mr. BAILEY], it would seem to me that if he wants these pilot plant projects eligible to receive any of this seed, he should put in an amendment which, I think, should be satisfactory to the authors of the bill on line 7, page 1, to include the words "Soil Conservation Service" following the words "to the Forest Service" because otherwise I do not think there is any authority in this bill to give the Commodity Credit Corporation the right to turn over to the Soil Conservation Service, which operates the so-called watershed pilot plant protection program, any of this particular seed. I do not see the gentleman from West Virginia on the floor, but may I point out to the gentleman from Oregon [Mr. ELLSWORTH] that that would be the answer to the question.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. COON].

Mr. COON. Mr. Chairman, I wish to support S. 2987, which would provide for the transfer of hay and pasture seeds from the Commodity Credit Corporation to the Forest Service, the Fish and Wildlife Service and the Bureau of Land Management for range improvement and conservation programs.

This legislation would serve three purposes. It would improve the carrying capacity of the range on our public lands, and thus provide better feed for our stockmen and sportsmen, and therefore a supply of meat at a reasonable cost to the consuming public.

It would also take out of the Government's hands the seeds which are appropriate for use on the range, and therefore would prevent these seeds from further depressing the market. I am told that the seeds removed from stock by this procedure would include alfalfa, Ladino clover, bromegrass, wheat grass, and tall fescue, to a total of 900,000 pounds.

Finally, this bill would remove these seed stocks from the warehouse where they are deteriorating, a useless burden on the Government's hands, and turn them to a useful purpose.

Therefore, in the interest of the livestock industry, the sportsmen, and the consuming public, in the interest of the seed industry of America, and in the interest of relieving the Government of some of the burden of these surplus seeds, I believe this is good legislation, and should be passed.

I understand that as of April 30, 1954, the Commodity Credit Corporation owned 77.4 million pounds of hay and pasture seeds acquired under 1950, 1951, and 1952 price support programs. These seeds, acquired at a cost of $37.3 million after a reserve for losses in the amount of $10.3 million, were carried at a net book value of $27 million. As of that date the records show 24.7 million pounds of hay and pasture seeds had been disposed of at a loss of approximately $5.3 million. The Commodity Credit Corporation discontinued its hay and pasture seed price support operations with the 1952 crops.

Cooperation between the agencies concerned and the users of the land will be required in order to put this program into effect. I think that this is appropriate, in that those who stand to benefit from this program will assist in carrying it out. I understand that for years the grazing land administering agencies and the users have cooperated in range-improvement programs.

Sound soil conservation practices require that our rangelands be maintained and improved. The seed transfers provided in this bill will permit an expansion of our present range improvement programs.

I hope the House will act favorably upon S. 2987.

Mr. METCALF. Mr. Chairman, the members of the committee have brought us today a piece of constructive and worthwhile legislation that represents the proper approach to the question of reseeding the range. The American people own thousands of acres of rangeland that are chiefly administered by the Forest Service and the Bureau of Land Management. The Commodity Credit Corporation also owns thousands of pounds of hay and pasture seed, of which 900,000 pounds is of the type suited for range reseeding. As a prudent landlord our Government is now using the seed to develop its property.

As pointed out in the report the estimated cost of the seeding will be about $6 per acre or an estimated $660,000. The authorized appropriation takes care of but a fraction of this amount. The users of the range will cooperate in carrying out the reseeding program. Again this type of cooperation is the best type of owner-user relationship. The grazing users who cooperate have the benefit of a better range upon which to graze their sheep and cattle and under present administrative procedures they can have the advantage of the increased grazing capacity in their grazing leases.

In the 77th Congress a thorough report on grazing problems was prepared and published under the tile "The Western Range," Senate Document No. 199, and therein the Forest Service estimated that the carrying capacity of the western rangelands as a whole had fallen from an original capacity of 22.5 million animal units to about 10.8 million animal units, or a reduction of more than one-half.

The Forest Service has aggressively pushed a range reseeding program. It is estimated that such a complete program on the national forests alone, would cost $100 million. In recent years the Government has just made a beginning by investing some $3.5 million in reseeding national forest ranges. Another $16.9 million has been spent in range improvement in development of waterholes, drift fences, and other range improvements. At the same time more than $3 million has been privately spent in range improvement and revegetation.

This cooperative approach with the Government assuming its obligation as a landlord in providing the seed for reseeding operations is much to be preferred to the approach suggested by H. R. 6787 and S. 2548 now before the Agriculture Committee. There the permittee is the one who makes the range improvement including the undertaking of range reseeding and elimination of noxious weeds. Then to provide for incentive and encouragement in the range improvement the permittee gains a right to be compensated for any loss suffered when the grazing permit is withdrawn. In effect such an approach gives the permittee an interest in the land itself. An interest that he can require the Government or a subsequent permittee to compensate him for when the permit is withdrawn.

The method of range improvement adopted today is much better and places the responsibility for range reseeding and range improvement squarely upon the shoulders of the Government who is the landlord. Yet those who wish to cooperate, whether they be grazing-permit holders or State fish and game commissions, can do so. And both mutually benefit.

Mr. WOLCOTT. Mr. Chairman, we have no further requests for time.

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

The Clerk read as follows:

Be it enacted, etc., That the Commodity Credit Corporation is hereby authorized and directed to transfer to the following agencies, free on board transportation conveyance at point of storage, surplus hay and pasture seeds acquired under the price-support program, as follows: To the Forest Service, Department of Agriculture, not to exceed 485,000 pounds; to the Fish and Wildlife Service, Interior Department, not to exceed 163,000 pounds; to the Bureau of Land Management, Interior Department, not to exceed 252,000 pounds. The kinds and quantities of seeds transferred within such maximum quantities, subject to determination of availability and surplus supply by the Commodity Credit Corporation, shall be determined by such agencies, but shall not exceed quantities which may be utilized for the purpose specified in section 2 of this act with funds made available under this act and funds available for such purposes out of appropriations to such agencies for the fiscal year 1954.

Committee amendment:

Page 2, line 10, strike out "1954" and insert "1955."

