and this estimate does not take into consideration the possibility of a further increase in the nonquota immigration from Mexico. If we consider this, too, it is obvious that what President Eisenhower is really advocating is a trebling of our annual immigration. Mr. Brownell, the Attorney General, admitted it in his testimony before a subcommittee of the Senate Committee on the Judiciary.

There is another consideration involved in President Eisenhower's proposals. If we heed his advice regarding the change of the census base and if we continue to follow the same course of action after the census of 1960 is taken and again after the census of 1970, I believe that it would be entirely safe to assume that by, say 1980, we will have much difficulty making ourselves understood in the English language in some parts of this country.

The distribution of immigrants in the United States represents a growing problem. According to a report prepared at the request of the great statesman who is now the Governor of the State of New York, 33 percent of all immigrants entering under the 1953 law remain in New York and according to other reports, as many as 75 percent of all aliens in this country reside in 9 States out of the 48. When the Immigration and Naturalization Service reviewed the postcards received in 1955, under the alien address reports program, they found that all but 20 percent of the resident aliens live in the following States in this order: New York, California, Texas, Illinois, Michigan, New Jersey, Massachusetts, Pennsylvania, Ohio.

Do not overlook, please, that the most recent figures released by the Department of Labor place—with the exception of California and Texas—all the areas affected with the highest figures of unemployed in exactly those States.

SOME FOOD FOR THOUGHT

Is it wise to permit at the present time the entry of well over half a million immigrants annually? I do not believe that it would be advisable to embark upon such a venture without having first a good look at both the domestic and the international ramifications of such a decision.

The United States is today the richest country in the world. Our standards of living are undoubtedly the highest in the world with the possible exception of but one country—and that one, Switzerland, is a country practicing the most restrictive immigration policy in the entire world.

With the population growth on the rampage all over the world and with the ensuing lowering of standards of living in the overcrowded countries of Europe and Asia, in the absence of any sustained effort on the part of most countries to have their food production increased and also their industrial capacity, the favorable conditions prevailing in our country have upon the hungry and unemployed masses the effect of a magnet placed near a heap of steel shavings.

Obviously, millions and millions of people are attracted by American prosperity and the opportunities which it offers. It is unfair to blame anyone for wanting to come to our shores, but is it wise to create in this country a problem of unassimilable surplus population on top of the problems created by our fast rising birth rate? Is it wise to bring in more people before we arrange our economy so as to take care of the present 3 million average additional citizens born in this country every year? I have no doubt that the United States has ceased to be what international migration experts call an area of resettlement.

Of course, we can afford to extend our hospitality to a sizable number of victims of totalitarian persecution. We can well live up to our tradition of opening the doors of the land of the free to people who love freedom and want to remain free. Many of those have already joined forces with us in our struggle for survival which we are waging against the cunning attack of a godless conspiracy. Many more want to come to our shores in their quest for asylum. We shall welcome them, although we would expect other free nations to do likewise, and we would expect that they stop insisting that we take once again an unproportionate share of political refugees.

It is also true that we can afford to permit immigrant families to be united and to bring their closest relatives. The present immigration law has been written with that thought ever present in the minds of its authors.

But—we must resist with courage and determination the attempt to convert this country into a disorganized, multilingual, overcrowded dumping ground for the unwanted rejects of the rulers of those countries who selfishly refuse, or neglect, to cope with the problem of their own fast growing population. We must tell those governments that after having spent approximately $50 billion of our taxpayers' hard-earned money to rehabilitate their lands, we would expect them to provide employment and food, to provide improved farmland and modernized industry for their own people instead of conveniently, yes, brutally, seeking to simply "get rid" of them and "send them to America."

Overcrowded and impoverished, torn apart internally by conflicting ideological concepts of uprooted immigrants swarming across our sea and land borders in excessive numbers, the United States could not maintain its present position in the world. The United States will be unable to stay strong, to remain the bulwark of liberty, the standard bearer of the free world and humanity's last reservoir of spiritual and material strength able to repel the onslaught of the atomic age Huns. We must resist the invasion in our own interest as well as in the interest of those who need our assistance.

This Nation cannot afford to play the immigration numbers game. The stakes are too high.

SENATE

TUESDAY, JUNE 5, 1956

(Legislative day of Monday, June 4, 1956)

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

Rabbi Samuel J. Fox, Lynn, Mass., offered the following prayer:

Dear Lord, our God and God of our fathers: In this great hall of decision, where the fate of the many lies in the hands of the chosen few, do we assemble to seek out Thy divine wisdom in the course of human deliberation. Great is our task in this thermonuclear age, when man has assembled such great powers of destruction. Heavy is our responsibility in an era of shifting values when man is questioning the validity of tradition. Through this haze of confufusion and misunderstanding have we been selected to steer the ship of legislation toward the port of decision.

Help us, O God, to turn our sails of destiny into the winds of Thy spirit so that we may navigate safely through storms of disagreement into the sunny waters of harmony. In a sea of chaos help us to chart the course of order. Amongst waves of fear help us to find the lane of security. Against gales of threat help us to hold a steady vessel of promise.

From the shores of faith help us to sail for the land of fulfillment. From the bridge of courage help us to sight the landmark of hope. Through the ocean of care help us to find the harbor of peace.

For Thou, O Lord, art the Captain of Providence. Under Thy colors do we sail, and Thy good will do we seek. Help us on this voyage of eternity for the sake of a better world, a satisfied humanity, and a peaceful civilization. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 4, 1956, 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. Miller, one of his secretaries, and he announced that on June 4, 1956, the President had approved and signed the following acts:

S. 460. An act to amend section 4482 of the Revised Statutes, as amended (46 U. S. C. 475), relating to life preservers for river steamers;

S. 743. An act to authorize biennial inspection of the hulls and boilers of cargo vessels, and for other purposes;

S. 1378. An act to clarify and consolidate the authority to require the establishment, maintenance, and operation of aids to maritime navigation on fixed structures in or over navigable waters of the United States;

S. 1790. An act to amend section 4153 of the Revised Statutes, as amended, to authorize more liberal propelling power allowances in computing the net tonnages of certain vessels;

S. 1791. An act to amend section 3 of the act of April 25, 1940 (54 Stat. 164), relating to the lights required to be carried by motorboats;

S. 1970. An act for the relief of Kim Boksoon and Anke Naber;

S. 2151. An act to provide for the segregation of certain funds of the Fort Berthold Indians on the basis of a membership roll prepared for such purpose;

S. 2562. An act to amend the United States Information and Educational Exchange Act of 1948, as amended;

S. 3315. An act to amend section 5 of the Civil Service Retirement Act of May 29, 1930, as amended; and

S. 3524. An act to give effect to the Convention on Great Lakes Fisheries signed at Washington September 10, 1954, and for other purposes.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting

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sundry nominations, which were referred to the appropriate committees.

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

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business, subject to a 2-minute limitation on statements.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON NUMBER OF OFFICERS ON DUTY WITH DEPARTMENT OF ARMY AND ARMY GENERAL STAFF

A letter from the Secretary of the Army, transmitting a report of the number of officers on duty with the Department of the Army and the Army General Staff on March 31, 1956 (with accompanying papers); to the Committee on Armed Services.

REPORT OF INTERDEPARTMENTAL COMMITTEE FOR STUDY OF JURISDICTION OVER FEDERAL AREAS WITHIN THE STATES

A letter from the Assistant Attorney General, transmitting, pursuant to law, a report of the Interdepartmental Committee for the Study of Jurisdiction Over Federal Areas Within the States, dated April 1956 (with accompanying documents); to the Committee on Government Operations.

AUDIT REPORT ON INTERNATIONAL BOUNDARY AND WATER COMMISSION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the United States Section, International Boundary and Water Commission, United States and Mexico, Department of State, for the fiscal years ended June 30, 1954 and 1955 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF COMPENSATION AND PENSION PROGRAM, VETERANS' ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on Review of Compensation and Pension Program, Washington Offices, Veterans' Administration, Dated July 1954 (with an accompanying report); to the Committee on Government Operations.

PROPOSED MANAGERIAL CONTRACT, MOUNT MCKINLEY NATIONAL PARK, ALASKA

A letter from the Assistant Secretary of the Interior, transmitting, for the information of the Senate, a proposed managerial contract with National Park Concessions, Inc., for temporary operation of the McKinley Park Hotel, Mount McKinley National Park, Alaska, covering the period May 14, 1956, to September 30, 1956 (with accompanying papers); to the Committee on Interior and Insular Affairs.

ADMISSION OF DISPLACED PERSONS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Andrew Foh Chung Jean from a report transmitted to the Senate on July 18, 1955, pursuant to section 6 of the Refugee Relief Act of 1953, with a view to the adjustment of his immigration status (with an accompanying paper); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Purita M. Johnson from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on January 17, 1955; to the Committee on the Judiciary.

UNIFORM PAY SYSTEM FOR CERTAIN FEDERAL EMPLOYEES

A letter from the Director, Bureau of the Budget, Executive Office of the President, Washington, D. C., transmitting a draft of proposed legislation to provide a uniform premium pay system for Federal employees engaged in inspectional services, to authorize a uniform system of fees and charges for such services, and for other purposes (with accompanying papers); to the Committee on Post Office and Civil Service.

PROHIBITION OF LIQUOR ADVERTISING IN INTERSTATE COMMERCE—PETITION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a petition signed by a large group of citizens of the State of New York in favor of the so-called Langer liquor bill, to prohibit the transportation of alcoholic beverage advertising in interstate commerce.

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

Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

We, the undersigned, respectfully petition you to exercise the proper discretion vested in you by passing legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce, and its broadcasting over the air, a practice which nullifies the rights of the States under the 21st amendment to control the sale of such beverages. At a time when 1 out of 10 drinkers is becoming an alcoholic there should be no encouragement to increasing the use of such beverages. Children and youth are being misled to consider them harmless, especially by the powerful audio and visual suggestions of radio and television.

THE LATE SENATOR ALBEN W. BARKLEY—RESOLUTIONS

Mr. FREAR. Mr. President, the Democratic Party and the Democratic League of the State of Delaware recently adopted, in assembly, memorial resolutions expressing profound sorrow over the death of one of our most beloved colleagues, the late Alben W. Barkley.

I ask unanimous consent to have these resolutions printed in the RECORD.

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

RESOLUTIONS OF RESPECT ON THE DEATH OF THE HONORABLE ALBEN W. BARKLEY

Whereas the Lord God Almighty in His infinite wisdom and mercy has seen fit to call to Himself from this mortal world our beloved associate and leader, Alben W. Barkley, a great and devoted and dedicated Christian servant; and

Whereas he was our warm friend, our inspired leader, and a faithful public servant of the people of the United States; and

Whereas our hearts are full of sadness and grief for the great loss which we the people of Delaware share with his widow, his family and the people of the Nation: Now, therefore, be it

Resolved, That we, the Democratic Party of Delaware in convention in Dover, Del., this day, do sincerely and reverently express our deep sympathy to the widow of our former Vice President of the United States; and be it further

Resolved, That copies of this resolution be delivered to our United States Senator, J. ALLEN FREAR, JR., and our United States Congressman, HARRIS B. MCDOWELL, JR., requesting them to spread it upon the pages of the CONGRESSIONAL RECORD in token of the esteem and affection of the people of Delaware for our former Vice President and friend.

Sincerely and sympathetically,
GARRETT E. LYONS,
State Chairman.
MARY B. CAHALAN,
Secretary.

Drawn at directed in convention at Dover, Del., May 25, 1956.

MEMORIAL

At the regular meeting of the Democratic League of Delaware, held Monday, April 30, 1956, the following resolutions were unanimounsly adopted:

"*Resolved,* That as members of the Democratic League of Delaware, we recorded this expression of our sorrow at the death on Monday, April 30, 1956, of our fellow member, Alben W. Barkley.

"His long and unselfish service both to the Government of the United States and to the Democratic Party made him known, respected, and loved by all who hold dear the finest traditions of our American way of life. His vigorous and tireless efforts to further these traditions will ever live as one of the outstanding glories of the democratic ideal. Though we have lost his sparkling companionship and though his eloquent voice is now forever stilled, yet shall his memory live in our hearts as the symbol of the best of American initiative, political courage, and moral force.

"*Resolved,* That we extend to his family our most heartfelt sympathy in their bereavement, and that a copy of this memorial resolution be sent to them."

For the Democratic League of Delaware:
JOHN J. CLARKE,
President.
JOHN A. HULL,
W. R. STEWART, Sr.,
HARRIS O. BUNEL,
FRANK T. DICKERSON,
Secretary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 2827. A bill for the relief of Hazel Elizabeth Scott (Rept. No. 2103);

S. 2864. A bill for the relief of Waltraud Grete Schramm (Rept. No. 2104);

S. 2959. A bill for the relief of Edith Johanna Augusta Kienest (Rept. No. 2105);

S. 3000. A bill for the relief of Francesco Zammuto (Rept. No. 2106);

S. 3009. A bill for the relief of Kiyoshi Kinoshita (Rept. No. 2107);

S. 3100. A bill for the relief of Marianne Eder Dunbar (Rept. No. 2108);

S. 3208. A bill for the relief of Moses Rosenberg (Rept. No. 2109);

S. 3402. A bill for the relief of Roberto C. Bargas and Rosenda C. Bargas (Rept. No. 2110);

S. 3579. A bill for the relief of Elizabeth M. A. de Cuevas Faure (Rept. No. 2111);

H. J. Res. 565. Joint resolution for the relief of certain aliens (Rept. No. 2123);

H. J. Res. 581. Joint resolution to waive certain subsections of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens (Rept. No. 2124); and

H. J. Res. 590. Joint resolution to waive certain provisions of section 212 (a) of the Immmigration and Nationality Act in behalf of certain aliens (Rept. No. 2125).

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

S. 374. A bill to provide for extension, and suspension in certain cases, of statutes of limitation on false swearing by Government employees with respect to subversive activities and connections (Rept. No. 2112);

S. 2069. A bill for the relief of Hsu Jen-Yuan, also known as Joseph Jen-Yuan Hsu (Rept. No. 2113);

S. 2793. A bill for the relief of Waclaw Tadeusz Nowosielski (Rept. No. 2114);

S. 2805. A bill for the relief of Harriet E. Van Tassel (Rept. No. 2115);

S. 2943. A bill for the relief of Moses Rakocinski (Rakoczynski) (Rept. No. 2116);

S. 3617. A bill to amend title 18, United States Code, to authorize the enforcement of State statutes prescribing criminal penalties for subversive activities (Rept. No. 2117);

H. J. Res. 535. Joint resolution for the relief of certain aliens (Rept. No. 2126);

H. J. Res. 555. Joint resolution to facilitate the admission into the United States of certain aliens (Rept. No. 2127);

H. J. Res. 566. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens (Rept. No. 2128); and

H. J. Res. 580. Joint resolution for the relief of certain aliens (Rept. No. 2129).

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

S. 782. A bill to prevent citizens of the United States of questionable loyalty to the United States Government from accepting any office or employment in or under the United Nations, and for other purposes (Rept. No. 2118);

S. 2294. A bill for the relief of Maria Veronica de Pataky, Coloman de Pataky, Oscar Beregi, Oscar Beregi, Jr., and Margreth Leiss von Laimburg (Rept. No. 2119);

S. 2954. A bill for the relief of Christina Arutunian (Rept. No. 2120);

S. 3212. A bill for the relief of Kappaka Sita Rao and her minor child, Kappaka Vijalakshmi Rao (Rept. No. 2121);

S. 3235. A bill for the relief of Cleopatra Vasiliades (Rept. No. 2122);

H. R. 7763. A bill to amend the Japanese-American Evacuation Claims Act of 1948, as amended, to expedite the final determination of the claims, and for other purposes (Rept. No. 2132);

H. J. Res. 472. Joint resolution for the relief of certain aliens (Rept. No. 2130); and

H. J. Res. 533. Joint resolution to facilitate the admission into the United States of certain aliens (Rept. No. 2131).

By Mr. BYRD, from the Committee on Finance, with amendments:

H. R. 7225. A bill to amend title II of the Social Security Act to provide disability insurance benefits for certain disabled individuals who have attained age 50, to reduce to age 62 the age on the basis of which benefits are payable to certain women, to provide for continuation of child's insurance benefits for children who are disabled before attaining age 18, to extend coverage, and for other purposes; with minority and individual views (Rept. No. 2133).

Mr. BYRD subsequently said: Mr. President, I ask unanimous consent that permission be given for the presentation of minority and individual views on H. R. 7225, the Social Security bill.

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

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

S. Res. 263. Resolution extending greetings to the Bundestag of the West German Republic for the unveiling of a bust in honor of Carl Schurz (Rept. No. 2134).

By Mr. FREAR, from the Committee on Banking and Currency, without amendment:

H. J. Res. 607. Joint resolution to authorize the disposal of the Government-owned tin smelter at Texas City, Tex., and for other purposes (Rept. No. 2135).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, with amendments:

S. 3698. A bill to amend the act of June 4, 1920, as amended, providing for allotment of lands of the Crow Tribe, and for other purposes (Rept. No. 2137).

By Mr. WATKINS, from the Committee on Interior and Insular Affairs, without amendment:

S. 3778. A bill to amend the act for the protection of walruses (Rept. No. 2136).

By Mr. GEORGE, from the Committee on Foreign Relations, without amendment:

S. 3527. A bill authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada (Rept. No. 2141);

H. J. Res. 501. Joint resolution to authorize participation by the United States in parliamentary conferences of the North Atlantic Treaty Organization (Rept. No. 2140); and

H. Con. Res. 232. Concurrent resolution extending greetings to the American National Red Cross on the occasion of its 75th anniversary (Rept. No. 2139).