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. The seeds transferred pursuant to this act shall be used by the transferee agencies only for the purpose of seeding grazing lands administered by them. To defray costs of transporting and seeding, there is hereby authorized to be appropriated the following sums: To the Forest Service, not to exceed $95,000; Fish and Wildlife Service, not to exceed $25,000; and to the Bureau of Land Management, not to exceed $25,000.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to reimburse the Commodity Credit Corporation for its investment in the seeds transferred pursuant to this act.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Bow, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (S. 2987) to provide for the transfer of hay and pasture seeds from the Commodity Credit Corporation to Federal land-administering agencies, pursuant to House Resolution 616, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

COMMITTEE ON APPROPRIATIONS

Mr. TABER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday night to file a report.

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

Mr. CANNON. Mr. Speaker, reserving the right to object. When will the bill be submitted to the full committee?

Mr. TABER. There will be a meeting of the full committee on Friday morning. There is a possibility that the House may not be in session on Friday, and I felt that we should get this permission today.

Mr. CANNON. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

Mr. CANNON reserved all points of order on the bill.

THE LATE HONORABLE BENNETT CHAMP CLARK

Mr. CANNON. Mr. Speaker, I ask unanimous consent to address the House.

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

The was no objection.

Mr. CANNON. Mr. Speaker, it is with the deepest regret that I announce the unexpected death of Judge Bennett Champ Clark, in Gloucester, Mass., last evening.

Judge Clark first came to this floor as a lad of 3 and was immediately on intimate terms with the leadership of the House on both sides of the aisle and

was as faithful in his attendance on the session of the House as any of his father's contemporaries.

His long attendance here, and his presence at every party conference and caucus in which his distinguished father participated, gave him a practical working knowledge of House rules to be secured in no other way. And it was inevitable when his father succeeded to the Speakership, and the great Parliamentarian, Asher Crosby Hinds, was simultaneously elected to membership in the House in the 62d Congress, that Bennett should become his father's Parliamentarian. He retained that position until he resigned to leave with the first American Expeditionary Force for France in the First World War.

When mustered out of the service at the close of the war, he entered the practice of law in St. Louis and became one of the noted trial lawyers of the Missouri bar.

He served 3 terms as United States Senator from Missouri, the first time briefly when appointed to the vacancy caused by the resignation of Senator Harry B. Hawes, and 2 full terms to which he was elected in 1932 and 1938 respectively.

On his retirement from the Senate in 1945, he was immediately appointed by his friend and former senatorial colleague, President Truman, to the bench of the United States Court of Appeals in the District of Columbia where he was serving at the time of his death.

As Judge Stephens, the presiding judge of the court, well said, in his tribute this morning, "He devoted his life to the service of his country." He was one of the first to volunteer in the First World War, and served successively as captain, lieutenant colonel, and colonel on the General Staff.

He was one of the moving spirits in the organization of the American Legion, was chairman of the Paris caucus and an incorporator and one of the 17 charter members, and served as national commander.

Like his father he was widely considered a presidential possibility and was a colorful figure at recent national conventions. He dies at the prime of life and at the zenith of his career.

He was a distinguished son of a distinguished father—and a beloved son of Missouri.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Texas.

Mr. RAYBURN. I wish to join with the gentleman from Missouri in expressing my deep regret at the passing of Bennett Champ Clark. When I came here his very distinguished father was Speaker of the House of Representatives. He was a young man around here, and afterward became Parliamentarian of this House, in which position he distinguished himself.

I never knew a more lovable man than Champ Clark, his father. He had a big, kind, fine heart that went along with a big, fine brain. His son Bennett inherited those fine and noble qualities. As the gentleman said, his life was practically all devoted to public service, in which capacity he distinguished himself. He was a great American.

He was a fine citizen and I deeply regret his passing.

To his lovely wife and his boys I extend my deepest and most sincere sympathy.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Indiana.

Mr. HALLECK. It was one of the privileges of my life to know the beloved Bennett Champ Clark. His youngsters and mine are exactly the same age. They were frequently at our home and our youngsters were at his home. By reason of that and many other things I came to know Judge Clark very, very well. He certainly was a lovable, fine, great American, whom we shall all miss.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD on the life, character, and public service of the late Judge Clark.

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

There was no objection.

PROGRAM FOR JULY 15

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. HALLECK. Mr. Speaker, tomorrow, in order that everyone may be informed, if rules are granted we might call up for consideration the bill (H. R. 8658) to amend title 18 of the United States Code, to provide for punishment of persons who jump bail.

The Foreign Affairs Committee has reported a resolution dealing with the matter of admission of Red China to the United Nations.

Also there is a resolution for the creation of a Special Elections Committee such as is usually provided for as we come to the close of each Congress.

We might also call up the bill (H. R. 236) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan project in Colorado.

There is no definite determination as to when we will call any of these bills, but I announce the possibility of their being called up in order that the Members may have as much notice as possible.

FIFTIETH ANNIVERSARY OF CONTROLLED FLIGHT

Mr. SCHENCK. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 429) authorizing the printing as a House document of the proceedings at Kitty Hawk, N. C., and at Washington, D. C., celebrating the 50th anniversary year of controlled-powered flight, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the proceedings conducted at Kitty Hawk, N. C., on December 15, 16, and 17, 1953, and at Washington, D. C., on December 17, 1953, celebrating the fiftieth anniversary of controlled-powered flight, by Wilbur and Orville Wright shall be printed as a House document.

With the following committee amendment:

Line 1, strike out "Kitty" and insert "Kill."
Line 2, strike out "Hawk" and insert "Devil Hills."

The committee amendment was agreed to.

The resolution was agreed to.

The title of the resolution was amended so as to read: "Authorizing the printing as a House document of the proceedings at Kill Devil Hills, N. C., and at Washington, D. C., celebrating the 50th anniversary year of controlled-powered flight."

ADDITIONAL COPIES OF SENATE DOCUMENT NO. 87

Mr. SCHENCK. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (S. Con. Res. 80) to print additional copies of Senate Document No. 87, Review of the United Nations Charter—A Collection of Documents, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on Foreign Relations 1,000 additional copies of Senate Document 87, 83d Congress, 2d session, Review of the United Nations Charter—A Collection of Documents.

With the following committee amendments:

Lines 2 and 3, strike out the following: "for the use of the Committee on Foreign Relations one" and in lieu thereof insert the word "three."

Line 6, after the word "Documents", insert a semicolon and the following: "1,000 copies for the use of the Committee on Foreign Relations and 2,000 copies for the use of the Members of the House of Representatives."

Estimated cost of printing approximately $4,724.07.

The committee amendments were agreed to.

The resolution was concurred in.

ADDITIONAL COPIES OF PLEDGE OF ALLEGIANCE TO THE FLAG

Mr. SCHENCK. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Con. Res. 241) providing for printing as a House document the pledge of allegiance to the flag, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed as a House document the pledge of allegiance to the flag, as designated in section 7 of the joint resolution approved June 22, 1942 (36 U. S. C., sec. 172), as amended (Public Law 396, 83d Cong., ch. 297, 2d ses.;

H. J. Res. 243, approved June 14, 1954); and that there be printed 681,000 additional copies, of which 437,000 shall be for the use of the House; and 144,000 copies shall be for the use of the Senate, and that there be included thereon the following history of the pledge:

Author of the pledge was Francis Bellamy, born at Mount Morris, N. Y., lived 1855 to 1931. Original pledge first publicly used in 1892, was changed slightly by First and Second National Flag Conferences in 1923 and 1924, was officially designated as Pledge of Allegiance to the Flag by Public Law 287, 79th Congress, approved December 28, 1945. On June 14, 1954, Flag Day, it was amended by Public Law 396 to include the words "under God."

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

HATE PROPAGANDA

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. JAVITS. Mr. Speaker, I have been deeply concerned, and I think other Members should be deeply concerned, about the fact that while the country is under grave preoccupation with internal security, Communist infiltration, subversion, aggression, and other similar activities, and our people feel very deeply anti-Communist, a group of ultrarightists is seeking to exploit this feeling by sending a very large amount of hate propaganda through the mails which is anti-religious, anti-Catholic, anti-Protestant, and anti-Jewish.

I am today introducing a resolution of inquiry to ascertain from the Postmaster General the extent of the hate propaganda, anti-religious, anti-Catholic, anti-Protestant, and anti-Jewish, which is going through the mails, not only from domestic sources but from outside the country as well. I have already introduced a resolution to have the House Committee on Post Office and Civil Service investigate the situation. My resolution today specifically names the following 10 publications as examples upon which detailed information is requested:

First. Common Sense, allegedly published twice monthly at Union, N. J.

Second. Pamphlet entitled "The Criminals" attributed to Editor Einar Aberg, Norrviken, Sweden, allegedly published in 1950.

Third. A single sheet entitled "Communism" by the same editor as in item 2 carrying pictures, bearing the date "February 1954."

Fourth. A single sheet headed "Stop Invasion," allegedly issued by the Committee To Save the McCarran Act, Tulsa, Okla., or Los Angeles, Calif.

Fifth. A periodical publication Williams Intelligence Summary, allegedly published at Santa Ana, Calif.

Sixth. A single sheet headed "Open Letter to Congress," allegedly published by West Virginia, Anti-Communist League, Huntington, W. Va.

Seventh. The Cross and the Flag, allegedly published monthly at Los Angeles, Calif.

Eighth. A single sheet headed "The Kiss of Death," allegedly issued by the Citizens Protective Association, St. Louis, Mo.

Ninth. A periodical publication called the "Western Voice," allegedly published in Inglewood, Calif.

Tenth. The American Nationalist, allegedly published at Inglewood, Calif.

The deep concern of the country with internal security and Communist infiltration, subversion, and aggression, should not be permitted to divert us so as to afford a cover for hate propaganda distributed or transmitted through the mails. To prevent such exploitation of the deeply anti-Communist feelings of the people by ultrarightists in an equally vital question of internal security.

VACATING SPECIAL ORDER

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent that the special order I have for today be vacated.

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

There was no objection.

RED CHINA'S ADMISSION TO THE UNITED NATIONS

The SPEAKER. Under special order heretofore entered, the gentleman from West Virginia [Mr. BYRD] is recognized for 15 minutes.

Mr. BYRD. Mr. Speaker, while the air is filled with pious pretensions of peace, and hyprocrisy parades in the name of diplomacy, aggressive tyranny stalks the free peoples of the world. At the very moment that spokesmen for some of the major powers of the West are championing the cause of Red China's admission to the United Nations, Asia is aflame with new Communist assaults, and the menacing Red tide sweeps on.

Where will it all stop? When can the world hope for respite? What is the answer to this organized violence in our times?

Certainly appeasement is not the answer. We know from bitter experience that appeasement only begets greater demands. The appetites of the tyrant are insatiable. Country after country, people after people have been literally gobbled up by the maws of Soviet imperialism since the end of World War II. These feasts of aggression have only whetted the appetite of the Reds. Asia is next on the Red menu.

How long is it going to take the West to fully comprehend that the key center of all Communist aggression is Moscow? Are we going to be taken in again by the taffy that the way to handle Red aggression is to idly sit by hoping that time will conjure up a rift between the Chinese Reds and Moscow? This is a variation of the devilishly dangerous theme that the Chinese Reds were harmless agrarians and the thing to do was let them alone and they would develop into an Asiatic block against Moscow? Does anyone in his right senses believe this after Korea and Indochina? And where will the blows fall tomorrow?

At the cost of painful disillusionment, we have come to the realization that wishing for peace isn't enough. Peace does not come by wishing for it, and let us once and for all come to the understanding that the absence of shooting does not in itself constitute peace. Where there is a denial of justice for a whole people there is no peace. There can be war without bombs raining from the skies. It is war when the pressures of totalitarian powers are applied to weaker peoples; when the threat of force, actual or implied, is utilized to place outsiders who are not wanted into the ruling places of power in the administration of a sovereign state; when the use of subversion in the form of fifth columns are used to undermine a national regime. This is war that is just as ugly as wholesale killing, for it deprives nations of their independence, condemns whole peoples to enslavement, destroys hope, and reduces men to a state of animality.

So we come to the place, Mr. Speaker, where we must be aware that the Communists are now at war actually with our kind of world. This has to be a premise for a sound, intelligent, and effective foreign policy of the United States. If others, in their materialistic greed, think they can treat safely with the bear, that is their risk and their responsibility. As for ourselves, we have the problem of becoming acquainted with the true nature of the enemy, estimating his capabilities for war, and guiding ourselves accordingly.