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

S. 3581. A bill to increase the retired pay of certain members of the former Lighthouse Service (Rept. No. 2142).

AUTHORIZATION FOR AN APPROPRIATION TO PROVIDE FOR CERTAIN COSTS OF PARTICIPATION IN INTERNATIONAL BUREAU FOR PUBLICATION OF CUSTOMS TARIFFS

Mr. GEORGE, from the Committee on Foreign Relations, reported favorably an original joint resolution (S. J. Res. 178) to authorize an appropriation to provide for certain costs of United States participation in the International Bureau for the Publication of Customs Tariffs, and submitted a report (No. 2138) thereon, which was read twice by its title, and placed on the calendar.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL EMPLOYMENT AND PAY

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal employment and pay for the month of April 1956. In accordance with the practice of several years' standing, I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

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

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, APRIL 1956 AND MARCH 1956, AND PAY, MARCH AND FEBRUARY 1956

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for April 1956 submitted to the Joint Committe on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In April numbered—	In March numbered—	Increase (+) or decrease (−)	In March was—	In February was—	Increase (+) or decrease (−)
Total [1]	2,359,611	2,352,657	+6,954	$886,726	$838,266	+$48,460
Agencies exclusive of Department of Defense	1,191,193	1,188,075	+3,118	448,681	424,101	+24,580
Department of Defense	1,168,418	1,164,582	+3,836	438,045	414,165	+23,880
Inside continental United States	2,154,446	2,148,220	+6,226			
Outside continental United States	205,165	204,437	+728			
Industrial employment	693,055	693,916	−861			
Foreign nationals	297,790	297,197	+593	27,017	26,311	+706

[1] Exclusive of foreign nationals shown in the last line of this summary.

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside continental United States by agencies.

Table III breaks down the above employment figures to show the number outside continental United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type-employee activities by executive agencies.

Table V shows foreign nationals by overseas agencies not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during April 1956, and comparison with March 1956, and pay for March 1956, and comparison with February 1956*

Department or agency	Personnel				Pay (in thousands)			
	April	March	Increase	Decrease	March	February	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	80,554	78,838	1,716		$26,836	$24,732	$2,104	
Commerce [1]	44,253	43,702	551		19,244	18,280	964	
Health, Education, and Welfare	45,339	45,181	158		17,749	16,891	858	
Interior	49,255	48,154	1,101		19,825	18,627	1,198	
Justice	30,363	30,534		171	14,828	14,123	705	
Labor	5,609	5,537	72		2,537	2,427	110	
Post Office	511,933	511,915	18		187,240	176,329	10,911	
State [2]	29,703	[3] 29,688	15		11,244	10,873	371	
Treasury	82,325	82,114	211		34,399	32,439	1,960	
Executive Office of the President:								
White House Office	374	369	5		208	194	14	
Bureau of the Budget	417	414	3		275	268	7	
Council of Economic Advisers	30	30			20	22		$2
Executive Mansion and Grounds	70	69	1		25	22	3	
National Security Council [4]	27	27			18	17	1	
Office of Defense Mobilization	278	278			169	165	4	
President's Advisory Committee on Government Organization	6	6			4	4		
President's Commission on Veteans' Pensions	26	34		8	24	24		
Independent agencies:								
Advisory Committee on Weather Control	14	25		11	8	7	1	
Alexander Hamilton Bicentennial Commission	11	10	1		5	4	1	
American Battle Monuments Commission	733	718	15		96	89	7	
Atomic Energy Commission	6,436	6,407	29		3,325	3,208	117	
Board of Governors of the Federal Reserve System	565	562	3		278	264	14	
Boston National Historic Sites Commission	2	2			1		1	
Civil Aeronautics Board	591	588	3		326	307	19	
Civil Service Commission	4,080	4,019	61		1,941	1,786	155	
Commission of Fine Arts	9	9			1	1		
Export-Import Bank of Washington	172	171	1		103	97	6	
Farm Credit Administration	1,043	1,043			518	506	12	
Federal Civil Defense Administration	1,026	1,024	2		559	524	35	
Federal Coal Mine Safety Board of Review	8	8			4	4		
Federal Communications Commission	1,127	1,126	1		593	564	29	
Federal Deposit Insurance Corporation	1,133	1,137		4	548	530	18	
Federal Home Loan Bank Board	678	669	9		316	294	22	
Federal Mediation and Conciliation Service	341	345		4	242	227	15	
Federal Power Commission	681	677	4		370	346	24	
Federal Trade Commission	616	617		1	349	344	5	
Foreign Claims Settlement Commission	124	134		10	66	68		2
General Accounting Office	5,530	5,546		16	2,554	2,447	107	
General Services Administration	26,322	26,252	70		9,376	8,856	520	
Government Contract Committee	22	18	4		7	6	1	
Government Printing Office	6,640	6,666		26	2,970	2,775	195	
Housing and Home Finance Agency	10,003	10,012		9	4,622	4,587	35	
Indian Claims Commission	13	13			10	7	3	
Interstate Commerce Commission	1,918	1,923		5	979	936	43	
Jamestown-Williamsburg-Yorktown Celebration Commission	3	3			2	2		*
National Advisory Committee for Aeronautics	7,679	7,697		18	3,611	3,425	186	
National Capital Housing Authority	255	256		1	98	95	3	
National Capital Planning Commission	31	30	1		16	15	1	
National Gallery of Art	334	333	1		112	99	13	
National Labor Relations Board	1,106	1,107		1	630	613	17	
National Mediation Board	109	105	4		69	74		5
National Science Foundation	243	236	7		124	109	15	
National Security Training Commission	4	4	M		3	3		
Panama Canal	15,110	15,595		485	3,661	3,599	62	
Railroad Retirement Board	2,210	2,240		30	866	853	13	
Renegotiation Board	471	469	2		293	283	10	
Rubber Producing Facilities Disposal Commission	5	6		1	3	3		
St. Lawrence Seaway Development Corporation	26	27		1	27	19	8	
Securities and Exchange Commission	718	712	6		403	383	20	
Selective Service System	6,833	6,836		3	1,696	1,611	85	
Small Business Administration	792	791	1		458	244	34	
Smithsonian Institution	705	697	8		264	253	11	
Soldiers' Home	1,009	1,005	4		232	220	12	
Subversive Activities Control Board	32	30	2		20	20		
Tariff Commission	206	206			118	113	5	
Tax Court of the United States	143	143			94	91	3	
Tennessee Valley Authority	14,052	14,387		335	6,504	6,375	129	
Theodore Roosevelt Centennial Commission	3	3			2	2		
U. S. Information Agency	10,772	10,714	58		2,962	2,820	142	
Veterans' Administration	177,940	177,830	110		61,600	58,375	3,225	
Woodrow Wilson Centennial Celebration Commission	2	2			1	1		
Total, excluding Department of Defense	1,191,193	1,188,075	4,258	1,140	448,681	424,101	24,589	9
Net increase, excluding Department of Defense			3,118				24,580	
Department of Defense:								
Office of the Secretary of Defense	1,927	1,925	2		1,123	1,074	49	
Department of the Army	431,783	431,635	148		155,991	149,188	6,803	
Department of the Navy	395,610	396,441		831	159,498	149,851	9,647	
Department of the Air Force	339,098	334,581	4,517		121,433	114,052	7,381	
Total, Department of Defense	1,168,418	1,164,582	4,667	831	438,045	414,165	23,880	
Net increase, Department of Defense			3,836				$23,880	
Grand total, including Department of Defense	2,359,611	2,352,657	8,925	1,971	886,726	838,266	48,469	
Net increase, including Department of Defense			6,954				$48,460	

[1] April figure includes 494 seamen on the rolls of the Maritime Administration and their pay.

[2] April figure includes 7,780 employees of the International Cooperation Administration, as compared with 7,973 in March, and their pay.

[3] Revised on basis of later information.

[4] Exclusive of personnel and pay of the Central Intelligence Agency.

TABLE II.—*Federal personnel inside continental United States employed by the executive agencies during April 1956, and comparison with March 1956*

Department or Agency	April	March	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	79,289	77,624	1,665	
Commerce [1]	41,197	40,732	465	
Health, Education, and Welfare	43,532	43,380	152	
Interior	44,228	43,319	909	
Justice	29,832	30,008		176
Labor	5,483	5,405	78	
Post Office	509,428	509,412	16	
State [2]	7,844	7,779	65	
Treasury	81,333	81,116	217	
Executive Office of the President:				
White House Office	374	369	5	
Bureau of the Budget	417	414	3	
Council of Economic Advisers	30	30		
Executive Mansion and Grounds	70	69	1	
National Security Council [3]	27	27		
Office of Defense Mobilization	278	278		
President's Advisory Committee on Government Organization	6	6		
President's Commission on Veterans' Pensions	26	34		8
Independent agencies:				
Advisory Committee on Weather Control	14	25		11
Alexander Hamilton Bicentennial Commission	11	10	1	
American Battle Monuments Commission	15	15		
Atomic Energy Commission	6,421	6,393	28	
Board of Governors of the Federal Reserve System	565	562	3	
Boston National Historics Sites Commission	2	2		
Civil Aeronautics Board	587	584	3	
Civil Service Commission	4,063	4,000	63	
Commission of Fine Arts	9	9		
Export-Import Bank of Washington	172	171	1	
Farm Credit Administration	1,031	1,031		
Federal Civil Defense Administration	1,026	1,024	2	
Federal Coal Mine Safety Board of Review	8	8		
Federal Communications Commission	1,100	1,099	1	
Federal Deposit Insurance Corporation	1,132	1,136		4
Federal Home Loan Bank Board	678	669	9	
Federal Mediation and Conciliation Service	341	345		4
Federal Power Commission	681	677	4	
Federal Trade Commission	616	617		1
Foreign Claims Settlement Commission	124	134		10
General Accounting Office	5,478	5,495		17
General Services Administration	26,216	26,145	71	
Government Contract Committee	22	18	4	
Government Printing Office	6,640	6,666		26
Housing and Home Finance Agency	9,854	9,859		5
Indian Claims Commission	13	13		
Interstate Commerce Commission	1,918	1,923		5
Independent agencies—Continued				
Jamestown-Williamsburg-Yorktown Celebration Commission	3	3		
National Advisory Committee for Aeronautics	7,679	7,697		18
National Capitol Housing Authority	255	256		1
National Capital Planning Commission	31	30	1	
National Gallery Art	334	333	1	
National Labor Relations Board	1,085	1,086		1
National Mediation Board	109	105	4	
National Science Foundation	243	236	7	
National Security Training Commission	4	4		
Panama Canal	541	549		
Railroad Retirement Board	2,210	2,240		30
Renegotiation Board	471	469	2	8
Rubber Producing Facilities Disposal Commission	5	6		1
St. Lawrence Seaway Development Corporation	26	27		1
Securities and Exchange Commission	718	712	6	
Selective Service System	6,641	6,639	2	
Small Business Administration	792	791	1	
Smithsonian Institution	703	695	8	
Soldiers' Home	1,009	1,005	4	
Subversive Activities Control Board	32	30	2	
Tariff Commission	206	206		
Tax Court of the United States	143	143		
Tennessee Valley Authority	14,052	14,387		335
Theodore Roosevelt Centennial Commission	3	3		
U. S. Information Agency	2,402	2,396	6	
Veterans' Administration	176,692	176,573	119	
Woodrow Wilson Centennial Celebration Commission	2	2		
Total, excluding Department of Defense	1,128,522	1,125,255	3,929	662
Net increase, excluding Department of Defense			3,267	
Department of Defense:				
Office of the Secretary of Defense	1,865	1,864	1	
Department of the Army	363,681	363,796		115
Department of the Navy	363,741	364,653		912
Department of the Air Force	296,637	292,652	3,985	
Total, Department of Defense	1,025,924	1,022,965	3,986	1,027
Net increase, Department of Defense			2,959	
Grand total, including Department of Defense	2,154,446	2,148,220	7,915	1,689
Net increase, including Department of Defense			6,226	

[1] April figure includes 494 seamen on the rolls of the Maritime Administration.
[2] April figure includes 1,612 employees of the International Cooperation Administration, as compared with 1,605 in March.
[3] Exclusive of personnel of the Central Intelligence Agency.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during April 1956, and comparison with March 1956*

Department or Agency	April	March	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,265	1,214	51	
Commerce	3,056	2,970	86	
Health, Education, and Welfare	1,807	1,801	6	
Interior	5,027	4,835	192	
Justice	531	526	5	
Labor	126	132		6
Post Office	2,505	2,503	2	
State [1]	21,859	[2] 21,909		50
Treasury	992	998		6
Independent agencies:				
American Battle Monuments Commission	718	703	15	
Atomic Energy Commission	15	14	1	
Civil Aeronautics Board	4	4		
Civil Service Commission	17	19		2
Farm Credit Administration	12	12		
Federal Communications Commission	27	27		
Federal Deposit Insurance Corporation	1	1		
General Accounting Office	52	51	1	
General Services Administration	106	107		1
Housing and Home Finance Agency	149	153		4
National Labor Relations Board	21	21		
Panama Canal	14,569	15,046		477
Selective Service System	192	197		5
Smithsonian Institution	2	2		
U. S. Information Agency	8,370	8,318	52	
Veterans' Administration	1,248	1,257		9
Total, excluding Department of Defense	62,671	62,820	411	560
Net decrease, excluding Department of Defense			149	
Department of Defense:				
Office of the Secretary of Defense	62	61	1	
Department of the Army	68,102	67,839	263	
Department of the Navy	31,869	31,788	81	
Department of the Air Force	42,461	41,929	532	
Total, Department of Defense	142,494	141,617	877	
Net increase, Department of Defense			877	
Grand total, including Department of Defense	205,165	204,437	1,288	560
Net increase, including Department of Defense			728	

[1] April figure includes 6,177 employees of the International Cooperation Administration, as compared with 6,368 in March.
[2] Revised on basis of later information.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by the executive agencies during April 1956, and comparison with March 1956*

Department or Agency	April	March	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	2,617	2,764		147
Commerce	2,527	2,451	76	
Interior	8,393	8,271	122	
Treasury	5,590	5,642		52
Independent agencies:				
Atomic Energy Commission	145	145		
Federal Communications Commission	13	13		
General Services Administration	1,011	975	36	
Government Printing Office	6,640	6,666		26
National Advisory Committee for Aeronautics	7,679	7,697		18
Panama Canal	7,415	7,873		458
Tennessee Valley Authority	11,303	11,622		319
Total, excluding Department of Defense	53,333	54,119	234	1,020
Net decrease, excluding Department of Defense			786	
Department of Defense:				
Department of the Army:				
Inside continental United States	[1] 201,150	[2] 201,221		71
Outside continental United States	[1] 35,900	[2] 35,786	114	
Department of the Navy:				
Inside continental United States	225,553	226,320		767
Outside continental United States	6,222	6,338		116
Department of the Air Force:				
Inside continental United States	164,870	164,400	470	
Outside continental United States	6,027	5,732	295	
Total, Department of Defense	639,722	639,797	879	954
Net decrease, Department of Defense			75	
Grand total, including Department of Defense	693,055	693,916	1,113	1,974
Net decrease, including Department of Defense			861	

[1] Subject to revision.

[2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under United States agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of April 1956 and comparison with March 1956*

Country	Total		Army		Navy		Air Force	
	April	March	April	March	April	March	April	March
Denmark	9	9					9	9
England	7,078	6,967			32	31	7,046	6,936
France	23,994	24,172	16,498	16,824			7,496	7,348
French Morocco	6,065	6,160	201	208	1,013	1,009	4,851	4,943
Germany	109,941	108,794	86,309	[1] 85,112	1,986	1,966	21,646	21,716
Japan	142,952	142,917	81,530	81,530	18,513	18,493	42,909	42,894
Korea	6,523	6,942	6,523	6,942				
Libya	198	209					198	209
Netherlands	47	44					47	44
Norway	17	17					17	17
Saudi Arabia	445	445					445	445
Trinidad	521	521			521	521		
Total	297,790	297,197	191,061	190,616	22,065	22,020	84,664	84,561

[1] Revised on basis of later information.

NOTE.—The Germans are paid from funds provided by German Governments. The French and English reported by the Army and Air Force are paid from funds appropriated for personnel services. All others are paid from funds appropriated for other contractual services.

STATEMENT BY SENATOR BYRD

Executive agencies of the Federal Government reported civilian employment in the month of April totaling 2,359,611. This was a net increase of 6,954 as compared with employment reported in the preceding month of March. This was the fourth monthly increase since August 1955.

Civilian employment reported by the executive agencies of the Federal Government, by months in fiscal year 1956, which began July 1, 1955, follows:

Month	Employment	Increase	Decrease
July	2,384,595	307	
August	2,385,043	448	
September	2,366,069		18,974
October	2,365,183		886
November	2,362,158		3,025
December	2,343,227		18,931
January 1956	2,346,750	3,523	
February	2,351,371	4,621	
March	2,352,657	1,286	
April	2,359,611	6,954	

Total civilian employment in civilian agencies during the month of April was 1,191,193, an increase of 3,118, as compared with the March total of 1,188,075. Total civilian employment in the military agencies in April was 1,168,418, an increase of 3,836, as compared with 1,164,582 in March.

Civilian agencies reporting the major increases were: Department of Agriculture with an increase of 1,716, Department of the Interior with an increase of 1,101, and the Department of Commerce with an increase of 551. Decreases were reported by the Panama Canal with a decrease of 485 and the Tennessee Valley Authority with a decrease of 335.

In the Department of Defense the Department of the Navy reported a decrease in civilian employment of 831. The Department of the Air Force reported an increase in civilian employment of 4,517. This was the 12th consecutive monthly increase in civilian employment by the Air Force; the total cumulative increase for these 12 months was 32,761. The Department of the Army reported an increase in civilian employment of 148.

Inside continental United States civilian employment increased 6,226 and outside continental United States civilian employment increased 728. Industrial employment by the Federal agencies in April totaled 693,055, a decrease of 861.

These figures are from reports certified by the agencies, as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,359,611 civilian employees certified to the committee by the Federal agencies in their regular monthly personnel reports includes some foreign nationals employed in United States Government activities abroad, but in addition to these there were 297,790 foreign nationals working for United States military agencies during April who were not counted in the usual personnel report. The number in March was 297,197. A breakdown of this employment for April follows:

Country	Total	Army	Navy	Air Force
Denmark	9			9
England	7,078		32	7,046
France	23,994	16,498		7,496
French Morocco	6,065	201	1,013	4,851
Germany	109,941	86,309	1,986	21,646
Japan	142,952	81,530	18,513	42,909
Korea	6,523	6,523		
Libya	198			198
Netherlands	47			47
Norway	17			17
Saudi Arabia	445			445
Trinidad	521		521	
Total	297,790	191,061	22,065	84,664

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs:

Frederick A. Seaton, of Nebraska, to be Secretary of the Interior.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unani-

mous consent, the second time, and referred as follows:

By Mr. MARTIN of Pennsylvania:

S. 3994. A bill to amend the Internal Revenue Code of 1954 to reduce the excise tax on television receivers capable of receiving 50 or more ultra-high-frequency television channels; to the Committee on Finance.