No dear cherishing of peace should blind us to the grim realization that this is the century of brutal aggression. Trying to cope with the enemy by traditional sportsmen's rules is like trying to measure the infinite by the finite. Our failures to date in the realm of foreign affairs have been due to our sheer inability to understand communism in action. There were some of us here in this Chamber, Mr. Speaker, and the record will show it clearly, who warned that the Geneva Conference was nothing but a pitfall for the United States; that no good could possibly come of it; that it was a mistake ever to have assented to the meeting in the first place. And the sorry spectacle of that conference only proves the correctness of our claims. I say this in no vainglorious spirit. There is no pride or sense of accomplishment in saying in these days, "I told you so." No one expects Mr. Dulles to be a superman. He is trying his utmost to achieve peace in our time, and for his attempts, all Americans are appreciative. But, having said this, Mr. Speaker, I submit that we should have learned from experience, we should all know and realize, down to the fourth-grade scholar, that peace as we understand it is not in the Communist lexicon, and that the Reds have only contempt

for us when we allow them to use the forum of a peace conference at Geneva for the furtherance of their aggressive aims. Because of the recognition, homage and prestige which the Reds realized at Geneva, their premier, Chou En-lai, has moved on to a triumphant diplomatic tour, thereby swelling the gains made at Geneva. This was all foreseen, Mr. Speaker. The pages of the CONGRESSIONAL RECORD attest to the fact that some of us called the shots in advance. We can devoutly wish we had been wrong and that some good had come of it all, but Geneva is a diplomatic debacle.

So, too, Mr. Speaker, were the fallacies of the proposed easing of East-West trade restrictions pointed out. Those of us who were against any dropping of the barriers on so-called strategic goods going to countries behind the Iron Curtain made the case that anything which helped to stabilize Soviet control over captive states was a net and substantial gain for Moscow. It is regrettable that London is enkindled with the false hope that the way to deal with the Soviets is to carry hostages to Moscow. Trade purchased at this price will return to haunt the British. It is not without a small measure of satisfaction that I have noted that our own Foreign Operations Administration at long last has made a realistic reappraisal of its own trade policies and has refused to ride on the British trade special to Moscow. Mr. Stassen has read and heeded, for the moment at least, the stop-look-and-listen sign. He might go even further and take a serious look into the offshore procurement program with an eye to strengthening our own economic situation instead of penalizing American business firms that sorely need orders and find themselves faced with the inequitable competition of low-wage foreign companies.

Mr. Speaker, I must confess, having lived through these years of Communist aggression, I must confess to an enveloping sense of unreality that many of us in the Congress, nay all of us, find it necessary at this day and hour, to get up here and confront the necessity of making out a case against Red China as an enemy of the peace. How far have we strayed from reality? What evil influence is at work that such a preposterous proposition as admitting Red China to the United Nations is even a subject for serious debate? Talk about arming a burglar to rob your house. Here is a gang of international brigands who are responsible for the slaughter of thousands of American boys; who are branded as aggressors by the United Nations itself; who at every turn and upon every occasion aid and abet aggression; yet, this is the gang that is proposed for admittance to the very international organization that was avowedly established to perfect collective security and punish the breakers of the peace. Mr. Speaker, one feels a sense of lightheadedness at the very effrontery of the suggestion, and yet we know it is a seriously advanced proposal.

When I was younger and going to school, studying civics and trying to learn history, we were taught that foreign policy was something designed to protect the honor of the Nation and advance its legitimate national interests. Are we to believe in our day, Mr. Speaker, that national honor is a casualty of the times? That this prime consideration has been scrapped? That expediency takes precedence over honor?

I have said before and I say again, and I hope to repeat it over and over, that what is morally wrong can never be politically right. Each and every grave of our honored war dead is a monumental protest against Red China's case for U. N. admission. Just as surely as Munich brought on the ultimate attack on Poland, and the appeasement of Hitler insured World War II, so too would Red China in the United Nations spell doom to freedom and peace in this age, for it would be a signal for new and greater Communist aggression. It would be dismal and conclusive evidence that Western civilization had lost the will to survive before the threat of Communist imperialism. We are fighting to save the freedom; yes to save the lives of our children. Another decade of such monstrous folly, and all will be lost. America has never faced a greater moral or political trial. Upon our actions in this crisis, depends the shape of the world in the future.

MILITARY AND NAVAL CONSTRUCTION ACT

Mr. ARENDS submitted a conference report and statement on the bill (H. R. 9242) to authorize certain construction at military and naval installations and for the Alaska Communications System, and for other purposes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks was granted to:

Mr. CURTIS of Missouri and to include additional matter.

Mr. RADWAN in two instances and to include additional matter.

Mr. GRANT and to include several poems.

Mr. CORBETT.

Mr. WOLVERTON.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1303. An act to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship by voting in a political election or plebiscite held in occupied Japan; and

S. 3480. An act to amend section 24 of the Federal Reserve Act, as amended.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 5158. An act for the relief of Sgt. Welch Sanders; and

H. R. 5433. An act for the relief of the estates of Opal Perkins, and Kenneth Ross, deceased.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 9 minutes p. m.) the House adjourned until tomorrow, Thursday, July 15, 1954, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1734. Under clause 2 of rule XXIV, a letter from the Assistant Secretary of the Interior, transmitting one copy each of certain bills passed by the Municipal Council of St. Thomas and St. John, pursuant to section 16 of the Organic Act of the Virgin Islands of the United States approved June 22, 1936, was taken from the Speaker's table and referred to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 630. Resolution for the consideration of H. R. 9757, a bill to amend the Atomic Energy Act of 1946, as amended, and for other purposes; without amendment (Rept. No. 2214). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 439. Resolution providing for the appointment of a special committee of the House of Representatives to investigate the campaign expenditures of the various candidates for the House of Representatives, and for other purposes; without amendment (Rept. No. 2215). Referred to the House Calendar.

Mr. SCHENCK: Committee on House Administration. House Resolution 429. Resolution authorizing the printing as a House document of the proceedings at Kitty Hawk, N. C., and at Washington, D. C., celebrating the 50th anniversary year of controlled-powered flight; with amendment (Rept. No. 2234). Ordered to be printed.