By Mr. MUNDT:

S. 3995. A bill to authorize United States attorneys to institute denaturalization proceedings by filing a verified complaint; to the Committee on the Judiciary.

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

By Mr. McNAMARA:

S. 3996. A bill for the relief of Tadeusz Gasowski; to the Committee on the Judiciary.

By Mr. McNAMARA (for himself and Mr. MORSE):

S. 3997. A bill to extend and amend the Renegotiation Act of 1951; to the committee on Finance.

By Mr. FLANDERS (for himself and Mr. AIKEN):

S. 3998. A bill to provide for the development of the Federal Fish hatchery, known as the Holden trout hatchery, at Pittsford, Vt.; to the Committee on Interstate and Foreign Commerce.

By Mr. BUTLER:

S. 3999. A bill for the relief of Esterlee Hutzler Weinhoeppel; to the Committee on the Judiciary.

By Mr. MARTIN of Iowa:

S. 4000. A bill to extend the readjustment and rehabilitation benefits provided for persons who served on active service in the Armed Forces during the Korean conflict period to certain Air Force ROTC graduates who commenced an extended tour of training duty as Air National Guard officers prior to the end of such period; to the Committee on Labor and Public Welfare.

By Mr. McCARTHY (for himself and Mr. JENNER):

S. 4001. A bill to terminate military and economic assistance to Yugoslavia; to the Committee on Foreign Relations.

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

By Mr. GEORGE:

S. J. Res. 178. Joint resolution to authorize an appropriation to provide for certain costs of United States participation in the International Bureau for the Publication of Customs Tariffs; placed on the calendar.

(See reference to above joint resolution when reported by Mr. GEORGE, from the Committee on Foreign Relations, which appears under a separate heading.)

FILING OF VERIFIED COMPLAINT BY UNITED STATES ATTORNEYS TO INSTITUTE DENATURALIZATION PROCEEDINGS

Mr. MUNDT. Mr. President, I introduce, for appropriate reference, a bill to authorize United States attorneys to institute denaturalization proceedings by filing a verified complaint.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3995) to authorize United States attorneys to institute denaturalization proceedings by filing a verified complaint, introduced by Mr. MUNDT, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. MUNDT. Mr. President, the bill deals with a very important problem which grows out of a decision of the United States Supreme Court handed down on April 30, 1956. The import of that decision is to make it very difficult, if not impossible, for the United States Government to proceed with denaturalization proceedings against individuals who fraudulently receive citizenship papers in this country.

I should like to quote briefly from the dissenting opinion by Justices Clark, Reed, and Minton. I commend these Justices for their clear-cut opinions. This was a split decision. Mr. Justice Clark, speaking for himself, Justice Reed, and Justice Minton said:

The Court's ruling today seriously obstructs the Government in filing denaturalization proceedings in this type of case. It reverses a long line of cases in the lower Federal courts and disregards a consistent administrative practice of over 30 years' standing, a period which includes two recodifications of the immigration laws. Furthermore, the identical point on which the case today is decided was present in two earlier cases where it apparently was not considered important enough to be presented to this Court.

This ruling of the United States Supreme Court is especially dangerous from the standpoint of Communists in this country, because it is well known that it is very difficult to obtain the affidavits upon which the Court insists, from the standpoint of identifying individuals as members of the Communist Party.

Quoting further from the dissenting opinion:

If these evidential methods of proof—the testimony and identity of undercover agents—must be disclosed in an affidavit—

That appears to be what the majority of the Court is insisting upon—

the Government must choose between foregoing denaturalization cases and drying up its source of information before the proceeding can be brought.

It is common knowledge among law-enforcement officers that witnesses are affidavit-shy, particularly in cases involving subversion. Often, testimony can be obtained only in court with the aid of compulsory process. The difficulties in requiring exposure by affidavit are overwhelming and decisive in cases of this type.

At a time when we are spending billions of dollars on security against communism abroad, and spending a tremendous amount of money and manpower on security against communism at home, I recommend that the Senate Committee on the Judiciary act promptly on this piece of proposed legislation, which would correct the situation growing out of this unfortunate decision by the Supreme Court on April 30, 1956.

Eternal vigilance is not only the price of liberty—but it must begin at home. When the Supreme Court rules so as to make vigilance difficult, Congress must act with increased dispatch.

I ask unanimous consent to have the entire decision of the Court, both majority and minority opinions, printed in the RECORD at this point as a part of my remarks.

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

SUPREME COURT OF THE UNITED STATES—No. 213—OCTOBER TERM, 1955

UNITED STATES OF AMERICA, PETITIONER, v. ETTORE ZUCCA, ALSO KNOWN AS MARIO SARNI, ALSO KNOWN AS ETTORE SARNI ZUCCA

(On writ of certiorari to the United States Court of Appeals for the Second Circuit)

(April 30, 1956)

(Mr. Chief Justice Warren delivered the opinion of the Court:)

This is a denaturalization proceeding under section 340 (a) of the Immigration and Nationality Act of 1952.[1] The sole question is whether section 340 (a) makes the filing of the "affidavit showing good cause" a prerequisite to maintenance of the suit. The district court held that it does and ordered the complaint dismissed unless the Government filed an affidavit showing good cause within 60 days. As this was not done, the complaint was dismissed without prejudice to the Government's right to institute an action to denaturalize the respondent upon filing the affidavit (125 F. Supp. 551). On appeal by the Government the Court of Appeals for the Second Circuit affirmed, adopting the opinion of the district court (221 F. 2d 805). We granted certiorari (350 U. S. 817), because of an asserted conflict with decisions of the Seventh[2] and Ninth[3] Circuits and because of the importance of the question in the administration of the immigration and naturalization laws.

Respondent Ettore Zucca was naturalized on January 4, 1944. In 1954, the United States attorney for the southern district of New York, proceeding under section 340 (a), filed a verified complaint in the United States district court in his district seeking revocation of respondent's naturalization on the grounds of illegality, concealment of material facts, and willful misrepresentation.

The complaint alleged that respondent, at his naturalization hearing and in his petition for naturalization, had falsely sworn "that he did not belong to and was not associated with any organization which teaches or advocates the overthrow of existing government in this country," that it was his "intention in good faith to become a citizen of the United States and to renounce absolutely and forever all allegiance and fidelity to any [foreign powers]," and that he was and had been "attached to the principles of the Constitution of the United States and well disposed to the good order and happiness of the United States." This was followed by a general allegation of membership in the Communist Party and "other organizations affiliated with or controlled by the Communist Party of the United States from 1925 to 1947," and equally general allegations that respondent procured his naturalization by concealment and willful misrepresentation in that he concealed the facts relating to his membership in the Communist Party and affiliated organizations and otherwise swore falsely as to his intentions and beliefs. The pleader concluded that "good cause exists for the institution of this suit." The complaint, no part of which was alleged on information and belief, was verified by an assistant United States attorney. When respondent sought to take depositions of this attorney, he was met with an affidavit in

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[1] 66 Stat. 163, 260, as amended, 68 Stat. 1232, 8 U. S. C. (Supp. II), sec. 1451 (a).

[2] *United States* v. *Tuteur* (215 F. 2d 415).

[3] *Schwinn* v. *United States* (112 F. 2d 74, affirmed per curiam, 311 U. S. 616).

opposition denying personal knowledge.[4] Respondent then filed his motion to dismiss on the ground, inter alia, that section 340 (a) required the filing of an affidavit showing good cause and that this requirement had not been complied with. As stated above, the motion to dismiss was granted on this ground.

The Government argues that a reading of the statute and its legislative history leads to the conclusion that the filing of an "affidavit showing good cause" is not a prerequisite to maintaining denaturalization proceedings under section 340 (a). We do not agree.

The affidavit provision with which we are here concerned first appeared in section 15 of the act of June 29, 1906.[5] Without substantial change, it was carried forward in the laws of 1940[6] and 1952,[7] currently reading as follows:

"SEC. 340. (a) It shall be the duty of the United States district attorneys for the respective districts, upon affidavit showing good cause therefor, to institute proceedings in any court specified in subsection (a) of section 310 of this title in the judicial district in which the naturalized citizen may reside at the time of bringing suit, for the purpose of revoking and setting aside the order admitting such person to citizenship and canceling the certificate of naturalization on the ground that such order and certificate of naturalization were procured by concealment of a material fact or by willful misrepresentation."

Were we obliged to rely solely on the wording of the statute, we would have no difficulty in reaching the conclusion that the filing of the affidavit is a prerequisite to maintaining a denaturalization suit. This conclusion is not altered by a consideration of the Government's highly speculative suggestions as to the meaning of the legislative history. On the contrary, we think that it is entirely consistent with the Court's statement in *Bindczyck* v. *Finucane* (342 U. S. 76), that Congress acted "[w]ith a view to protecting the Government against fraud while safeguarding citizenship from abrogation except by a clearly defined procedure."

The natural meaning of the language used in section 340 (a) is that filing of the affidavit is a procedural prerequisite to maintenance of the suit. In the Bindczyck case, this Court held that section 338 (a) of the Naturalization Act of 1940, predecessor of section 340 (a), sets forth the exclusive procedure for denaturalization.[8] Despite that decision, the Government would have us hold now that the grant of power to maintain denaturalization suits is found in the general duty of United States attorneys to prosecute all civil actions in which the United States is concerned,[9] and that section 340 (a) merely imposes the "additional duty * * * to act, not alone on their own knowledge and judgment, but on the basis of an affidavit of good cause furnished by private citizens." In effect the Government argues that the affidavit is required only when the proceeding is to be brought on the complaint of a private citizen. We need not decide whether a private citizen may ever file such a complaint. The short answer in this case is that the Government laid its complaint expressly under section 340 (a).

While arguing that the words of section 340 are words of limitation on the discretion of the United States attorney, the Government apparently concedes that the venue and notice provisions of the section are generally applicable to denaturalization proceedings. Its argument overlooks the fact that the affidavit and venue provisions are in the same sentence. If the affidavit were required only when the United States attorney proceeded on the complaint of a private citizen, then only in such a case would the venue be restricted to the district of the defendant's residence. We could accept such a limiting construction of the statute only upon a very clear showing that Congress meant something other than what it said.

The original act of 1906 was the culmination of many years of study by Congress and a commission of which the Attorney General was a leading spirit and his assistant the chairman. Shortly after its enactment, the same Attorney General rendered an opinion to the Secretary of Commerce and Labor to the effect that the filing of an affidavit was "necessary to give a United States attorney authority to institute proceedings in any court for the cancellation of a naturalization certificate."[10] In such circumstances, a contemporaneous construction of a statute by the officer charged with its enforcement is entitled to great weight. *Fawcus Machine Co.* v. *United States* (282 U. S. 375, 378); *Norwegian Nitrogen Products Co.* v. *United States* (228 U. S. 294, 315). Over a period of years, however, there has been some conflict among the circuits concerning the affidavit requirement.[11] The Government relies particularly on our affirmance of the decision of the Court of Appeals for the Ninth Circuit in *Schwinn* v. *United States* (311 U. S. 616). The Court decided that case on the sole ground of illegal procurement. Although the necessity of the affidavit was considered below in view of the Government's failure to offer proof in support of its allegation that an affidavit of good cause had been furnished, the question was not presented to this court.[12]

Prior to the decision in the Schwinn case the practice of the Justice Department seems generally to have been to institute denaturalization proceedings upon affidavit showing good cause. The Government does not now contend that it has abandoned that practice. It merely claims the right not to do so when it chooses, as clearly appears from portions of a Department of Justice memorandum which has been brought to the Court's attention.[13] We are unimpressed by the reasoning of that memorandum. We think that the public interest is not served by taking such liberties with a specific statutory requirement designed for the protection of naturalized citizens. And we fail to see that the requirement imposes a burden on the Government. At this term, it has been represented to us that the usual practice is that, "if sufficient grounds are shown, an 'affidavit showing good cause' (see sec. 340 (a) of the act) is prepared and executed, and

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[4] The affidavit read as follows:

"George C. Mantzoros, being duly sworn, deposes and says as follows:

"That he is one of the Assistant United States Attorneys on the staff of J. Edward Lumbard, United States Attorney for the Southern District of New York in charge of the above-entitled case.

"That the only knowledge or information which he has in this case has been obtained through files turned over to him for use in preparation of the complaint.

"That he has no personal knowledge of any of the facts herein and is not a prospective witness.

"That on information and belief his superior, the said J. Edward Lumbard likewise has no personal knowledge of any of the facts herein and is not a prospective witness.

"That he has carefully reviewed the files in this case and finds nothing therein which would indicate any special or unusual circumstances requiring the production of the documents requested by the defendant in his notice to take depositions, dated July 8, 1954.

"That many of the documents in said files are privileged because of their confidential nature." (R. 8.)

[5] 34 Stat. 596, 601.

[6] Section 338 (a) of the Nationality Act of 1940, 54 Stat. 1137, 1158.

[7] 66 Stat. 163, 260, as amended, 68 Stat. 1232, 8 U. S. C. (Supp. II) § 1451 (a).

[8] The specific holding, that sec. 338 (a) of the 1940 act overrode local rules concerning time limitations upon the power of State courts to reopen their judgments, was abrogated by sec. 340 (j) of the Immigration and Nationality Act of 1952 (66 Stat. 163, 262). The underlying philosophy of Bindczyck remains intact.

[9] 28 U. S. C., sec. 507 (a) (2).

[10] Letter of Attorney General Bonaparte, March 26, 1907 (unpublished, National Archives), cited in a contemporary treatise by a recognized authority on the statute. Van Dyne, Law of Naturalization (1907), 138. The letter is reproduced at p. 50 of the brief for the United States.

[11] The Courts of Appeal for the Third, Fifth, and District of Columbia Circuits had taken the position adopted by the second circuit in this case. *United States* v. *Richmond* (17 F. 2d 28); *United States* v. *Salomon* (231 F. 928); *Cohen* v. *United States* (38 App. D. C. 123). The seventh and ninth circuits favored the contrary position. *United States* v. *Tuteur* (215 F. 2d 415); *Schwinn* v. *United States* (112 F. 2d 74, affirmed per curiam, 311 U. S. 616); *United States* v. *Knight* (291 F. 129 (U. S. D. C. Mont.), affirmed 299 F. 571); *United States* v. *Leles* (227 F. 189).

[12] On two prior occasions this court has had occasion to notice the affidavit provision without suggesting that it was not an essential procedural step in the denaturalization proceeding. See *Johannessen* v. *United States* (225 U. S. 227, 242); *Schneiderman* v. *United States* (320 U. S. 118, 159, n. 54).

[13] "As indicated below in IV: Pretrial Procedure, the defendant can probably obtain most of the Government's evidence by a proper utilization of the methods of discovery provided in rules 16, 33, and 34. It, therefore, may be advisable at the outset to furnish him with a reasonable amount of the Government's evidence in order to reduce the chance of these discovery rules being employed, and thus avoid the ensuing delay. If this is done, it would seem that the affidavit rather than the complaint is the proper place in which to recite evidence.

"In the event it is decided in a given case to furnish the defendant with some of the Government's evidence, it is recommended that an affidavit be prepared and served with the complaint and that in the affidavit there be recited briefly the nature of the evidence to be relief upon. This recitation of evidence should be of a general nature but sufficient to reduce the ordinary chance of the discovery rules being employed and at the same time to reduce the likelihood of the Government having to oppose a motion for a bill of particulars. On the other hand, it should not be so complete as to provide the defendant with the names of witnesses and possibly can be so phrased as not to disclose their identity. Similarly, it may be disadvantageous to make it so complete as to identify specific instruments or writings, for this may increase the likelihood of a demand for their production under rule 34. It would seem sufficient to set out the general substances or type of statements or writings known to have been made without quoting them. It would also seem proper to aver generally membership and leadership in the German-American Bund or other un-American organizations, refusal of military service, general propaganda activities, etc.

"If it is believed undesirable to attach an affidavit to the complaint and to serve it upon the defendant, as discussed above, in that instance no reference should be made in the complaint to an affidavit having been prepared and as constituting the basis of the action." Circular No. 3663, Department of Justice, supplement No. 9, April 6, 1943 (mimeographed).

is forwarded as an aid to the formal judicial proceedings." [14]

Lastly the Government contends, as an alternate ground for reversal, that no harm is done to the defendant because the complaint itself is verified and, therefore, accomplishes the function of the affidavit. With this we cannot agree. The complaint, under modern practice, is required merely to allege ultimate facts while the affidavit must set forth evidentiary matters showing good cause for cancellation of citizenship.[15]

In the Bindczyck case, supra, the Court summed up the purpose and approach to denaturalization proceedings as follows:

"[W]e cannot escape the conclusion that in its detailed provisions for revoking a naturalization because of fraud or illegal procurement not appearing on the face of the record, Congress formulated a selfcontained, exclusive procedure. With a view to protecting the Government against fraud while safeguarding citizenship from abrogation except by a clearly defined procedure, Congress insisted on the detailed, explicit provisions of section 15.

"If citizenship was granted, it was to be proof against attacks for fraud or illegal procurement based on evidence outside the record, except through the proceedings prescribed in section 15. The congressional scheme, providing carefully for the representation of the Government's interest before the grant of citizenship and a detailed, safeguarded procedure for attacking the decree on evidence of fraud outside the record, covers the whole ground. Every national interest is thereby protected" (342 U. S., at 83, 84).

This proceeding was concededly brought under section 340 (a). We hold that this is the only section under which a United States attorney may institute denaturalization proceedings, and that the affidavit showing good cause is a procedural prerequisite to the maintenance of proceedings thereunder.

The mere filing of a proceeding for denaturalization results in serious consequences to a defendant. Even if his citizenship is not canceled, his reputation is tarnished and his standing in the community damaged. Congress recognized this danger and provided that a person, once admitted to American citizenship, should not be subject to legal proceedings to defend his citizenship without a preliminary showing of good cause. Such a safeguard must not be lightly regarded. We believe that, not only in some cases but in all cases, the District Attorney must, as a prerequisite to the initiation of such proceedings, file an affidavit showing good cause. The district court below correctly dismissed the proceedings in this case because of the failure of the Government to file the required affidavit and the judgment of the court of appeals is therefore

Affirmed.

(Mr. Justice Harlan took no part in the consideration or decision of this case.)

DISSENTING OPINION

(Mr. Justice Clark, with whom Mr. Justice Reed and Mr. Justice Minton join, dissenting:)

The Court's ruling today seriously obstructs the Government in filing denaturalization proceedings in this type of case. It reverses a long line of cases in the lower Federal courts [16] and disregards a consistent administrative practice of over 30 years' standing, a period which includes two recodifications of the immigration laws. Furthermore, the identical point on which the case today is decided was present in two earlier cases where it apparently was not considered important enough to be presented to this Court.[17]

The only authority for the Court's action is an unpublished, informal, and somewhat ambiguous interdepartmental letter of the Attorney General written in 1906. While any Attorney General might well be proud to see his views given such lasting effect, he undoubtedly would be surprised to learn that the authority of such an informal statement could overrule later court decisions and a 30-year, firmly established position of the Department of Justice. Many cases witness the fact that the Court has often given little or no weight to carefully drawn opinions of the Attorney General on questions of statutory interpretation.

But my major objection to the decision today is the extreme burden placed on the Government in cases such as this. The Court construes section 340 (a) of the Immigration and Naturalization Act to require something more than was filed in the present case. The complaint here was verified; the Assistant United States Attorney swore that the facts alleged in the complaint were "true" and "that the sources of his information * * * are the records which are on file in his office." Thus the complaint in this case was supported by the jurat of a notary public and the sworn statement of an assistant United States attorney, who held office by virtue of his oath to carry out his official duties fairly and impartially. No more was present in *Schneiderman* v. *United States* (320 U. S. 118).

The complaint alleged that Zucca had lied in his alien registration statement in 1940, and in his preliminary naturalization examination and testimony before a naturalization examiner in 1952. He is alleged to have stated under oath that "he did not belong to and was not associated with any organization which teaches or advocates the overthrow of existing government." The complaint then alleges that Zucca "was a member of the Communist Party of the United States including the Workers Communist Party * * * from 1925 to 1947." Under section 305 of the Nationality Act of 1940, the complaint continues, Zucca's naturalization was illegal.

But the majority declares that these sworn allegations are insufficient. It makes a vague reference to the pleading of "ultimate facts, while the affidavit must set forth evidentiary matters showing good cause for cancellation of citizenship." From this statement I can draw only one conclusion. As petitioner contends, "good cause" means "that the Government must furnish the Court with sworn statements by persons having personal knowledge of the facts * * * Congress could not have intended that the courts be required to accept the secondhand statements of investigators." [18] Apparently neither the United States attorney nor anyone in the Immigration Service or the FBI can make such an affidavit unless he has personal knowledge of the facts. This would limit verification by these officers to cases based on prior undisclosed criminal convictions, arrival age where controlling, etc.

But in proceedings based solely on membership in the Communist Party substantially different conditions prevail. Invariably, membership can be proved only from the testimony of other members concerning attendance at meetings, payment of dues, etc. There are no membership cards in the party and have been none for more than a decade. If these evidential methods of proof—the testimony and identity of undercover agents—must be disclosed in an affidavit, the Government must choose between foregoing denaturalization cases and drying up its source of information before the proceeding can be brought. It is common knowledge among law-enforcement officers that witnesses are affidavit-shy, particularly in cases involving subversion. Often, testimony can be obtained only in court with the aid of compulsory process. The difficulties in requiring exposure by affidavit are overwhelming and decisive in cases of this type.

I do not believe Congress ever intended such a rule. To me section 340 (a) is clear and unambiguous. Its plain reading is that proceedings may be filed by the United States attorney upon affidavit showing good cause therefor. Here the attorney swore to specific charges which certainly do constitute good cause. The sworn statement that petitioner was a member of the Communist Party and the Workers Communist Party from 1925 to 1947 alleges a prima facie case. To me it seems obvious that the purpose of section 340 (a)—to reduce the possibility of spurious denaturalization proceedings—is fully served by such a sworn statement.

Nor did the Congress intend that there should be two trials of issues of fact in these cases. To require the filing of evidential affidavits implies, as Zucca contends, extensive testing of their sufficiency before trial. The defendant is thus given two chances at the Government's case. There is no comparable requirement for an indictment in a criminal prosecution (*Costello* v. *United States* (350 U. S. —)). But denaturalization is only a civil proceedings to withdraw a privilege wrongfully obtained. There has always been the requirement of proof under cross-examination of charges against the naturalized citizen, but apparently in this case the Court authorizes an additional procedure. Before his trial in this denaturalization proceeding Zucca may file a bill of particulars and take depositions of each witness signing a "good cause" affidavit. The scope and reliability of the affidavits are then made the subject of judicial inquiry.[19] If the Government proves its case at this stage, it may then go to trial, where the same evidence is considered again. To my way of thinking, this clearly frustrates an important congressional program, a part of the broader one designed to protect our country from Communist infiltration.

In my opinion section 340 (a) requires the United States attorney to allege in a sworn

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[14] Brief for the United States, *United States* v. *Minker* (350 U. S. 179 (No. 35, October term, 1955), at p. 34).

[15] *United States* v. *Richmond* (17 F. 2d 28); *United States* v. *Salomon* (231 F. 928).

[16] *Schwinn* v. *United States* (112 F. 2d 74 (C. A. 9th Cir.), aff'd 311 U. S. 616); *United States* v. *Tuteur* (215 F. 2d 415 (C. A. 7th Cir.)); *United States* v. *Knight* (291 F. 129 (D. C. Mont.), aff'd 299 F. 571 (C. A. 9th Cir)); *United States* v. *Collins* (131 F. Supp. 545 (D. C. S. D. N. Y.)); *United States* v. *Shinkevich* (131 F. Supp. 547 (D. C. E. D. Pa)); *United States* v. *Jerome* (115 F. Supp. 818 (D. C. S. D. N. Y.)); *United States* v. *Lustig* (110 F. Supp. 806 (D. C. S. D. N. Y.)); *United States* v. *Schuchhardt* (48 F. Supp. 876 (D. C. N. D. Ind.)); *United States* v. *Lales* (227 F. 189, 236 F. 784 (D. C. N. D. Calif.)); *United States* v. *Rodzie* (14 F. R. D. 151 (D. C. S. D. N. Y.)); *United States* v. *Favorito* (7 F. R. D. 152 (D. C. N. D. Ohio)).

[17] In *Schwinn* v. *United States* (112 F. 2d 74), the ninth circuit held that the filing of the affidavit was not "jurisdictional," and passed on the merits. We granted certiorari and affirmed summarily "on the sole ground" that the certificate had been illegally procured (311 U. S. 616). In *Schneiderman* v. *United States* (320 U. S. 118), we considered the merits at length, even though the "affidavit" filed in that case by the immigration inspector revealed that his information was based, as here, solely on the Government's files, and was in exactly the form used here.

[18] The trial judge held that before a United States attorney may institute a denaturalization proceeding he must be furnished with an affidavit of good cause.

[19] The trial judge held, "But, the protection afforded by the requirement of an affidavit of good cause would be seriously impaired if the defendant in a denaturalization action could not examine it and test its sufficiency by motion before trial."

complaint sufficient factual information to show a prima facie case for denaturalization. At most it should be sufficient for an officer of the Immigration and Naturalization Service familiar with the case to make such allegations under oath. If the Court would require this paper to be headed "Affidavit" and contained in a separate blue backing, I would have no objection, though I see nothing to be gained from such a technical labeling. But as I read the Court's decision today it goes much further than this, and it may well submerge the denaturalization procedure established by Congress in a morass of unintended procedural difficulties.

AMENDMENT OF COMMUNICATIONS ACT, RELATING TO CERTAIN USE OF BROADCASTING STATIONS—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of May 29, 1956,

The names of Mr. MORSE and Mr. MURRAY were added as cosponsors of the bill (S. 3962) to amend the Communications Act of 1934 with respect to the use of broadcasting stations by presidential, vice presidential, and congressional candidates, introduced by Mr. HUMPHREY (for himself, Mr. MANSFIELD, and Mr. SPARKMAN) on May 29, 1956.

AMENDMENT OF THE UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948—WITHDRAWAL OF MOTION TO RECONSIDER

Mr. EASTLAND. Mr. President, I ask unanimous consent to withdraw the motion which I heretofore entered to reconsider the vote by which the bill (S. 3638) to amend the Educational Exchange Act of 1948, passed the Senate.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 3638) to promote the foreign policy of the United States by amending the United States Information and Educational Exchange Act of 1948 (Public Law 402, Eightieth Congress).

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Mississippi?

Mr. JOHNSON of Texas. Mr. President, reserving the right to object—and I do not plan to object—it is my understanding that this request has been cleared with the distinguished minority leader [Mr. KNOWLAND].

Mr. EASTLAND. Yes; it has been cleared with him. In fact, this action is being taken at his request.

Mr. JOHNSON of Texas. I have no objection. I merely wished to have the RECORD show that the minority leader had approved this request.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. SMITH of New Jersey:

Address delivered by Senator CASE of New Jersey at the dinner of Patterson branch, NAACP, on May 21, 1956.

Address delivered by Senator CASE of New Jersey before 78th annual convention, New Jersey Federation of Labor, in Atlantic City, N. J., on May 30, 1956.

By Mr. POTTER:

Article entitled "Port of Muskegon," written by him and published in the April 1956 issue of Marine News.

Address delivered by Hon. Marion B. Folsom, Secretary of Health, Education, and Welfare, before annual meeting of the President's Committee on Employment of the Physically Handicapped on May 17, 1956.

NOTICE OF HEARING ON H. R. 2128, PATENTS EXTENSION BILL

Mr. O'MAHONEY. Mr. President, on behalf of the standing Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, I desire to give notice that the hearing commenced on May 4, 1956, will be resumed on Wednesday, June 13, 1956, at 10:30 a. m., in room 424, Senate Office Building, on H. R. 2128, to authorize the extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods by service of the patent owner in the Armed Forces or by productior. controls. At the indicated time and place all persons interested in the proposed legislation may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Wisconsin [Mr. WILEY], and myself, chairman.

NOTICE OF HEARING ON VARIOUS CIVIL-RIGHTS PROPOSALS

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that the committee will resume hearings on the various civil-rights proposals beginning at 2:30 p. m., Tuesday, June 12, 1956, in the committee room, room 424, Senate Office Building.

NOTICE OF HEARING ON SENATE JOINT RESOLUTION 126, PROPOSING AN AMENDMENT TO THE CONSTITUTION RELATIVE TO BALANCING THE BUDGET, AND SENATE JOINT RESOLUTION 133, TO LIMIT THE SPENDING POWERS OF CONGRESS AND TO PROVIDE FOR REDUCTION OF THE NATIONAL DEBT

Mr. LANGER. Mr. President, on behalf of the Standing Subcommittee on Constitutional Amendments of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, June 14, 1956, at 10 a. m., in room 424, Senate Office Building, on Senate Joint Resolution 126, proposing an amendment to the Constitution of the United States relative to the balancing of the budget, and Senate Joint Resolution 133, to limit the spending powers of the Congress and to provide for reduction of the national debt.

At the indicated time and place all persons interested in the proposed legislation may make such representations as may be pertinent. Persons desiring to testify should notify the subcommittee counsel in order that a schedule of witnesses may be prepared.

The subcommittee consists of the Senator from Tennessee [Mr. KEFAUVER], chairman, the Senator from Missouri [Mr. HENNINGS], the Senator from Texas [Mr. DANIEL], the Senator from Illinois [Mr. DIRKSEN], and myself. The chairman of the subcommittee has asked me to preside over these hearings.

DEATH OF MATTHEW WOLL, LATE VICE PRESIDENT OF THE AFL–CIO

Mr. SMITH of New Jersey. Mr. President, it was with a feeling of deep sorrow that I learned last Saturday of the death of Matthew Woll, vice president of the AFL–CIO.

My friendship with him began during World War I; since that time I have always admired and respected this great labor leader.

Besides being a militant force in the labor movement for over 50 years, Matthew Woll was an authority on international affairs and an effective opponent of communism.

His record of service in these and many other fields is an extraordinary one.

His leadership and advice will be sorely missed by millions of Americans and friends of labor the world over.

As a member of the Labor and Public Welfare Committee who has conferred many times with Mr. Woll, and as one who had the privilege of knowing him as a friend, I wish to express my deep regret at his passing.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD, at the conclusion of my remarks, an article from the New York Times of June 2 entitled, "Matthew Woll Dies at Age of 76."

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

MATTHEW WOLL DIES AT AGE 76—CONSERVATIVE LABOR LEADER FOR HALF A CENTURY WAS A PROTEGE OF GOMPERS—HAD HEADED ENGRAVERS—TOP AFL OFFICER BECAME A VICE PRESIDENT OF GROUP AFTER MERGER WITH CIO

Matthew Woll, a vice president of the AFL-CIO, vice president of the International Photoengravers Union and a labor leader for more than 50 years, died yesterday in New York Hospital, where he had been a patient since April 2. His age was 76.

Mr. Woll was usually identified with the most conservative wing of the American labor movement.

He had been a protege of Samuel Gompers, president of the American Federation of Labor. When the latter died in 1924, Mr. Woll had hoped to succeed him. The selection of the late William Green as Mr. Gompers' successor proved a great disappointment to him.

In the nineteen twenties and thirties, Mr. Woll was often in the newspaper headlines as a vociferous supporter of the Republican Party and as an opponent of Government interference in collective bargaining. He was an intense anti-Communist.

He mellowed in his conservatism in recent years and supported efforts by former President Harry S. Truman to obtain national health insurance legislation. In the international field he headed committees seeking to abolish slave labor in the totalitarian countries.

In 1947 Mr. Woll criticized the Argentine Government of President Juan D. Perón for having allegedly established dictatorial rule over the Argentine Confederation of Labor.

A COLORFUL ORATOR

Mr. Woll was a florid and colorful orator. He wore wing collars and frock coats and affected a William Jennings Bryan hair style. He was nimble minded and energetic and served on scores of labor, civic, political, fraternal and cultural committees.

His financial acumen earned him the respect of business leaders. As president of the Union Labor Life Insurance Co., he helped it become one of the most prosperous insurance firms of its kind.

Mr. Woll was a top-level officer of the AFL for more than 30 years and a member of many of its standing committees. When the federation was merged with the Congress of Industrial Organizations in 1955 he became a vice president of the unified group.

He was born in the Duchy of Luxembourg on January 25, 1880, the son of Michael and Janette Schwartz Woll. He was 11 years old when he came to the United States with his parents. He attended school in Chicago. From 1901 to 1904, Mr. Woll was a student in the College of Law of Lake Forest University, and then learned the photoengraving trade.

Two years after leaving college he became president of the International Photoengravers Union of North America. He held the president's post until 1929, when he retired to become vice president of the union.

SERVED UNITED STATES AGENCIES

In World War I Mr. Woll served as a member of the War Labor Board. During World War II he was a member of the National War Labor Board. He was a member of President Harding's Unemployment Conference and of President Truman's Labor Management Conference.

In recent years, Mr. Woll served as chairman of the Free Trade Union Committee, an AFL affiliate engaged in helping anti-Communist labor forces throughout the world. He also was chairman of the AFL International Relations Committee, and director of the federation's legal bureau. After the merger with the CIO, he served as co-chairman of the AFL-CIO International Affairs Committee.

Mr. Woll was editor of the Photo Engravers and a former editor of the American Federationist. He served as a fraternal delegate to two metings abroad of the International Confederation of Trade Unions.

In other fields, Mr. Woll was a member of the National Committee on Prisons and Prison Labor, the National Academy of Political Science, the New York State Insurance Advisory Board and a trustee of the Public Education Association, the Chicago Tuberculosis Institute and the National Tuberculosis.

He was chairman of the board of directors of the Sportsmanship Brotherhood and a director of the Health Insurance plan of Greater New York. He was a member of the Knights of Columbus.

Survivors include his widow, the former Elenor Dugas; 2 sons, J. Albert Woll, general counsel of the AFL-CIO, and Willard M. Woll, both of Chicago; 5 grandchildren, and 3 great-grandchildren.

CABINET COMMITTEE ON SMALL BUSINESS

Mr. PAYNE. Mr. President, last Friday President Eisenhower announced the creation of a Cabinet Committee to help the Nation's small-business firms. This committee will have as members the Secretaries of Defense, Commerce, Labor, the Director of the Office of Defense Mobilization, the Administrator of the Housing and Home Finance Agency. The Chairman of the Committee will be the Honorable Arthur F. Burns, Chairman of the Council of Economic Advisers.

The Cabinet Committee which the President has established will serve to coordinate the several programs now in operation which assist small businesses in the solution of management problems, provide financial assistance to small business, and aid in obtaining Government procurement contracts. The new Cabinet Committee is designed to strengthen existing programs where necessary, and to recommend such new programs and measures as may be best suited to provide small business with new opportunities.

President Eisenhower, in his letter to Chairman Burns, cites the objectives toward which the Cabinet Committee will work, when he writes in part:

It is my wish that the Federal Government keep fully abreast of developments that affect small businesses. Its programs and policies aimed at assisting small business should be carefully reviewed at this time with the object of strengthening them where necessary, and of making recommendations for steps that will provide such enterprises with additional constructive assistance. * * * The Committee is to have the continuing assignment of making specific recommendations to me for administrative actions, and where necessary for additional legislation, to strengthen the economic position of small business and to foster their sound development.

Mr. President, the decision of President Eisenhower to give Cabinet-level prominence to the problem of small business again demonstrates the determination of the administration to do everything within the limits of its authority to stimulate and assist small businesses so that their important contribution to the national welfare may continue.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a copy of President Eisenhower's letter to the Honorable Arthur F. Burns, designating him as Chairman of the Cabinet Committee on Small Business.

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

THE WHITE HOUSE,
May 31, 1956.

DEAR MR. CHAIRMAN: The important contributions made by small-business concerns to the progressive spirit and vitality of the American economy have repeatedly been stressed in my Economic Reports to the Congress and on various other occasions. Such enterprises, of which there are some 4 million currently in operation, serve continuously as a dynamic influence in our enterprise system. It is often through them that new products and new processes are first brought into use. Equally important, it is in small concerns that many men and women find an opportunity to demonstrate their ability to serve constructively in the business world. For these and related reasons, Government policies that make it easier for new businesses to be established and that foster the growth of small concerns enhance the welfare of the whole economy.