Mr. SCHENCK: Committee on House Administration. Senate Concurrent Resolution 80. Concurrent resolution to print additional copies of Senate Document 87, Review of the United Nations Charter—A Collection of Documents; with amendment (Rept. No. 2235). Ordered to be printed.

Mr. SCHENCK: Committee of conference. House Concurrent Resolution 241. Concurrent resolution providing for printing as a House document the pledge of allegiance to the flag (Rept. No. 2236). Ordered to be printed.

Mr. ARENDS: Committee of conference. H. R. 9242. A bill to authorize certain construction at military and naval installations and for the Alaska Communications System, and for other purposes (Rept. No. 2237). Ordered to be printed.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. S. 2380. An act to amend the Mineral Leasing Act of February 25, 1920, as amended; without amendment (Rept. No. 2238). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. S. 2381. An act 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; without amendment (Rept. No. 2239). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. S. 2864. An act 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; without amendment (Rept. No. 2240). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 2843. A bill to authorize the Secretary of the Interior to investigate and report to the Congress on the conservation, development, and utilization of the water resources of Hawaii; with amendment (Rept. No. 2241). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 8006. A bill to safeguard the rights of certain landowners in Wisconsin whose title to property has been brought into question by reason of errors in the original survey and grant; with amendment (Rept. No. 2242). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 1254. A bill to provide authorization for certain uses of public lands; with amendment (Rept. No. 2243). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 8384. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Talent division of the Rogue River Basin reclamation project, Oregon; with amendment (Rept. No. 2244). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 633. Resolution for consideration of H. R. 8658, a bill to amend title 18, United States Code, to provide for the punishment of persons who jump bail; without amendment (Rept. No. 2245). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 634. Resolution for consideration of House Resolution 627, resolution reiterating the opposition of the House of Representatives to the seating of the Communist regime in China in the United Nations; without amendment (Rept. No. 2246). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRAHAM: Committee on the Judiciary. S. 233. An act for the relief of Jeno Cseplo; without amendment (Rept. No. 2216). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 431. An act for the relief of Joseph Di Pasquale; without amendment (Rept. No. 2217). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 670. An act for the relief of John Doyle Moclair; without amendment (Rept. No. 2218). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 946. An act for the relief of Mona Lisbet Kofoed Nicolaisen, Leif Martin Borglum Nicolaisen, and Ian Alan Kofoed Nicolaisen; without amendment (Rept. No. 2219). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 914. An act for the relief of Mark Vainer; without amendment (Rept. No. 2220). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 992. An act for the relief of Apostolos Savvas Vassiliadis; without amendment (Rept. No. 2221). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 1158. An act for the relief of Stayka Petrovich (Stajka Petrovic); without amendment (Rept. 2222). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 1321. An act for the relief of Michajlo Dzieczko; without amendment (Rept. No. 2223). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 1520. An act for the relief of Andre Styka; without amendment (Rept. No. 2224). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 1609. An act for the relief of Mrs. Robert Lee Slaughter, nee Elisa Ortiz Orat; without amendment (Rept. No. 2225). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 1858. An act for the relief of Sister Antonella Marie Gutterres (Thereza Maria Gutterres); without amendment (Rept. No. 2226). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 1883. An act for the relief of Dr. Takeo Takano; without amendment (Rept. No. 2227). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 1889. An act for the relief of Margot Goldschmidt; without amendment. (Rept. No. 2228). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 1902. An act for the relief of Theresa Elizabeth Leventer; without amendment (Rept. No. 2229). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 2067. An act for the relief of Anthony Benito Estella, Natividad Estella, Antonio Juan Estella, and Virginia Araceli Estella; without amendment (Rept. No. 2230). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 2222. An act for the relief of Lucia Mezilgoglou; without amendment (Rept. No. 2231). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 2287. An act for the relief of George Scheer, Magda Scheer, Marie Scheer, Thomas Scheer, and Judith Scheer; without amendment (Rept. No. 2232). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 3433. An act for the relief of Andreja Glusic; without amendment (Rept. No. 2233). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AUCHINCLOSS:

H. R. 9901. A bill to authorize Federal participation in the cost of protecting the shores of privately owned real property as well as the shores of publicly owned real property; to the Committee on Public Works.

By Mr. BARTLETT:

H. R. 9902. A bill to consolidate, revise, and reenact the townsite laws applicable in Alaska; to the Committee on Interior and Insular Affairs.

By Mr. FOGARTY:

H. R. 9903. A bill to authorize, under regulations of the Civil Service Commission, the withholding, upon request, from compensation of Federal employees amounts for the payment of certain life and hospitalization insurance and credit union savings deposits; to the Committee on Post Office and Civil Service.

By Mr. McCONNELL:

H. R. 9904. A bill to amend section 9 (c) (3) of the National Labor Relations Act, relating to elections during economic strikes; to the Committee on Education and Labor.

By Mr. SAYLOR:

H. R. 9905. A bill to provide for programs of public facilities construction which will stimulate employment in areas having a substantial surplus of labor, and for other purposes; to the Committee on Public Works.

By Mr. CRETELLA:

H. R. 9909. A bill to prohibit payment of annuities to officers and employees of the United States convicted of certain offenses, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BISHOP:

H. Res. 631. Resolution to provide expenses for the special committee authorized by House Resolution 439; to the Committee on House Administration.

By Mr. JAVITS:

H. Res. 632. Resolution of inquiry to the Postmaster General regarding transmittal of hate propaganda through the mails; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DEVEREUX:

H. R. 9906. A bill for the relief of Edoardo Maria Filippo Baldassare Perrone di San Martino; to the Committee on the Judiciary.

By Mr. MUMMA:

H. R. 9907. A bill for the relief of Dr. Carlos Recio and his wife, Francisca Marco Palomero de Recio; to the Committee on the Judiciary.

By Mr. PHILBIN:

H. R. 9908. A bill for the relief of Rev. Canon John Malinowski; to the Committee on the Judiciary.

By Mr. GRAHAM:

H. Con. Res. 254. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1099. By Mrs. CHURCH: Petition of the city council of the city of Chicago at a meeting held June 30, 1954, urging the Congress of the United States to favorably consider the city of Chicago as a site for the erection of a Marine Corps memorial; to the Committee on House Administration.