The Federal Government has a number of programs now in operation that are significantly helpful to small businesses.

The Department of Commerce helps constantly in the solution of management problems for small businesses through its Office of Technical Services, Office of Area Development, Business and Defense Services Administration, and Office of Business Economics.

Financial assistance is available to small concerns through the Small Business Administration.

Jointly with the Department of Defense and with other Federal departments and agencies, the Small Business Administration assists small concerns in obtaining Government procurement contracts.

Many small construction companies and related businesses benefit from the home-financing programs administered by the Housing and Home Finance Agency.

The Office of Defense Mobilization seeks to strengthen the production potential of small firms in our defense programs.

Through its enforcement of the antitrust laws, the Department of Justice helps maintain the competitive environment that is essential to the Nation's economic welfare.

These and other programs and policies of the Federal Government facilitate the establishment of new concerns and foster the growth of small businesses. Yet the conditions of our modern economy are such that many small concerns confront substantial hindrances to their growth. It is my wish that the Federal Government keep fully abreast of developments that affect small businesses. Its programs and policies aimed at assisting small businesses should be carefully reviewed at this time with the object of strengthening them where necessary, and of making recommendations for steps that will provide such enterprises with additional constructive assistance.

To this end I am establishing a Cabinet Committee on Small Business, of which I would like you to serve as Chairman. By copies of this letter I am designating the Secretaries of Defense, Commerce, Labor, the Director of the Office of Defense Mobilization, the Administrator of the Small Business Administration, and the Administrator of the Housing and Home Finance Agency as members. Other department and agency heads will participate on an ad hoc basis as may be deemed desirable. The Committee is to have the continuing assignment of making specific recommendations to me for administrative actions, and, where necessary for additional legislation, to strengthen the economic position of small businesses and to foster their sound development.

Sincerely,

DWIGHT D. EISENHOWER.

AMERICAN FISHERIES INDUSTRY

Mr. PAYNE. Mr. President, Congress at this session has devoted considerable and long overdue attention to the problems facing the American fisheries industry. The Senate Committee on Interstate and Foreign Commerce has held extensive hearings on the fisheries, and has taken testimony from interested persons representing all segments of the industry and all areas of the Nation. These hearings resulted in passage by the Senate 2 weeks ago of 2 important fishery bills. The first of these, S. 2379, which I introduced, would authorize an education and training program for the commercial fisheries; while the second, S. 3275, introduced by the distinguished Senator from Washington [Mr. MAGNUSON], would place the responsibility for the fishing functions of the Federal Government on a higher level in the executive hierarchy.

During the period when the above-described activities were taking place, several other important developments occurred, all of which served to focus attention on the need for greater Government recognition of our fisheries. In March the 12 New England Senators sent a joint letter to President Eisenhower urging the creation of a Division of Fisheries in the Department of the Interior.

Mr. President, it is with the greatest pleasure that I call to the attention of the Senate an announcement made by the White House late yesterday afternoon. The administration, after long study of the situation, has ordered the creation of a Bureau of Fisheries in the Department of the Interior, effective July 1, 1956. The New Bureau will take over all of the fishery responsibilities now vested in the Fish and Wildlife Service. The announcement also indicated that the administration will propose legislation to continue the Saltonstall-Kennedy fishery research program, and to provide a $10 million revolving fund for loans to fishermen.

Mr. President, I request unanimous consent that the text of the White House release be printed in the RECORD at this point in my remarks.

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

JUNE 4, 1956.

The White House today announced a series of actions designed to benefit the United States fishing industry.

The new program, which is the result of several months of intensive study within the administration, will be implemented in two steps.

First, Department of the Interior officials will undertake immediately the necessary preliminary steps for the creation within the Department of a new bureau with sole responsibility for Federal programs related to the fisheries. The new bureau, which will be called the Bureau of Fisheries, will come into existence on July 1, and will take over administration of all fishery responsibilities now vested in the Fish and Wildlife Service.

Secondly, the administration will request Congress to enact into law a comprehensive commercial fisheries program which will provide a broad charter for the new agency. The administration bill, which in some respects is modeled after the so-called Saltonstall-Kennedy Act due to expire next year, would authorize the Secretary of the Interior to conduct needed investigations and research into all phases of fishing activities including oceanographic, biological, statistical, and economic studies of the distribution and abundance of fishery resources, the development of new and improved methods of fishing, and the development of improved handling methods and techniques. In addition, the bill would authorize research into the nutritive value of fish and fishery products, and many other activities designed to promote the flow of fishery commodities in domestic and foreign commerce.

The provisions of the Saltonstall-Kennedy Act dealing with the transfer of certain funds from the Department of Agriculture under section 32 of the act of August 24, 1935, would be continued on a permanent basis and the present $3 million limitation on expenditure of these funds would be removed.

Finally, the administration proposal includes the establishment of a special $10 million revolving fund to be used to make loans for the maintenance, repair, and equipment of fishing vessels. Loans made from the fund will carry interest rates of not less than 3 percent and could be made for periods of up to 10 years.

Implementation of these proposals will strengthen the Government's efforts to assist the fishing industry and underlines the administration's desire to give greater recognition to the vital role the United States fisheries play in the Nation's economy.

Mr. PAYNE. Mr. President, it is extremely encouraging to see this recognition being given to the commercial fisheries industry. At long last a positive start is being made toward helping the industry to achieve a sounder economic status. The White House announcement is in line with legislation on which I and many of my colleagues have been working during this session of Congress. It is also substantially in agreement with the recommendation made by the 12 Senators from New England. In view of the President's decision, further action on S. 3275 would seem to me to be unnecessary. However, I am hopeful that the fishery education and training bill which I introduced, and which has been passed by the Senate, will be enacted by the Congress this year. The measure is a logical part of an integrated approach to fishery problems, and will fit into the new organization very well, indeed.

President Eisenhower and the administration are to be commended for the action which has been taken to assist the commercial fisheries industry in regaining its economic status as a vital segment of our national economy. The fisheries are, after all, our Nation's oldest industry, dating from the establishment of the Jamestown and Plymouth colonies. The problems of this proud industry are being recognized. The administration's action should go far toward solving those problems.

LIBERALIZED SOCIAL SECURITY

Mr. WILEY. Mr. President, on tomorrow, June 6, there will open in Madison, the Governor's Conference on the Aging Population, a splendid meeting ground for considering the problems of our senior citizens.

Similarly, Mr. President, one of the subjects in which I personally have been deeply interested down through the years has been the task of doing something for the aging by actually strengthening our Nation's old-age and survivors insurance system.

Fortunately, 71 million Americans are now included in the wise social-security program—so as to help banish the nightmare of insecurity in later years. Eight million Americans are receiving some type of benefits—pensions or assistance.

UNFORTUNATELY, MILLIONS ARE NOT COVERED

The problem is, however, that a great many of these modest benefits are at near-starvation levels. The benefits are grossly inadequate in these high-cost-of-living days.

A further problem is that millions of Americans who should be covered under old-age security are not now covered. We must remember that more than 10 percent of our population is today 65 years of age or older—more than 14 million of our fellow citizens.

Shortly, we in the Senate shall have an opportunity to help remedy this problem. We shall have a chance to strengthen the inadequate pension program and to provide a fair break for those whose "hair has turned to silver."

I personally pledge my continued support for the purpose of strengthening the program.

My fervent support is not a new thing; actually, ever since I came to the Senate, in January 1939, I have fought for liberalizing changes in the old-age pensions system.

WISCONSIN'S SUPPORT OF WILEY EFFORTS

Hundreds of letters from my State have poured in expressing grateful appreciation for my assistance to our senior citizens. I am proud of such letters.

A particular flood of enthusiastic support rolled in from the Badger State when on June 21 of last year I introduced Senate bill 2279. The Wiley bill is designed to provide comprehensive grants-in-aid to the States for pilot projects for assisting old folks in finding jobs, improving their health, getting better housing, enjoying educational and leisure-time activities.

"Do not put our old folks on life's dump heap," I pleaded. "Do not neglect their years of accumulated wisdom and skill. Do not let them sit around, idle, ignored, untended, often ill, undernourished, and heavy with burdens and cares. Let us give them a chance. Let us give them decent benefits. Let us use some of the surplus foods in our Government warehouses and make it available to the needy."

HOUSE BILL BETTER THAN SENATE VERSION

Mr. President, an important new bill is coming before us from the House side in the form of H. R. 7225. Unfortunately, however, the Senate Finance Committee has knocked out some of the House's key pension provisions.

I believe that the House of Representatives had great merit in its position in voting for needed liberalizing changes in the social-security system. Included in such House changes was the making available of benefits, at age 62, instead of 65, to elderly women, including working widows.

Moreover, the needs of the permanently and totally disabled were likewise sympathetically handled by the House.

To me, it is inhuman to tell a man of 35 or 40, who has been injured permanently and totally, and is lying flat on his back in a hospital bed or in his own home, that he must wait as long as 20 or 30 years before he can draw a dime of old-age benefits.

ELDERLY WOMEN CANNOT FIND WORK

It is inhuman, moreover, to tell an elderly woman—single or married—who cannot possibly find a job, that she must wait until she is 65 before she can draw a nickel of her own benefits. I ask: How many women these days can actually find a job, even after age 45, much less after the age of 50, 55, or 60? How many factories or offices will employ elderly women?

Recognizing that grim situation, I personally, a long time back, introduced a bill to make women eligible for benefits

at the age of 60 onward—not just at 62, but at 60.

WISCONSIN SUPPORTS LIBERALIZATION

The people of my State support liberalization. Wisconsin has always prided itself on being one of the first States to enact needed social-insurance legislation.

LETTERS FROM BADGER UNION OFFICERS

I have before me now a great many messages from my State, supporting liberalization. These letters come from individuals in all walks of life. They come, for example, from AFL–CIO union presidents and other officers. The officers point out that their members are deeply disturbed about insecurity and want in their later years.

As a matter of fact, it is an unfortunate fact that with considerable unemployment today, especially in automoible centers, it is harder than ever for both older persons and younger men who have been laid off to find jobs.

AFL–CIO PRESIDENT GEORGE MEANY SUPPORTS ACTION

This is not just a Wisconsin situation; it is a national problem.

AFL–CIO President George Meany has personally commented on the seriousness of this old-age problem, as have leaders in many other sectors of our economy, including some forward-looking leaders of business, as well.

So, Mr. President, I send to the desk excerpts from many of the Wisconsin letters which have poured into my office, urging reform and improvement of the pension program. I ask unanimous consent that these excerpts be printed in the body of the CONGRESSIONAL RECORD at this point.

The first letter is from President George Meany; and then follow letters from union officers, as well as from private individuals. In the instance of letters from private folks, I have respected their privacy; I have omitted their names but have listed the county from which they wrote.

Following the most recent letters, I have included the text of several wonderful letters which I received from my State last year in praise of the Wiley bill, S. 2279.

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

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D. C., May 28, 1956.

(Executive council: George Meany, president; William F. Schnitzler, secretary-treasurer; Walter P. Reuther; Harry C. Bates; William C. Doherty; Emil Rieve; William L. McFetridge; Dave Beck; Jacob Potofsky; A. Philip Randolph; Joseph A. Beirne; Matthew Woll; James B. Carey; David Dubinsky; Charles J. MacGowan; Joseph Curran; Maurice A. Hutcheson; A. J. Hayes, Willard S. Townsend; A. L. Spradling; George M. Harrison; William C. Birthright; David J. McDonald; Herman Winter; James C. Petrillo; L. S. Buckmaster; Joseph D. Keenan; Richard F. Walsh; O. A. Knight.)

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

DEAR SENATOR WILEY: No measure before the Congress this year commands greater interest on the part of working people than H. R. 7225. This bill, amending the Social Security Act, has just been reported by the Senate Finance Committee, but stripped of two of its major provisions. I refer, of course, to the provisions to pay the primary retirement benefit to workers over age 50 who are permanently and totally disabled, and to lower the age of eligibility for women from 65 to 62.

I am sure it is not necessary to remind you that most of the people of this Nation who work for their livelihood and the support of their families look to the social-security system as their major defense against economic disaster in the event they are no longer able to work. The biggest gap in that program of protection of family security is the failure thus far to insure them against income loss due to permanent and total physical disability. They know the value of this protection and are perfectly willing to pay their share of the increased cost.

There will be an effort made on the floor of the Senate to restore the major provisions of the House bill. This effort will present you and every Member of the Senate with the opportunity of providing this much-needed improvement in the social-security protection afforded the working people of this country.

I most earnestly and respectfully urge that you support the restoration of these key provisions, especially the disability feature.

Sincerely yours,

GEORGE MEANY,
President.

WISCONSIN STATE NURSES ASSOCIATION,
Milwaukee, Wis., May 24, 1956.

Hon. ALEXANDER WILEY,
The United States Senate,
Washington, D. C.

SIR: We note in one of your newsletters that you were in favor of the provision of House approved H. R. 7225 which would provide old-age and survivors insurance payment to disabled persons at the age of 50 and lower the retirement age of women to age 62.

We understand the Senate Committee on Finance recommended lowering of the retirement age to widows only and also that it appears quite certain an attempt will be made to reinstate the disability clause and to lower the retirement age to all women.

We want you to know the members of the WSNA hope you will vote favorably on this amendment if and when it comes before the Senate, as by the very nature of our profession we would like to see these women in question given assistance and particularly the women of our organization, many of whom because of their strenuous life are forced to retire early.

Any favorable consideration to this matter will be greatly appreciated.

Very truly yours,

EDITH M. PARTRIDGE, R. N.,
(Mrs. C. D.)
Executive Secretary.

From Ozaukee County:

"MAY 26, 1956.

"The Honorable Senator ALEXANDER WILEY,
"United States Senate,
"Washington, D. C.

"DEAR SIR: As a voter in the State of Wisconsin, and as a victim of cerebral palsy, I hope that you will give your support to the proposal of RUSSELL LONG, United States Senator of Louisiana, which would provide social-security benefits to women at age 62, instead of the present age 65, and which would also provide social-security benefits for the physically disabled at age 50.

"Please be assured that you will have my support in the forthcoming senatorial election.

"Very truly yours."

From Dane County:

"Mr. ALEXANDER WILEY,
"United States Senate,
"Washington, D. C.

"DEAR MR. WILEY: According to the papers the social-security bill has been revised by the Finance Committee, in favor of widows only.

"I wonder why the unmarried woman is completely forgotten? My sister and I are now semi-invalids who gave up marriage to care for our aged parents and an aged aunt for years.

"Due to many illnesses ourselves, plus those of our parents, we have contracted a huge debt.

"My sister (63 years of age) can only work a few hours a week. For her, social security at an earlier age would be a blessing from God.

"I am rapidly becoming more crippled each day from rheumatoid arthritis.

"There are many other unmarried women like us who need this earlier aid.

"Most widows have insurance or property left to them by their deceased husbands. Also, they often have children to care for them.

"When this bill comes up for debate, I shall appreciate anything you may be able to say in behalf of the many unmarried women who have given up their lives for others.

"Very truly yours."

From Sheboygan County:

"MAY 30, 1956.

"The Honorable Mr. WILEY,
"United States Senator

"DEAR SIR: I am going to do all I can to see you get the nomination.

"I would like to see you vote yes on the improvement of social security, especially the bill giving social security to persons unable to work at age 50. This is the wish of many, many of my friends.

"Much success to you, sir.

"Thank you.

"Sincerely."

WISCONSIN DIVISION,
AMERICAN ASSOCIATION OF UNIVERSITY WOMEN,
April 4, 1956.

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Wisconsin State Division of American Association of University Women, representing 3,600 Wisconsin members, respectfully urge, relative to H. R. 7225, social security amendments, that you support lowering of disability age to 50, support continuation of benefits to disabled children beyond the age of 18, oppose lowering to 62 the age at which women would be eligible for social security benefits.

We are confident that you are personally aware of why AAUW takes this position on these three vital points and we respectfully urge your active support.

Respectfully submitted.

ALICE P. MORRISSY,
Mrs. P. B. (Alice) Morrissy,
Wisconsin Division Chairman, Status of Women Committee, Elkhorn, Wis.

RAE EVANS,
Mrs. Herbert P. Evans,
Wisconsin Division Chairman, Legislative Committee, Madison, Wis.

MILWAUKEE, WIS., *May 28, 1956.*

Hon. Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

The officers and the entire membership of local 407 strongly urge you to take immediate action to save the main provisions of the social-security bill (H. R. 7225), namely, lowering the retirement age for women from 65 to 62 and payment of social-security benefits to those permanently and totally disabled at age 50. I am sure that you will do your utmost in this endeavor.

Sincerely yours,

JOSEPH POLLAK,
Recording Secretary, Local 407, UAW–CIO.

MILWAUKEE, WIS., *May 28, 1956.*
Hon. Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: As political action chairman representing approximately 2,000 workers at the Heil Co. in their Milwaukee plants we have passed a resolution requesting our State's two Senators to press for the lowering of the retirement age for women from 65 to 62 years and the payment of social-security benefits to those permanently and totally disabled at the age of 50.

In short, we urgently request you to save the main provisions of the social-security bill (H. R. 7225) and work for passage at this session.

If I can be of any service, feel free to contact. We thank you.

LE ROY ZIMMER,
Political Action Committee Chairman, Heil Co.

CHIPPEWA FALLS TRADES AND LABOR COUNCIL,
Chippewa Falls, Wis., May 28, 1956.
Senator ALEXANDER WILEY,
United States Senate Chamber,
Washington, D. C.

HONORABLE MR. WILEY: We, of the Chippewa Falls Trades and Labor Council, respectfully urge you to support an attempt to restore the two major provisions of bill, H. R. 7225.

The two major provisions in question are the lowering of retirement age of women from 65 to 62 and payment of social-security benefits to those permanently disabled at age 50.

Thanking you for any support that you may be able to render us.

Very respectfully,

ROSA M. HOLMES,
Recording Secretary.

From Chippewa County:

"MAY 23, 1956.

"DEAR MR. WILEY: This is only a short note to tell you that a small group of women in this city who had hoped to get social-security benefits at 62 are bitterly disappointed in the pruning of the bill in the Senate Finance Committee.