1100. By the SPEAKER: Petition of the county clerk, Cook County, Chicago, Ill., relative to being in accord with a petition of the Polish American Congress to extend sympathy and the hand of friendship to the Polish Nation, etc.; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Public Opinion in 29th District of Pennsylvania

EXTENSION OF REMARKS
OF
HON. ROBERT J. CORBETT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 14, 1954

Mr. CORBETT. Mr. Speaker, during my years of service in the Congress, I have regularly conducted polls of public thinking on vital national issues in my congressional district. These polls have been in the form of a printed questionnaire, requiring simple yes-and-no answers, mailed to registered voters, regardless of political affiliation, in my district.

Responses to these questionnaires have always been excellent. The tabulated results, which virtually constitute a referendum of the district, have proved of enormous value to myself and to my colleagues in the House.

My congressional district is probably as representative and contains as many varied interest groups as any in the Nation. It has the wealthy, the poor, and the middle class. It has a high concentration of labor, white-collar workers, small business, large industries and some of the finest farm areas found anywhere. It includes a thickly populated section of Pittsburgh, extends to the rural areas, and takes in many large and small towns in northern Allegheny County.

In this session of Congress, I conducted two polls, one in January, immediately after President Eisenhower's state of the Union message; the second has just now been completed. I am including herewith the percentage tabulation results of both polls. I hope they will prove as interesting and informative to other Members as they have to myself.

The results follow:

JANUARY 1954 TABULATION RESULTS

1. Is it better to balance the budget in yearly stages, rather than all at once? Yes, 92 percent; no, 8 percent.
2. The social-security deduction has been increased from 1½ percent to 2 percent. Should this increase be allowed to stand? Yes, 79 percent; no, 21 percent.
3. Do you favor the 10-percent cut in personal income taxes even if it increases the deficit? Yes, 53 percent; no, 47 percent.
4. Should we used our atomic weapons to stop future aggression? Yes, 82 percent; no, 18 percent.
5. Canada seems determined to build the St. Lawrence Seaway. Should we join in the project? Yes, 77 percent; no, 23 percent.
6. Do you agree that postal rates should be increased? Yes, 53 percent; no, 47 percent.
7. Should persons 18 to 21 be given the right to vote? Yes, 55 percent; no, 45 percent.
8. Should the Federal gasoline tax of 2 cents per gallon be maintained to aid the highway program? Yes, 87 percent; no, 13 percent.
9. Are you in favor of statehood for Hawaii? Yes, 84 percent; no, 16 percent.
10. Eisenhower's resolve is for a "sounder and safer America." Do you think he is making satisfactory headway? Yes, 90 percent; no, 10 percent.

JULY 1954 TABULATION RESULTS

1. Should any future United States action to stop Red aggression in Asia be limited to air and naval power? Yes, 58 percent; no, 42 percent.
2. Should we encourage the rearmament of West Germany regardless of French objections? Yes, 91 percent; no, 9 percent.
3. Should the Government continue to build low-rent public-housing projects? Yes, 47 percent; no, 53 percent.
4. Who do you think is wrong in the Army-McCarthy controversy? Army, 22 percent; McCarthy, 27 percent; both, 51 percent. (Check one.)
5. Should Senator MCCARTHY's power to investigate Communist activity be terminated? Yes, 50 percent plus; no, 50 percent minus.
6. Would you vote for a 5 to 10 percent salary increase for postal employees? Yes, 68 percent; no, 32 percent.
7. Do you believe there is any danger of a serious depression during the next few years? Yes, 32 percent; no, 68 percent.
8. Would you vote for a reduction of farm price supports? Yes, 85 percent; no, 15 percent.
9. Do you agree that our foreign affairs are being conducted about as well as circumstances permit? Yes, 63 percent; no, 37 percent.
10. Do you believe that war with Russia is an eventual certainty? Yes, 41 percent; no, 59 percent.
11. Do you favor reducing income taxes by lowering percentage rates rather than by increasing personal exemptions? Yes, 59 percent; no, 41 percent.
12. Do you agree that President Eisenhower has been doing a satisfactory job? Yes, 81 percent; no, 19 percent.

The Late Grantland Rice

EXTENSION OF REMARKS
OF
HON. GEORGE M. GRANT
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 14, 1954

Mr. GRANT. Mr. Speaker—

When the Great Scorer comes
To mark against your name,
He'll write not "won" or "lost,"
But how you played the game.

These words were inspired and left to posterity many years ago by a man who will ever be dear to the hearts of all true sportsmen. In this brief but incisive passage, the dean of American sportswriters captured the real and eloquent spirit of the game of life, whatever the aspirations or rewards might be. It testifies to the American way, the godly way, the way of all true champions.

Yesterday the creator of these words passed on to meet the Great Scorer. While at work in his midtown Manhattan office, Mr. Grantland Rice suffered a fatal heart attack. Today the entire sports world—the "has-beens," the "also-rans," the "immortals," the "champions"—and those countless others who have found pleasure and inspiration in Mr. Rice's work mourn his passing. His death marks the end of a glorious career of sports reporting which had its beginning in 1901 on the Nashville (Tenn.) News at $5 a week. In the last half century no personality surely has contributed so untiringly and influentially to the grandeur of American sports. He typifies an era in sports unparalleled in its impact on American life and institutions. In fact, Mr. Grantland Rice is an institution in himself.

Yet I submit that this grand old man has been much more to his fellow man than a reporter of athletic events. His life's work has transcended the ordinary barriers of human endeavor; it has left a legacy in which we all, however varied our pursuits, might find gratification and peace of mind.

I know of no more fitting epitaph to the memory of this man than that found in his immortal verse, Beyond All Things. In these thoughts you see the man and those attributes which will always be held in deep reverence. Mr. Rice wrote:

He played the game—
What finer epitaph can stand?
Or who can earn a fairer fame
When Time at last has called his hand?
Regardless of the mocking roar,
Regardless of the final score,
To fight it out, ram blow for blow,
Until your time has come to go
On out beyond all praise or blame,
Beyond the twilight's purple glow,
Where Fate can write against your name
This closing line for friend or foe:
He played the game.
He played the game—
What more is there that one can say?
What other word might add acclaim
To this lone phrase that rules the fray?
Regardless of the breaks of chance,
Regardless of all circumstance,
To rise above the whims of Fate,
Where dreams at times are desolate,
Where failure seems your final aim
And disappointment is your mate,
Where Life can write in words of flame
This closing line above the gate:
He played the game.

Most assuredly Mr. Grantland Rice played the game.

My Position on Four Record Votes

EXTENSION OF REMARKS
OF
HON. EDMUND P. RADWAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 14, 1954

Mr. RADWAN. Mr. Speaker, on Thursday, July 8, 1954, I was not present, and I take this opportunity to state my position on four record votes which took place on that particular day:

On rollcall No. 97, if present, I would have voted "aye."

On rollcall No. 98, if present, I would have voted "nay."

On rollcall No. 99, if present, I would have voted "aye."

On rollcall No. 100, if present, I would have voted "aye."

Firing Awards Review Banned by World Court

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 14, 1954

Mr. CURTIS of Missouri. Mr. Speaker, I am inserting into the RECORD today a news item from the Washington Evening Star of July 13, 1954, which should be of deep concern to the United States Government and its people. I do this as one who has felt that the United States should be a member of the United Nations and do whatever it can to perfect the organization so that it will more nearly be what its creators hoped it would be.

The article states that the World Court has ruled that the 11 Americans dismissed from the United Nations employment for refusing to answer questions before duly constituted United States investigative agencies in regard to alleged subversive activities were entitled to the $170,000 compensation awards made to them by the United Nations Administrative tribunal and that the United Nations General Assembly had no right to consider and possibly reject the awards made.

The first serious question raised is what sort of an organization is the United Nations where creatures of it are not subject to its basic authorities. In other words, how can an organization function intelligently if it has committees, tribunals, or other organizations it establishes over which it has no control. Just where do the United States delegates to the United Nations go to correct abuse and usurpation of authorities of these subsidiary organizations?

I believe it is imperative that the United States find out right now what the procedures are.

The second serious question has to do with the substantive merits of the case. Relying upon the fifth amendment to prevent self-incrimination is certainly a civic right which all Americans want to see preserved. But relying upon the fifth amendment to prevent self-incrimination has nothing to do with the rights or duties of an employee in any specific job. Certainly the failure to testify before duly constituted authorities upon the basic subject of loyalty to one's own society and government is cause in itself for removal from a job where the government is the employer. Loyalty to one's employer is certainly an essential and basic feature of any contract for employment.

Certainly a person disloyal to a member nation of the U. N. or to the U. N. itself is grounds for removal from employment by the U. N. It is time that we all recognized a very basic fact of life. The Comintern when it was established under the aegis of Soviet Russia back in the early twenties is in itself a united nations. Those societies where the political government was not controlled by the Communist Party were to be infiltrated until the political government became dominated by the Communist Party. Until such time, however, that particular society or country was represented on the Comintern by members of the Communist Party from that country. This is a complete united nations organization. The Comintern's name may be changed to Cominform, or something else, but its essential structure and operation remains the same and it is in direct competition to the United Nations.

Obviously, any person working for the Comintern or in cooperation with it cannot be loyal to the United Nations. There can be no basis for paying a disloyal employee termination pay or any other sort of pay. As a matter of contract law, wages previously paid might well be recovered because the wages were paid supposedly for honest loyal work.

The same issues involved in the Hiss pension case are involved here. I certainly hope we move ahead to meet the challenge presented to us by the decision of the World Court. I am considering possible legislation which might help to protect the United States Government to a certain degree in this matter. Essentially, however, I think the executive department must act.

FIRING AWARDS REVIEW BANNED BY WORLD COURT

THE HAGUE, NETHERLANDS, July 13.—The World Court ruled today the U. N. General Assembly has no right to review compensation awards made to 11 Americans dismissed from United Nations jobs after United States inquiries into alleged subversive activities.

The ruling, a 9-to-3 decision, rejected a United States claim that the Assembly had the power to reconsider and possibly reject compensation awards made by the U. N. administrative tribunal.

The 11 Americans, dismissed by the U. N. Secretary General after refusing to answer questions before United States investigative agencies, had been awarded more than $170,000 in compensation by the tribunal.

The court said the "U. N. General Assembly has no right on any grounds to refuse to give effect to awards of compensation." The judges who opposed the majority opinion were from the United States, Brazil, and Chile.

President Eisenhower Says: "No One Lost Yesterday Except the American People"

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 14, 1954

Mr. WOLVERTON. Mr. Speaker, the action of the House, in recommitting to the Committee on Interstate and Foreign Commerce, the bill offered by the administration to fulfill President Eisenhower's plan to provide wider and better coverage of health insurance for our people was a great surprise to observers and Members alike.

It is unconceivable upon any justifiable basis that such action should be taken. The last word on that subject has not been said. Wait until the people find out and understand what was done to them by the action of the House. When they do they will speak in terms that will not be misunderstood. The full effect of their resentment may be felt by some at the elections next fall. If such does occur it will be well for any adversely affected thereby to remember their action in the House yesterday. The words of Abraham Lincoln ring as true today as when he uttered them:

You can fool some of the people all of the time, some of the people some of the time, but not all the people all the time.

Woe unto those who are unwilling to provide the means that will enable our people to meet the burden of cost incident to necessary medical and hospital care. Today, the burden of providing such in any long-term illness is so great that it means financial disaster to many families, or a mortgaging of their future.

It is no wonder that President Eisenhower reacted bitterly today to the defeat of his health reinsurance program in the House of Representatives. We are informed by the press that at his conference with them today, he told them this was only a temporary defeat and he would carry the program forward as long as he was in office. This is the fighting spirit of a true soldier who is fighting the cause of the people. This is the spirit that brings final victory. To such a one a setback such as yesterday is never more than a temporary defeat.

It was kind of the President to further say that he did not believe the Congressmen who voted against the proposal could really have understood it. It was characteristic of the charitable disposition that he has toward all. This may be the explanation.

The words of President Eisenhower at the close of his press conference will burn like fire into the minds of the people of this Nation. They were memorable words, unforgettable words, and, words the truth of which cannot be denied, words that will linger with our people, namely, "No one lost yesterday except the American people."

I hope the time is not long until the wrong done is rectified.