"They want to know why only widows of insured workers will get benefits at 62 and not the single and married women, not widows, but who are usually supporting sick husbands.

"It does not seem fair to them. They have worked hard at day (or night) labor jobs, they are tired, and want to stop working.

"They will appreciate your interest in this bill when it finally gets to the Senate; and hope you can get restored to it the age 62 at which they can receive the benefits.

"I thank you for all of them.

"Sincerely yours."

From Racine County:

"APRIL 11, 1956.

"DEAR SENATOR WILEY: I was urged to write our Senators asking them to support the bill H. R. 7225, and hope that many other working people are doing the same.

"What can a family of two do when the husband is totally disabled and cannot work, and it is impossible for his wife to work? If this bill would reduce the age of eligibility for retirement, in the case of women, from 65 to 62, and there would be an increase in the payments for both men and women, it would make a lot of people happier. Seventy-nine dollars a month isn't a lot when there is rent, food, clothing, fuel, and other bills to pay. With my support and the support of others, I am sure that something can be done.

"Yours very truly."

MILWAUKEE, WIS., *April 16, 1956.*
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

HONORABLE SIR: The Women's Auxiliary No. 2 of Local No. 75, UAW, are urging you to support bill H. R. 7225, as it will provide the following security for women and disabled persons:

1. Monthly payments to disabled workers at age 50 or older.

2. Retirement benefits for women at age 62 instead of 65.

3. Reduction to age 62 from 65 of eligibility of widows whose husbands were covered by Social Security Act.

4. Continuation of benefits for disabled children beyond the age of 18.

We would urge you to use your influence in bringing this bill, H. R. 7225, out of committee and working for full support of this bill.

Fraternally yours,

MARGUERITE WEBB,
Legislative Chairman,
Women's Auxiliary No. 2, UAW–CIO.

From Kenosha County:

APRIL 10, 1956.

"Senator WILEY,
of Wisconsin:

"DEAR SIR: Being one of the many totally and permanently disabled persons in the United States, I am taking the opportunity and privilege to express my feelings in words toward the bill H. R. 7225, which is now before the Senate Finance Committee.

"I am a fellow citizen, only 57 years of age, who has worked in a factory for 24 years, but, having been stricken with an incurable chronic disease, I am unable to earn a livelihood. I have been disabled for the past 5 years now, and, with a family and many expenses facing me, it is impossible for me to make ends meet.

"Being very much in need of financial help, I sincerely urge you to support H. R. 7225, the social-security bill for the disabled, for this benefit would be a godsend to me and for the many disabled persons of America. Thank you.

"Yours truly."

CITY OF KENOSHA, WIS.,
March 22, 1956.
Hon. ALEXANDER WILEY,
Senator from Wisconsin,
Washington, D. C.

DEAR SIR: Our city council, on March 19, took the following action:

They voted unanimously to express their desire to have you do everything in your power to increase the benefits of old-age pensioners due to the fact that their compensations are set, which causes an undue hardship in meeting the rising cost of living.

Very truly yours,

J. R. SAWICKI,
City Clerk.

SMITH STEEL WORKERS,
FEDERAL LABOR UNION,
LOCAL 19806, A. F. L.,
Milwaukee, Wis., April 13, 1956.
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Bill H. R. 7225 will shortly come to the Senate floor for action.

We are very concerned about the powerful opposition to this bill. How there can be any doubt that the passage of this bill would be greatly beneficial to a large segment of very deserving people and also extremely helpful to our economy is beyond our comprehension.

We are therefore asking you to do everything in your power to bring this bill to a vote on the Senate floor, and in behalf of our 6,000 members I want to strongly urge you to give this bill your wholehearted support.

Sincerely yours,

WILBUR LECLAIR,
Secretary-Treasurer.

OFFICE EMPLOYEES INTERNATIONAL UNION, LOCAL NO. 9,
Milwaukee, Wis., April 2, 1956.
The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: We sincerely request you to support and vote for bill H. R. 7225 which would lower the pension age of women and widows from 65 to 62 years and would also provide benefits to workers 50 years and older when totally and permanently disabled.

Our local union is comprised of office, clerical, and technical employees employed in many companies in Milwaukee. A number of our members are above 65 years of age and would like to retire but cannot afford to because their wives have not reached age 65 and the social security benefit to which they would be entitled is not adequate to live on. If these workers were to receive the combined social security benefits for man and wife many of them would retire and thus provide jobs for younger men.

This bill H. R. 7225 which merely sets forth a minimum program for improvement of the Social Security Act and passed by the House by the overwhelming vote of 372 to 31 deserves to be passed by the Senate.

We sincerely hope that you will use your influence to help pass this bill and to vote down any crippling amendments which may be made during the course of debate.

Very truly yours,

HAROLD E. BECK,
Business Representative.

BUILDING SERVICE EMPLOYEES' INTERNATIONAL UNION,
Chicago, Ill., March 31, 1956.
Senator ALEXANDER R. WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: I am writing you to ask for your support of bill H. R. 7225, currently before the Senate. I am thoroughly convinced this bill will make an important contribution to our Social Security System.

I have represented organized labor for many years and am currently the representative of the above international in Wisconsin. The many locals I service in this State are greatly interested in the passage of this bill. I sincerely ask your support in its passage.

Yours very truly,

RODERICK MACDONALD,
International Representative, BSEIU.

EAU CLAIRE COUNTY
DEPARTMENT OF PUBLIC WELFARE,
Eau Claire, Wis., April 16, 1956.
Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR MR. WILEY: We believe the matter is coming up again reducing the age retirement for women to 62 years, on social security.

If the age could be reduced to 62 years, which was opposed at one time in Washington, it would be greatly appreciated by all welfare directors in the State of Wisconsin. In cases where a husband is 65 years of age, and is receiving social security, and he has a wife 2 or 3 years younger somehow or somewhere we have to work out a budget to include the wife. Sometimes it is necessary to make plans to have her go on general relief or make some other plan. It would greatly simplify matters if the wife's age, or, rather, the retirement age for women, could be reduced to 62 years and make them eligible for social security.

Will you please do what you can in this matter if it again comes up?

Yours very truly,

A. C. PETERSON, *Director.*

RACINE, WIS., *March 26, 1956.*

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

The Racine AFL–CIO council, representing some 15,000 workers in this community seriously request that you vote favorable on bill H. R. 7225 re social security. This is a much needed improvement in the law and should merit your utmost support. Would appreciate your reply.

HAROLD J. THOMPSON,
Secretary.

BREWERY WORKERS LOCAL UNION NO. 9,
Milwaukee, Wis., April 17, 1956.

The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SIR: Brewery Workers Local Union No. 9 took action, at the regularly scheduled union meeting of Sunday, April 15, 1956, to ask you, and to urge you, to use your good office to see that bill H. R. 7225, which has been passed in the House of Representatives by a large majority, be brought out of committee and acted upon by the Senate. You are probably aware that this bill will reduce the age for eligibility of retired women from age 65 to age 62, and also provide social-security payments to eligible persons who became permanently and totally disabled.

Here in the city of Milwaukee our brewery local of some 8,200 people has dropped to around 7,000. Even though the number of people has dropped some 1,200, there is more production in the Milwaukee breweries than ever before. This is due to the many technological improvements which have resulted in beer being bottled and canned at high rates of speed. It is important that if the economy of this country is to continue that older workers, upon retirement, be provided with sufficient income.

As it is usually the case where the woman of the family is a few years younger than the man, workers reaching age 65 are hesitant to retire because of the fact that their wives are not yet eligible for social-security payments. Reducing the age of eligibility for women could result in the men retiring on reaching age 65, which in turn will provide work for the younger workers who are building homes and raising families. We in brewery feel this would be a very important change, and hope that you also will consider it as such.

Many workers becoming disabled are provided with little or no means of income. Workers in the fifties, in many cases, are still raising families or have children in school. This change is also of great importance as disabled workers only become wards of the community in which they live.

Again, in closing, the Brewery Workers hope that you will do your utmost in seeing that these two changes are passed in the Senate.

Sincerely yours,

JOHN W. SCHMITT,
Recording Secretary.

INTERNATIONAL UNION OF UNITED BREWERY, FLOUR, CEREAL, SOFT DRINKS AND DISTILLERY WORKERS OF AMERICA,
Oshkosh, Wis.

DEAR SIR: I am writing to you in regards to bill No. H. R. 7225.

I and many brothers of local No. 90 agree, that if this bill were passed, it would greatly benefit women, widows and disabled children.

We also think that any disabled person who has paid enough into social security should quality for payments.

We think that bill H. R. 7225 is a start in the right direction, if passed.

If you see it possible to support this bill, it would be greatly appreciated.

Sincerely yours,

ANTON L. ROHL,
Recording Secretary, Local No. 90.

WISCONSIN'S FAVORABLE REACTIONS TO WILEY BILL

GOLDEN AGE CLUBS OF MILWAUKEE,
Milwaukee, Wis., July 10, 1955.

(Sponsored by Milwaukee Public Schools, department of municipal recreation and adult education, 1111 North 10th Street, Milwaukee, Wis.; Mrs. Ida H. Witt, director of golden-age program; all-city council officers: Mr. Henry Eller, president; Mr. Frank Kraemer, vice president; Mrs. Elsa Weidenbacher, secretary.)

The Honorable ALEXANDER WILEY,
The United States Senate,
Committee on Foreign Relations,
Washington, D. C.

DEAR SENATOR WILEY: I read with great interest your bill on "let life really begin at 60 or 65" and wish to congratulate you on your personal deep regard for the vast number of senior citizens we have suddenly become confronted with. It should be the aim and responsibility of every community to concern itself with its aging population.

We are proud of Milwaukee's program and of the work both the public and private agencies are doing through the recreational department. We now have 35 golden-age clubs with 2 members from each club represented on the council. In view of this, may we request about 200 copies of this CONGRESSIONAL RECORD S. 2279 for distribution?

You can certainly count on me personally to support and promote this very worthwhile issue. If we can be of service in any way, please do not hesitate to let me know.

The best of luck to you.

Sincerely,

IDA H. WITT,
Director, Golden Age Program.

THE UNIVERSITY OF WISCONSIN,
Madison, July 12, 1955.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: I am in complete agreement with the views you presented in your speech in Congress. The proposal you make for aid to the States for services for the aging and aged is very much in line with my thinking. Your statement of the problem is one of the best I have seen.

With personal regards.

Sincerely,

EDWIN E. WITTE,
Professor of Economics.

THE STATE OF WISCONSIN,
DEPARTMENT OF PUBLIC WELFARE,
Madison, July 12, 1955.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR: Have received a copy of the CONGRESSIONAL RECORD dealing with aging problems. I am very grateful to you for it. I wholeheartedly agree with the articles as you have set them forth, and I am interested in, and appreciate the fine work you are doing in regard to this problem.

I thought you might be interested in some of the work that is being done for the aged in the county homes along the recreational activity line. I am enclosing a copy of the Oldsters, a little newsletter that is published every other month and sent to the county homes to aid them in establishing an activity program within their own institutions. Also a copy of the activity program for the aged in the county homes in Wisconsin.

Very sincerely yours,

C. RAYMOND BOWERS,
County Home Program Consultant,
Division of Public Assistance.

COMMUNITY WELFARE COUNCIL,
Madison, Wis., July 6, 1955.

The Honorable ALEXANDER WILEY,
Senator, State of Wisconsin,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: We are extremely pleased to receive your remarks made on the floor of the Senate of the United States on Tuesday, June 21, 1955, regarding State and local services for our aging population.

We have read with considerable interest your remarks, as well as your proposals of Federal grants to States to assure more adequate National, State, and community planning to better meet the needs of our aging.

As you probably know, we in Madison have been working in this area for the past 6 years. We would like to call to your attention some of the work of the committee on aging of the Community Welfare Council of Madison, Inc. Inasmuch as Wisconsin is your home State, you should be pleased to learn that the program being carried on here in Madison has received nationwide attention, and the enclosed report regarding Madison's program has been published in the series, "Notable Papers on Aging," of the national committee on the aging of the National Social Welfare Assembly. This report should provide you with some background as to how our community came to recognize the need for a community plan for our aging citizens and how this plan has grown. We also would like to call your attention to our monthly newsletter, "Aging," which is sent to some 1,200 persons throughout our community, as well as to many persons throughout our Nation.

We heartily endorse your statement of the need for State government assuming its responsibility in planning for the aging and in providing leadership and technical assistance for smaller communities. We have seen a great need for this in our work, but unfortunately, have been unable to get any action on the State level. We have countless demands made upon us from other communities in Wisconsin to provide information and help in order that they may begin such programs. We are pleased to note your efforts to encourage the State to broaden this area of concern and to coordinate activities.

If we can be of any service to you in providing information about what we are doing here in Madison, please do not hesitate to let us know.

We would appreciate 50 copies of your remarks and proposed bill for distribution among our committee members. We would also be pleased if you will keep us informed as to the progress of your bill.

Cordially and sincerely,

MINNETTA A. HASTINGS,
Mrs. William A. Hastings,
Chairman, Committee on Aging.
WALTER M. BEATTIE, Jr.,
Director, Community Services to the Aging.

Mr. LONG. Mr. President, will the Sentor from Wisconsin yield?

Mr. WILEY. I yield.

Mr. LONG. I am delighted to hear the statement the Senator from Wisconsin has made. I wish to assure him that a minority of the committee are opposed to striking out the disability provisions of the bill, and favor retaining in the bill provision for women to have the right to retire at age 62. The Senator from Wisconsin has joined some 45 others of us in sponsoring an amendment by which we seek to provide additional assistance for the needy who are not covered by the present social-security program.

I shall welcome the assistance and support of the Senator from Wisconsin when that measure comes before the Senate.

Mr. WILEY. Mr. President, as the Senator from Louisiana knows, I am not a member of the committee. But both the statement I have made and the history of this matter show that for years I have sensed the serious condition confronting our aged. For instance, the dollar has depreciated in value, and today is worth only approximately 45 or 50 cents, as compared to its value at the time when many of the present pensions went into effect. Furthermore, the many aged persons who depend upon insurance find that the value of their insurance dollar has seriously declined.

As a result, some of our best people find that, through no fault of their own, they are in desperate circumstances. They have a valid claim upon our rich Nation, which has an income of $327 billion, to step into the situation and do an adequate job.

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

Mr. WILEY. I yield.

Mr. MORSE. I wish to join in supporting the observations of the Senator from Wisconsin; and I wish to pay a very much deserved compliment to the Senator from Louisiana [Mr. LONG], for the great fight he put up in his committee in the effort to have the committee report some decent legislative provisions for the aged of the Nation.

In my 12 years of service in the Senate, I do not know of any committee report which has been so disappointing to me as the report on this entire matter by the majority of the committee. I am particularly disappointed in the report because of my interest in seeing that justice is done to the aged. The report cannot stand analysis, and it will be thoroughly debated on the floor of the Senate when action on this proposed legislation is called for.

I hope that a large number of Members of the Senate will rally around the Senator from Louisiana [Mr. LONG], because he is making a splendid fight which needs to be made for the aged of our country.

Mr. LEHMAN. Mr. President, will the Senator from Wisconsin yield to me?

Mr. WILEY. I yield.

Mr. LEHMAN. I also wish to associate myself with the Senator from Wisconsin, and to compliment the Senator from Louisiana. I am very glad, indeed, to be a cosponsor of the provisions to which reference has been made. I shall have a great deal to say on this subject when the bill is called up for consideration by the Senate within the next few days.

I also wish particularly to compliment the Senator from Georgia [Mr. GEORGE], the President pro tempore of the Senate, who now is presiding. His leadership in this matter has been of the greatest assistance, and I shall be very proud to join in supporting the amendments which I know he intends to bring up.

Mr. LANGER. Mr. President, will the Senator from Wisconsin yield to me?

Mr. WILEY. I yield.

Mr. LANGER. I wish to compliment the distinguished Senator from Wisconsin for the statement he has just made, and I wish to associate myself with his remarks. I am one of the cosponsors of the Long resolution, and I also wish to commend the Senator from Louisiana.

Furthermore, Mr. President, I wish to say that North Dakota was the first State in the Union to pass an old-age pension law. That was done long before anyone ever heard of the Townsend plan.

The distinguished Senator from Wisconsin [Mr. WILEY] has been in our corner on this fight for a long time, and I appreciate very much the fact that he has been fighting in the interest of the aged and those who are disabled. I am delighted to be associated with him.

Mr. WILEY. I thank the distinguished Senator from North Dakota. As I previously stated, I have been in this fight a long time. The bills on this subject which I have introduced in the Senate indicate that my interest in it is not something new. Everywhere I go I recognize that when people reach a certain age they are no longer wanted. However, many of them are still able to do good work. I have relatives whom I aid because they have passed age 65, although they are in perfect health, and could even resume work in their profession of school teaching. However, the provisions of the law are such that they are not permitted to do so.

I have talked before about the imperative challenge to the community. The community itself must make sure not only that these people have adequate food, clothing, and the other necessities, but also that provision is made to keep their minds occupied and to make it possible for them to engage in other activities, and so forth.

Mr. President, I should like now to refer to another subject.

The PRESIDENT pro tempore. The Senator from Wisconsin has the floor.

THE POLITICAL SITUATION IN WISCONSIN—ADDRESS BY ROBERT MOSES

Mr. WILEY. Mr. President, among the strong reactions which I have received from my State in protest against the Republican convention of May 26 is the text of an important radio address which was delivered by Mr. Robert Moses. This informative talk by Mr. Moses, who is radio director of the Farmers' Union Radio Council of my State, went out over a 10-station radio network.

With regard to the Farmers' Union itself, I may say that down through the years I have worked with it on a great many issues on behalf of the farmers of my State—such as adequate farm parity, rural electrification, the St. Lawrence Seaway, rural phones, and the like.

It is a fact, however, that the Farmers' Union and I have differed on some few issues. So, naturally, I am particularly appreciative of the splendid support which was given to me in Mr. Moses' hard-hitting radio address, which came after the recent debacle in Milwaukee.

Mr. President, as I have indicated, I have not always seen eye-to-eye with the Farmers' Union. I claim to be an independent legislator, weighing the facts in each instance.

I send to the desk excerpts from the address by Mr. Moses, and ask unanimous consent that they be printed at this point in the body of the RECORD.