As part of my remarks, I include an editorial appearing in today's issue, July 14, 1954, of the News, published in Washington, D. C. It is an editorial that in a few words states the issue. It reads as follows:

HEALTH REINSURANCE

Although Congress has defeated the health reinsurance bill, the Eisenhower administration must not figuratively throw up its hands and say, "Well, so much for that."

People need insurance against calamitous illnesses and disabilities.

They need good insurance—at a price they can afford to pay.

The bill the House defeated aimed to bring that about by setting up a system of Government reinsurance for companies and groups (like Blue Cross) willing to try sell-

ing policies more liberal than those now on the market.

The American Medical Association disapproved of this bill. Apparently that carried some weight in Congress. But the AMA's attitude should not determine the issue, because it would not affect physicians except to enable more of their patients to pay their bills.

If doctors prefer that the number of charity patients not be reduced, they have the right to say so, but prospective patients—who outnumber doctors considerably—should be heard as well.

Aside from the AMA's role, it appears that the bill lost because, as Republican Leader HALLECK said, it was too conservative for many House liberals, and too liberal for many conservatives. And then, of course, there was much of the usual election-year politicking.

The national problems that fathered the reinsurance bill still exist.

They must be solved.

That's why the administration should keep plugging.

Progress in Civil Defense

EXTENSION OF REMARKS
OF
HON. EDMUND P. RADWAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 1954

Mr. RADWAN. Mr. Speaker, the recent decision to establish the Continental Air Defense Command represents a major step in the long struggle to achieve an adequate defense against any possible attack on the United States. The establishment of this command is, I am sure, most gratifying to the many loyal Americans who have been working to improve our national civil-defense program. It indicates that our military leaders—perhaps for the first time—view with some degree of optimism the problem of defending this Nation against a possible superweapon attack. More than anything else, I believe that it is evidence of the worthwhile nature of civil-defense work itself.

The apathy with which civil defense has been regarded by the public in recent years is notorious. Despite this general indifference, however, many of our civic-minded citizens have worked relentlessly to prepare our communities to withstand the devastating effects of modern superweapons; and the job that they have accomplished is remarkable. To be sure, the task is yet unfinished, but we have come a long way.

Since the passage of the Federal Civil Defense Act in January 1951, two parallel movements to strengthen our home defenses have been under way; and as a result considerable progress has been achieved.

In August 1951 the first of these movements was inaugurated with the establishment of the Lincoln Laboratory at the Massachusetts Institute of Technology. This program, officially designated "Project Lincoln," has the mission of conducting research and development work on air defense problems, and is sponsored jointly by the Army, Navy, and Air Force. Its contract is administered by the Air Force.

Also in 1951, the Federal Civil Defense Administration, the National Security Resources Board, and the Department of Defense jointly organized "Project East River" for the purpose of studying civil defense needs. This project was carried out by a group of more than 100 scientists, educators, and businessmen under the sponsorship of Associated Universities, Inc. Its 10-volume report was completed during the summer of 1952. In December 1952, the Secretary of Defense appointed the seven-man group known as the Kelly committee to advise the Department of Defense on continental air-defense problems.

Partly as a result of these two movements—one dealing with military measures, and the other with nonmilitary measures for continental defense—the civil defense program of the United States has been given added significance in our military strategic planning. Civil defense is now recognized as a vital link in our defensive armor.

The progressive military thinking reflected in the newly formulated Continental Air Defense Command has been virtually matched on the civilian side. In the Congress, several bills designed to strengthen civil defense have been introduced during this session, and the creation of a joint congressional committee on civil defense has been proposed. The Federal Civil Defense Administration is currently shifting its headquarters from Washington, D. C., to an area less likely to be a primary target for the enemy, and many industrial organizations are reported to be taking similar precautions. Several large companies, for example, have formulated disaster plans including provisions for alternate headquarters, lines of succession, and emergency supplies and equipment.

These recent developments, it seems to me, should be most encouraging to our State and local civil defense groups throughout the country. It is they who have thus far borne the greatest burden in the struggle for adequate civil defense. And it is principally because of their remarkable effort that the objectives of civil defense now seem possible of attainment. These workers richly deserve the praise and support of us all.

The battle is not yet won. The danger has not abated. But one important phase of the battle has been won, and that phase is what might be termed the struggle to get started. I am confident, Mr. Speaker, that the wheels now rolling will not be slowed by the apathy of the past; no longer will there be a feeling of hopelessness. I feel sure that we can look forward to steadily increasing support for civil defense, and that the gains already won will be more than matched by an aroused American citizenry.

SENATE

THURSDAY, JULY 15, 1954

(Legislative day of Friday, July 2, 1954)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

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

O God, our life and our light, to this moment dedicated to the unseen and eternal, we turn from the deceitful world where truth so often eludes us along tangled paths. Here at this altar of faith we would seek the truth about ourselves, knowing that Thou canst not use us to change the crooked things that blight the earth unless our own hearts are homes of sincerity, integrity, and purity. Create in us clean hearts, O God, and renew a right spirit within us. Because so much of our span of life is gone, and so little left, may we redeem the residue by intensity of living, toiling in this new day in the sense of the eternal. Prosper, we pray Thee, the councils of the nations' leaders whose decisions will shape the tomorrows. Bless all sincere efforts of those who speak for the nations, that there may be found a more excellent way than hatred and suspicion and exploitation, and when, in sharing all, Thy sundered children shall gain all; and Thine shall be the kingdom and the power and the glory. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 14, 1954, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Tribbe, one of his secretaries, and he announced that on today, July 15, 1954, the President had approved and signed the following acts:

S. 381. An act for the relief of Donald Grant;

S. 579. An act for the relief of Wong You Henn;

S. 676. An act for the relief of Eftychios Mourginakis;

S. 1508. An act for the relief of Borivoje Vulich;

S. 1999. An act to provide for the recovery, care, and disposition of the remains of members of the uniformed services and certain other personnel, and for other purposes;

S. 2198. An act for the relief of (Sister) Jane Stanislaus Riederer;

S. 2369. An act for the relief of Karl Ullstein;

S. 2370. An act to authorize the sale of certain vessels to Brazil for use in the coastwise trade of Brazil; and

S. 2728. An act to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.