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

FROM A BROADCAST OF FARMERS' UNION ON THE AIR, MAY 28, 1956, GIVEN ON 10-STATION RADIO NETWORK OF WFU

ALEXANDER WILEY can now join the ranks of Fred Zimmerman, the La Follettes and Walter Goodland, Wisconsin officeholders who were outside the realm of the kingmakers, as Assembly Speaker Catlin put it. Here in Wisconsin, things are never seen in the same perspective as the way folks from outside Wisconsin see the same things. Yet the developments which took place in Milwaukee last Saturday must leave the 47 other States and the free world slightly baffled. What took place at the State GOP Convention, where Senator WILEY was denied endorsement for a fourth term by the party he had served so long and so faithfully, was one of the coldest blows that could be inflicted upon a public servant. Saturday was the kingmakers' day—the day when the rich Wisconsin industrialists and WILEY-hating Wisconsin Congressmen * * * repudiated the senior Wisconsin Senator. But if Saturday was the day for a handful of party bosses, next September's primary may yet be ALEXANDER WILEY's day, if previous elections are an indication. Wisconsin voters have a tendency to champion the underdog, and with the campaign kitty and State leaders stacked against him, WILEY does go into the September primary as an underdog. Pitted against him will be a man who had not even campaigned for the Senate nomination—the young Congressman from the second district, Representative GLENN DAVIS. After four other Republican hopefuls had campaigned for WILEY's seat with great vigor, it was Congressman DAVIS who snuck in at the last minute with the prize plum—the support of the large industrialists and the other right-wing elements of the party of Abraham Lincoln, Teddy Roosevelt, and Bob La Follette. The coming campaign will—by the standards of the events leading up to the Saturday affair—be a bitter one. It appears that ALEXANDER WILEY's main crime, in the minds of those who denied him a fourth term endorsement on Saturday, is that he has supported the President of the United States on foreign policy matters. Those in Wisconsin who don't like WILEY's foreign policy are simply too weak-livered to admit that it's President Eisenhower they are really mad at, not WILEY. WILEY and Eisenhower, together with a majority of Republicans and Democrats, belong to the school of thought that a firm understanding of America's role in international affairs is here to stay. It was Arthur Vandenberg, the late great Republican statesman from neighboring Michigan, who made the statement back in the early years of the cold war: "Bipartisanship in foreign policy begins at the shores of the United States." It was under a democratic administration that the Republican Vandenberg led the way for a clear bipartisan approach to foreign policy. The Michigan Senator was responsible for leading the Congress through the stormy days of the Truman doctrine, the Marshall plan, and the Berlin blockade—all features of the cold war and America's responsibility to a free world. There were always a few hangovers of traditional Middlewestern isolation from both parties standing in the way of Vandenberg's leadership. When Vandenberg died a few years ago, it was his fellow Midwesterner, Senator WILEY, who carried on in the spirit of Vandenberg. The theme of the Wisconsin Senator has been: "It's closer from Moscow to Milwaukee, via the North Pole, than from Moscow to New York." The dinosaur wing of the Grand Old Party paid little heed to these warnings. The crew that did ALEX WILEY in over the weekend seemingly has forgotten that it was way back in 1492 that Columbus crossed the Atlantic Ocean. They

selected as their endorsed candidate a man who stands for everything in foreign affairs that Arthur Vandenberg, Alexander Wiley, and Presidents Truman and Eisenhower stood against. To the other 47 States and the free world, this political event on Saturday was a blow. The leaders of the Western European nations—men like Konrad Adenauer, and former Premiers Churchill, of England, and Mendes-France, of France—must begin to wonder what is happening in the United States when a man of WILEY's stature in world affairs is given a literal slap in the face by a handful of partisans. Certainly President Eisenhower must be puzzled when the man who directed foreign affairs for the Nation during the first 2 years of his administration is not endorsed for office. It was only last Wednesday that Time magazine, a strong backer of the Eisenhower administration, came out with a flat statement that the President would support a number of his stanchest backers in the Senate, including ALEXANDER WILEY, of Wisconsin. It must have been quite a shock to the Republicans in the United States Senate, with whom our senior Senator has served for 18 years. Of the Republicans, only the veteran STYLES BRIDGES, of New Hampshire, has been a Member of the Senate longer than has WILEY. The main issue at stake in the coming primary campaign will not be a partisan one. Basically, it will be a continuation of the bipartisan approach to foreign affairs, as characterized by Senator WILEY, or a return to splendid isolation, as represented by Congressman DAVIS.

The rest of the country and the free world * * * will be watching our Wisconsin primary election next September. It will be an interesting one as the Wisconsin voters decide which century they are living in.

Mr. LANGER. Mr. President, will the Senator from Wisconsin yield to me for a moment?

Mr. WILEY. Yes.

Mr. LANGER. I wish to say that Robert Moses is the son of former United States Senator John Moses, of North Dakota, a Democrat.

Mr. WILEY. I am glad to learn more about Mr. Moses, because, so far as I am concerned, anyone who wishes to state, either on the radio or in the press, the facts regarding the situation, will be welcomed; I welcome them to get into this battle.

Mr. LANGER. I may say that Mr. Moses was an outstanding citizen of North Dakota, and 2 years ago was a candidate for secretary of state of North Dakota.

Mr. LANGER subsequently said: Mr. President, it is always gratifying to a legislator to receive support from the newspapers of his State.

I know that it is extremely gratifying to our colleague, the senior Senator from Wisconsin [Mr. WILEY] to note the strong support which he has received from the newspapers all over the country.

The distinguished Senator from Wisconsin was called from the Chamber before he had concluded his remarks. In his behalf, at his request, I ask unanimous consent that in connection with his remarks a number of editorials be printed in the RECORD.

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

[From the Hudson Star-Observer]

Our Wisconsin State Republican Convention shocked a great many thoughtful people in the western part of the State when party endorsement of ALEXANDER WILEY for return to the Senate was withheld.

This action, we feel sure, reflects the thinking of a few callous professional politicians who believe that this year they can ditch the "grand old man" of the Senate without rousing the ire—or losing the votes—of ordinary people.

Senator WILEY is one of the ranking members of our highest legislative body. Perhaps the fact that, as chairman of the all-important Foreign Relations Committee in the Congress before the present one, he showed something besides isolationism, has to do with his abandonment by the party.

The minds of men are short. The leaders of the Republican party come from the eastern part of the State, the heavily populated areas that stand to benefit most by the St. Lawrence Seaway project. Have these leaders forgotten that Senator WILEY fought that seaway measure through—in behalf of this State? Do narrow minds prohibit their thinking of friendly relations with foreign nations when the very profit of the seaway development to eastern Wisconsin depends on foreign shipping?

Senator WILEY will run. The electorate hasn't spoken yet. But one thing is sure: the State's GOP bosses will know they're in a dogfight before the primaries are past.

[From the De Pere Journal-Democrat]

WILEY LOSES REPUBLICAN SUPPORT—KEEPS VOTES

Senator WILEY has been a key man in the Eisenhower administration as head of the Foreign Relations Committee. This refutation of the Senator represents a slap in the face to the administration by the Wisconsin segment of the President's own party.

Yes, Senator WILEY has lost the support of his party. However, we feel that Mr. WILEY, a man who will represent righteous thinking in a troubled world, has gained the support of good thinking Wisconsinites. After all, it is not the Republican Party or the Democratic Party who elects their representatives in government, but John Q. Public. We look for Senator WILEY's return to the Senate in November—not through the Republican Party, but the voters of Wisconsin.

[From the Milwaukee Journal]

PRETTY SHABBY TREATMENT

Senator ALEXANDER WILEY received his reward Saturday for more than 20 years of faithful service to the Republican Party. He was dumped, scornfully, by both the official and the self-anointed leadership of the Wisconsin Republican organization. He was refused endorsement for reelection to a fourth term by the State convention.

WILEY will run against his endorsed opponent, Congressman GLENN DAVIS, in the September 11 primary. But he will do it under tremendous odds. DAVIS is assured of all-out support by the statewide organization, the party leadership, the party's other candidates, and the party's plentiful campaign funds.

Many injustices are done in politics, a rough, tough game. Injustice such as that done to Senator WILEY, however, is seldom paralleled.

He has always been a Republican, and a working one. He stopped the New Deal surge in Wisconsin in 1936 by defeating F. Ryan Duffy, the Democratic Senator who sought reelection. In 1950, he turned back the most promising Democratic challenger of recent times, Thomas E. Fairchild.

He rose, over the years, to be one of the most influential Republicans in the Senate. He is now the second ranking party member. As chairman of the Foreign Relations Committee during the 83d Congress, he attained the highest committee post any Wisconsin Senator has ever reached.

When the GOP came to power in 1953 under President Eisenhower, he became Senate spokesman for the administration on foreign policy. He supported President Eisenhower through thick and thin with speech and vote on practically all major issues. He has always worked hard in the interests of Wisconsin industry and agriculture. He can properly claim much credit for finally getting the St. Lawrence waterway legislation through Congress, and waterway construction underway.

This long and consistent record of Republicanism has not been enough, however, to satisfy the "kingmakers" of the Wisconsin GOP and the convention delegates they move about like chess pawns.

WILEY has always been too independent to please such as these. He has insisted on making his own decisions. He has refused to kowtow to their pressures despite the campaign funds they offer as bait.

And, sin of all sins to the cynics in control of the Wisconsin GOP, he has courageously and doggedly insisted on being loyal to President Eisenhower in fact as well as by mouth. This in a State where this Republican leadership considers the President a party interloper of suspicious liberal leanings and where it is the accepted GOP policy to praise Ike, but to oppose most of the important things Ike stands for.

At the 1953 Madison convention these Wisconsin Republicans booed and formally reprimanded WILEY because of his support of key measures of the Eisenhower program. There was no doubt after this that they would dump him in 1956 if a likely opponent could be inveigled. The intensity of their opposition is shown by the fact that 638 delegates could cast ballots for a Wiley opponent who faces charges of unethical conduct filed by the State Board of Bar Commissioners.

The final chapter of this story is not written, of course. Wisconsin voters will decide on September 11 whether they approve of the shabby treatment that has been given the State's senior Senator at Milwaukee.

[From the Beloit Daily News]

A SENATOR GETS THE BOOT

The Republican hierarchy couldn't do much about Senator WILEY until the State convention. There, however, it was planned to stage the execution.

It was a bitter pill for him to swallow, considering he did so much to promote the St. Lawrence Seaway project, which farmers and industrialists hold will be a great boon to the midcontinent, and that he once served as chairman of the powerful Foreign Relations Committee and was still, under a Democrat-controlled Congress, the ranking Republican member of the committee.

He may find solace in the fact that when Representative DAVIS sampled opinion earlier about running for the Senate the Second District Representative failed to find the enthusiasm he anticipated and decided not to run. He changed his mind only after senatorial aspirants, including Mark Catlin, Jr., couldn't muster sufficient strength at the convention to unseat Senator WILEY.

Repudiation, it seemed, wasn't enough. Senator WILEY's opponents booed him, insulted him, and even demanded that he not run.

Despite this treatment, Senator WILEY vowed he will carry on the tradition of the late Fred Zimmerman and Walter Goodland, who, though repudiated by their party, went to the people to be elected to office.

This split in Republican ranks isn't doing the party any good, but as long as GOP leaders choose to make the September primary a battleground, then those who support President Eisenhower and the administration's program should rally to the support of Senator WILEY.

The Daily News feels Senator WILEY has served Wisconsin and his country with credit and distinction during his 18 years as United States Senator; that he always has had the interests of the State and its people uppermost in mind; and, because he is recognized as a key figure in the first Republican administration in two decades, that he deserved much better than the shameful treatment he received at the hands of the delegates at the Milwaukee convention.

[From the Eau Claire Leader and Telegram]

Make no question about it, isolationism, America Firstism, if you prefer the term, is still dominant in Wisconsin Republicanism. Gone were any thoughts of Senator WILEY's years of effort to make the St. Lawrence Seaway a success, gone were any praise of his years of effort for dairy farmers, and other things outside his support of the presidential foreign policy. Nothing else counted. * * * Senator WILEY has no intention of withdrawing from the race, and he is very likely to show the Nation that Wisconsin is not as isolationist as the rulers of the State's Republican Party wants it to be.

[From the Madison Capital Times]

It was such a spectacle of hypocrisy as to defy description. * * * For all the shabby, shoddy and rude treatment they accorded Senator WILEY and his wife at that debacle in Milwaukee, these Republicans do not hate WILEY. They showed that it is really Eisenhower they hate. They merely took it out on WILEY. They can't afford to kick the man on whose back they are riding.

[From the Milwaukee Sentinel]

The lateness of DAVIS' entry, his open support by a group of well-known industrialists, the mention of a $150,000 campaign fund, the fact that most delegates had only a few minutes to make up their minds how to vote—these inevitably gave rise to angry talk of "kingmakers" and provided Democrats and WILEY supporters alike with a political weapon which has frequently been lethal in Wisconsin. By reason of this political blunder, Senator WILEY becomes even more of a martyr in the eyes of the independent voter. Drama and sympathy will now surround his fight against the so-called machine. His chances of winning out over the party organization, as Walter Goodland and Fred Zimmerman did before him, are enhanced. He becomes the kind of candidate that Wisconsin voters like.

[From the Monroe Evening Times]

The selection of Representative DAVIS * * * was carried out in a way which may widen whatever disagreement was caused by the defeat of WILEY. We think convention endorsements are a mistake, that many times the delegates who vote such endorsements do not represent the thinking of rank and file party members of their areas. * * * Just the same, the all-out negative fight to sidetrack him was, we believe, a perfect example of all that is wrong with the party convention endorsement system as carried on in Wisconsin.

[From the Oshkosh Northwestern]

Already Democrats are calling the Republican tangle a big money raising and spending affair. And they hope to profit by painting a picture of big industrialists and big money as backing the DAVIS candidacy. If the bitter party split is not mended soon, the Republicans could be in danger of losing a Senate seat to the Democrats next November.

[From the Wisconsin State Journal]

Now that they are back home * * * Wisconsin Republicans may be prompted to take a second look at their weekend convention doings. And a good many of them may wonder how wisely they wrought in slapping down ALEXANDER WILEY, their vote-getting senior Senator. * * * In all of these stands, it must be said, WILEY represented the wishes of the White House and the same President Eisenhower for whom all Wisconsin Republicans will work and vote this year.

[From the Monroe County Democrat]

What is there about Republican Senator ALEXANDER WILEY of Chippewa Falls that has made him distasteful to the State Republican convention in 1956?

In his current term, Senator WILEY has risen to the highest position of congressional influence ever achieved by a Wisconsin Republican. He was chairman of the Senate Foreign Relations Committee.

Why defeat WILEY? Because WILEY, more than any other Wisconsin Republican in Congress, has stuck with the program of President Eisenhower, both on foreign policy and on the major issues generally.

Senator WILEY not only says he supports the President. He also votes that way. GLENN DAVIS says he supports Eisenhower. But he doesn't vote that way on the major issues—just on the trivia.

The Democrat must insert a word of praise for the Monroe County delegation to the State Republican convention. This newspaper does not support their men (Eisenhower and WILEY). Nor does it support their viewpoints. But they made their support of Eisenhower honest by supporting WILEY. Every candidate seeking the Senate endorsement, except WILEY, was actually an opponent of President Eisenhower. Each made it clear he would have done his best to defeat Eisenhower objectives on the major issues in Congress. If you support Eisenhower, it is a little difficult to support candidates who clearly challenge his position on major issues.

[From the Racine Journal-Times of May 29, 1956]

"KINGMAKERS" PICK THEIR MAN

What happened in Milwaukee last Saturday afternoon, when the Republican State convention was stampeded into an endorsement of Congressman GLENN R. DAVIS for the United States Senate, is a most powerful argument against endorsement prior to primary elections.

The question is one which has long been argued in Wisconsin. This State has an open primary law that permits all candidates to submit themselves to the voters for nomination. It has been argued effectively that endorsement is a moral violation of this open primary, in that it gives party support and, more important, party funds, to one candidate in preference to others, before the voters of the party have had a chance to name their candidates in a primary.

Congressman DAVIS' endorsement was secured last Saturday in a behind-the-scenes maneuver that apparently had gone on for several weeks before the convention, although it had been given no publicity and the rank and file of the delegates to the convention were unaware of the movement until it was unveiled on the floor of the convention. DAVIS actually had withdrawn from senatorial consideration before the convention. He had not campaigned for the endorsement, nor did he appear before the district caucuses.

But a small clique of Republican leaders determined to "get" Senator ALEXANDER WILEY, maneuvered to make DAVIS the convention's choice. When it became apparent that they could not secure the endorsement for Mark Catlin, they threw DAVIS' name to the convention without even the formality of a nomination. The convention was stampeded in a few hours.

In repudiating WILEY, Wisconsin Republicans turned their back on a man who has a proven record of supporting President Eisenhower and a record of 18 years of service to his State and his party.

Effort probably will be made in the next few months to "prove" that DAVIS is an administration supporter. But these facts stand out: DAVIS has not supported Eisenhower on the important issues of foreign policy which are a prominent part of the administration's great effort to maintain world peace. DAVIS did not vote for the administration's foreign-aid program. DAVIS favors the Bricker amendment which would tie the President's hands on foreign policy. DAVIS' friends at the convention, and the men who promised to raise $150,000 for his campaign, are avowed isolationists and bitter critics of Eisenhower.

Against that record, Senator WILEY stands out as a friend and a supporter of the Eisenhower administration and its important policies.

Fortunately, the voters of Wisconsin and not a little clique of "kingmakers," will decide the Republican nomination for Senator in September. They will decide whether WILEY, who votes for Eisenhower policies, or DAVIS, who votes against them, will be the most suitable representative of this State in Washington.

[From the Ladysmith News]

WILEY FOR SENATOR

It appears to this editor that by far the greater portion of the Republican opposition to the nomination and reelection of Senator WILEY stems from his support of President Eisenhower on most questions. The President has been too liberal to suit some old-line Republicans, although not liberal enough to suit the more socialistically-inclined Democrats, but all recognize that Eisenhower's popularity is the most potent asset the Republicans have in the 1956 campaign.

While Senator WILEY has not supported the President on every proposition, particularly on the recent farm bill, he has been a most important factor in the passage of most of the legislation favored by the present administration.

With his many years of seniority, Senator ALEXANDER WILEY is one of the most influential Members of the upper House of Congress. As a resident of Chippewa Falls, he is particularly aware of the problems of upper Wisconsin and has never lost sight of the needs of this area and of the State as a whole. He was one of the strongest workers in Congress on the successful battle of several years' duration to put over the St. Lawrence deep waterway project.

Wisconsin people are indebted to Senator WILEY for the years of sincere effort he has put in in our behalf.

Let's give this neighbor our loyal support.

[From the Sheboygan Press]

DAVIS VERSUS WILEY

Delegates to the Republican State convention at Milwaukee last weekend may have done Senator ALEXANDER WILEY a favor in refusing to endorse him for a fourth term as United States Senator.

Representative DAVIS was brought into the picture after it became clear that none of Senator WILEY's four announced opponents could receive the endorsement. The State Board of Bar Commissioners' charge that Assemblyman Mark Catlin, Jr., of Appleton had engaged in unethical conduct made futile all efforts to obtain the endorsement for Catlin, the strongest of the four challengers.

The Davis boom was supported by a group of Wisconsin industrialists who have guaranteed to raise a $150,000 campaign chest in his behalf. At a limit of $5,000 each, it will take 30 of them to fill the campaign chest. We seriously question, however, whether the

voters will want a Senator who would owe his nomination and election to such a group of industrialists.

The endorsement of DAVIS is the work of a group of Republican leaders, who, we are convinced, seek to use the popularity of President Eisenhower to elect candidates who are not fully in agreement with the President's foreign policies. They are, for instance, supporters of the proposed Bricker amendment, which is opposed by both the President and Senator WILEY. DAVIS, according to a tabulation made last year, has followed the Presidential lead on only 14 percent of the foreign policy roll calls. He is for the Bricker amendment or something similar.

Senator WILEY is a supporter of a bipartisan or nonpartisan foreign policy. He is the former chairman of the influential Foreign Affairs Committee of the Senate, and since the Republicans lost Senate control, he has been the ranking minority member of the committee. If reelected and the Republicans regain control of the Senate, he would return to the chairmanship by virtue of seniority. It is doubtful whether a freshman senator would even gain apopintment to this important committee.

The convention ignored Senator WILEY's major role in the St. Lawrence Seaway legislation and his sponsorship of legislation for deepening the connecting channels.

Frequently in a campaign a candidate benefits from an underdog role. Senator WILEY has such a role as the result of the convention action and the pledge of the industrialists to provide a $150,000 fund for his opponent. He will be on his own—no money from the party machine—which means that he will arouse deep sympathies from the voters. The comments we have heard since Saturday support this contention. Republicans themselves have said that they believe Senator WILEY will win the nomination.

ALLEGED IMPROPER CONDUCT BY SENATOR YOUNG

Mr. YOUNG. Mr. President, early in February of this year the Leader, a North Dakota political publication, leveled some vicious charges against me—charges involving bribery and improper conduct as a Member of the United States Senate.

On May 24, 1956, the Special Committee To Investigate Political Activities, Lobbying, and Campaign Contributions, gave K. W. Simons, the editor of this publication, and Mr. R. C. Nathan, a member of the board of directors, every opportunity to provide evidence in support of their accusations. They both testified under oath that they had no evidence to support their charges.

Nevertheless, K. W. Simons, editor of the Leader, is now claiming through television, radio broadcasts, and otherwise, that I am still guilty of wrongdoing—and, furthermore, that he and Mr. Nathan were not given a fair chance to state their case when they appeared before the Senate committee.

Mr. President, there is a great deal of interest in North Dakota with respect to these vicious, false accusations. I believe the people of my State should have the opportunity of reading the Senate hearing on the charges by the Leader, as well as all of that part of the hearings held by the House Ways and Means Committee in 1952 dealing with the same subject. Neither of these hearings is available to the public at the present time.

I ask unanimous consent to have the complete record of the hearings held on May 24, 1956, by the Senate Special Committee To Investigate Political Activities, Lobbying, and Campaign Contributions inserted in the RECORD as a part of my remarks.

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

INVESTIGATION OF POLITICAL ACTIVITIES, LOBBYING, AND CAMPAIGN CONTRIBUTIONS

(United States Senate, Special Committee To Investigate Political Activities, Lobbying, and Campaign Contributions, Thursday, May 24, 1956, Washington, D. C.)

The special committee met in executive hearing at 10:30 a. m., pursuant to Senate Resolution 219, agreed to February 22, 1956, in Room 357 of the Senate Office Building, Senator JOHN L. MCCLELLAN (chairman) presiding.

Present: Senator JOHN L. MCCLELLAN, Democrat, Arkansas; Senator CLINTON P. ANDERSON, Democrat, New Mexico; Senator JOHN F. KENNEDY, Democrat, Massachusetts; Senator STYLES BRIDGES, Republican, New Hampshire; Senator EDWARD J. THYE, Republican, Minnesota; Senator WILLIAM A. PURTELL, Republican, Connecticut; Senator BARRY GOLDWATER, Republican, Arizona.

Staff members present: George Morris Fay, chief counsel; John J. McGovern, associate counsel; Paul E. Kamerick, chief investigator; Vivien McConnell, chief clerk.

PROCEEDINGS

The CHAIRMAN. The committee will be in order.

Before we proceed further, the Chair wishes to make a brief statement. I trust the witnesses who are present and their counsel will listen before we proceed with taking of any testimony.

The special committee, at the request of Senator MILTON R. YOUNG, has determined to hear the witnesses in connection with the charge contained in the Leader newspaper that "Young sells out again."

The committee has voted to examine all of the evidence that has any bearing on the issue relating to Senator YOUNG's vote on the Harris-Fulbright bill, particularly any facts or information that would have any relationship to an improper or illegal influencing of the Senator's vote.

This committee at this time is not interested in testimony relating to the old Grunewald matter, which was the subject of public hearings by a subcommittee of the Ways and Means Committee of the House of Representatives in 1952. The testimony concerning that matter is contained in the published volumes of those hearings which are available for examination by anyone interested in it. So that the record may clearly show what this committee is undertaking to inquire into today, I will read into the record at this point the minutes of the meeting at which this hearing was ordered:

"The subject: Senator YOUNG's Request for Hearing.

"After discussion, the following motion was made:

" 'Senator THYE. Mr. Chairman, I move that the committee proceed to bring the two gentlemen in on this question and that they be interrogated relative to the alleged statement as appears in the headline of this publication inferring an improper or illegal sellout by Senator YOUNG in connection with lobbying on the gas bill.

" 'Senator ANDERSON. I second the motion.

" 'Senator THYE. The chairman stated it well, and I concur in his every expression about how and what we should investigate here. It is only the question as it may relate to the gas bill.

" 'Senator BRIDGES. Senator ANDERSON and I agree on this generally but I think in this case as it affects personally a Senator, it certainly ought to be in executive session, and then we can have a public hearing and we can make our findings and report.

" 'Senator THYE. That is reasonable because the committee will make its determination at that time.

" 'The CHAIRMAN. Will you amend your motion?

" 'Senator THYE. I include that in my motion.

" 'Senator ANDERSON. That is satisfactory.

" 'Senator PURTELL. Do I understand that the motion was that we would hear these men in executive session and at that time determine whether a public session should be held subsequently?

" 'The CHAIRMAN. That is correct.'

"The motion was put to a vote and carried unanimously. The following proxy was read from Senator GOLDWATER: 'I hereby appoint Senator BRIDGES my proxy with full power to vote on the matter of secret hearings re Young.'

"The proxy of Senator GOLDWATER was reported by Senator BRIDGES, and was recorded as voting for the above motion."

Does any Senator wish to add anything here before we proceed? I just made this statement as chairman, and, of course, any member of the committee may make any observation before we proceed.

Senator ANDERSON. Well, I hope nobody tries to rule out some words. The statements of the two individuals who have been asked to come here have already been prepared and they may have something in here relating to the Grunewald case.

The CHAIRMAN. The Chair has not ruled that. I am trying to admonish the witnesses and the interested parties what the nature of this hearing is and what its limitations are.

Senator ANDERSON. That I agree with thoroughly.

The CHAIRMAN. I do think in the beginning of the hearing it is proper for the record to show what the purpose of the hearing is, and what the committee is interested in, and what it proposes to inquire into. Is there any further discussion?

All right, the Chair has in mind that since Senator YOUNG requested this hearing he should be the first witness. If it is agreeable with the committee, Senator YOUNG will now take the witness stand.

Senator, will you be sworn, please? Do you solemnly swear that the evidence you shall give before this Senate Special Committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Senator YOUNG. I do.

The CHAIRMAN. Senator YOUNG, the Chair has indicated in his preliminary statement and in the reading of the minutes of the meeting that we have granted your request for a hearing to the extent that your request relates to the charge in the Leader that you have "sold out again." Now, that is what we are inquiring into, and I can appreciate that from the nature of the article you may have to refer to some other things as a basis for whatever statement you make.

But I wanted all of the interested parties and the witnesses to understand that this committee is inquiring into the charge that Senator YOUNG "sold out again," as it related primarily, of course, to the gas bill, which is the first order of business of this committee, to inquire into lobbying and improper influence in connection with that legislation.

Senator YOUNG, you have submitted a prepared statement to the committee. If you desire, you may proceed to read it.

TESTIMONY OF SENATOR MILTON R. YOUNG, A UNITED STATES SENATOR FROM THE STATE OF NORTH DAKOTA

Senator YOUNG. First, Mr. Chairman, I would have hoped that the investigation could have been broader, but I will abide by the decision of the committee.

The CHAIRMAN. If you observed the Chair's statement, I said "at this time." Now, whether it will ever be broader or not, if it is ever broadened, it will require further action of the committee. It is limited at this particular hearing to that charge and whether it will ever be broadened or not will be a matter of further consideration by the committee.

Senator YOUNG. I hope and feel sure that my statement is in line with that decision.

I deeply appreciate the opportunity to appear before your committee in regard to certain accusations made against me in the Leader, a North Dakota publication. I am delighted that your committee has taken action to investigate these charges.

I have been elected to public office in North Dakota continuously for more than 34 years. During 13 years of this long period, I was a member of the North Dakota State Legislature and for the past 11 years I have been a member of the United States Senate. This marks the first time during all that period of public service that anyone has questioned my honesty and integrity.

A number of years ago I voted for the Kerr natural gas bill. During the present session of Congress I voted for the Fulbright bill dealing with the same subject. I carefully considered both of these measures and I voted my convictions.

On February 9, 1956, the Leader, a North Dakota political paper, in the story dealing with the natural gas bill, carried headlines across its front page reading as follows: "YOUNG sells out again—CASE bribe recalls $5,000 MILT YOUNG got from Dutchman." The CASE referred to in the headlines and the article is, of course, Senator CASE from South Dakota. It should be remembered that on February 9, 1956, there was a great deal of publicity throughout the country in connection with the natural gas bill and the contribution which was offered to Senator CASE and refused by him.

The article in the Leader refers to the Fulbright-Harris bill as a gas-racketeering measure and by plain implication, it indicates that I sold my vote on this bill and that I had previously done the same thing. In March of this year R. C. Nathan, who has been called before this committee, stated at a political meeting at Bismarck: "If you want to see more about the bribe that YOUNG received from the Dutchman Grunewald, you can read it in the Leader."

The facts are these: I have never ever received a bribe from anyone. I do not know Mr. Grunewald. I have never talked with him either personally or on the telephone, and he has never paid me or my campaign committee a single dollar. In 1952 a committee of the House of Representatives went thoroughly into this matter. The testimony there was undisputed. It was to the effect that I had no connections with Grunewald, that I did not even know him, and that he had made no contributions to me or to my campaign committee. All of this is in the printed record and it has been available to the Leader for more than 4 years.

I voted for the Fulbright-Harris measure because I believed that the bill was a proper one. Not a single person, association, or corporation either contributed or offered to contribute to me in connection with the Fulbright-Harris bill. The charges made in the Leader that I had either sold out in the past or that I had sold out in connection with the Fulbright-Harris bill are completely and entirely false.

If the charges made against me were true, I would feel disqualified from further service in the Senate. If they were true, it would be a reflection on the Senate itself. You will recall that during the passage of the legislation authorizing this committee, I spoke on the floor of the Senate and I asked that the charges of the Leader be made your first order of business. It was I who insisted that Mr. Simons and Mr. Nathan be called before your committee to either support their charges or disavow them.

As far as I am concerned, anything that I have done during my 34 years of public life is open and above board. I am perfectly willing that you ask me any questions that occur to you. You can be sure that my answers will be complete and forthright. The charges made against me are false, unscrupulous, and wicked. There is not one iota of truth to them.

If any member of this committee feels that there is the slightest substance to any of these charges, or if any member feels that I have been wrong in any respect, I ask the committee to go into the matter in a most thorough fashion. I offer you my fullest cooperation.

The CHAIRMAN. Thank you very much, Senator Young.

The Chair overlooked to inquire if you had counsel present.

Senator YOUNG. Yes; I have.

The CHAIRMAN. If so, will counsel please identify himself for the record?

Mr. VOGEL. For the record, my name is Philip Vogel, and I am a lawyer from Fargo, N. Dak.

The CHAIRMAN. Senator YOUNG, the Chair has indicated that the committee action does not authorize the committee at this time to go into what we term the Grunewald incident. I appreciate that it is necessary for both sides to refer to it from the standpoint of a basis for a discussion and an inquiry into the real crux of this investigation, which is that you sold out again.

Now, you have made a positive statement that your vote in connection with the gas bill was not influenced, as I interpret your statement, by any improper means whatsoever. It was a matter of your judgment and your conviction on the merits of the bill.

Senator YOUNG. That is correct, and I voted for it because I believed in it.

The CHAIRMAN. Will you comment further with respect to any lobbying with you, and I use the term "lobbying" in its commonly accepted sense, of any organization, group, person, or association, corporation representative, or anyone? Did anyone undertake to, in that sense, lobby with you to influence your vote on the gas bill, in any way that could be regarded as an attempt at improper influencing you as a Senator?

Senator YOUNG. No, sir, Mr. Chairman. Not in the slightest—actually not more than 2 or 3 people on either side—that is, the gas people or the gas-consuming companies—ever contacted me at all. I asked to have breakfast with one representative of an oil company myself.

The CHAIRMAN. With whom?

Senator YOUNG. I personally asked—I might as well give you the whole story. Early in this discussion, there was some relation to a pending measure in North Dakota involving a gasline. Amerada Oil Co., one of the major oil companies in the United States, was involved in that. I called up the president and I said, "Sometime when you are in Washington I would like to discuss this issue with you." I wanted more information on the North Dakota situation. He was probably 1 of 2 or 3 that I talked with during all of this period in any respect with respect to this bill.

The CHAIRMAN. Well, the fact that someone may contact you and ask you to vote for or against a bill, that may be regarded in some quarters as lobbying, and the Constitution may regard it as petitioning the duly elected representatives of Congress. So long as there is no impropriety, and no attempt to coerce, intimidate, or to influence for a consideration, I do not know that there is anything wrong with it. But here is a charge against you that you sold out, and so far as I can interpret the article the "sells out again" is related to the gas bill. I think that it is proper, and I think that you should take advantage of this opportunity to make a full and complete statement with respect to any lobbying with you, or any effort to influence your vote on either side, that could have the slightest suggestion of any impropriety or any illegal attempt to influence you.

Senator YOUNG. Mr. Chairman, I would be very happy to do that. I received about as much mail on one side of this issue as I did on the other. As I recall, 2 or 3 people contacted me on behalf of the gas companies, the distributors of gas. Not more than 2 or 3 gas companies or oil companies altogether contacted me. It was only by way of information. Not a single one of them insinuated that they might give me a contribution later—at the present time or later if I voted for it.

Not anyone contacted me until some 2 or 3 weeks before the vote. There is not the slightest evidence any place that any effort was made to influence my vote. In fact, there was less pressure, so far as I was concerned, on this legislation than almost any other legislation which we considered in Congress for many years. Perhaps part of the reason is due to the fact that I voted for the Kerr bill some 5 or 6 years ago, and because of that not many contacted me because they assumed, I suppose, that I would be voting for the Harris-Fulbright bill, a very similar piece of legislation.

The CHAIRMAN. Senator, I think that, if any representative of any association or group that was making a concerted effort to either support the bill or influence votes for the bill, or to influence the votes against the bill, contacted you, it would be well for you to state for the record who contacted you.

Senator YOUNG. As I said, I called Mr. McCullough, president of Amerada Oil—he is general manager or president—and there was an effort to discuss the gasline. The Harris-Fulbright bill, in fact—I do not think that they had too much interest in it. That is true of most of the oil companies doing business in North Dakota. We have—the oil companies there have invested perhaps $200 or $250 million, but we do not have much natural gas there, so that the oil companies quite naturally were not as concerned probably as they were in other areas.

The CHAIRMAN. You initiated the contact in that case?

Senator YOUNG. Yes. There were three other fellows, and I had the names of them. One is with an independent company at Bismarck, N. Dak., and he was in Senator LANGER's office and Senator LANGER called me over to his office to see him. I will supply his name for the record. It is an independent petroleum organization in North Dakota representing the independent people. (Hugh Palmer.)

Now, the only other one that I recall is Charley Simons, from Texas, and I do not know what company he is with. I think he is with an association of companies. I have known him for a good many years. He called me when he was in Washington, and I personally asked him to come to my office.

The CHAIRMAN. Now, you mentioned three. Do you recall any others?

Senator ANDERSON. Could that have been Charley Francis rather than Charley Simons?

Senator YOUNG. No; Charley Simons is an uncle of one of the witnesses here today.

The CHAIRMAN. All right; the Chair will now defer to other members of the committee. Senator Bridges.

Senator BRIDGES. I have no questions.

Senator ANDERSON. Well, I am a little disturbed by the Chair's statement that rules out any questions on this Grunewald matter.

I thought we had had a thorough discussion and while we were not planning to bring it up, Senator YOUNG has brought it up now, and unfortunately all of the material that was said in that meeting cannot be before us, but I stated quite frankly that nobody would ever persuade me under any circumstances that Senator YOUNG had ever taken a bribe, nor any sensible person would ever offer him one, and I think some of the members of the committee will recall it. But I do feel that if a witness comes before this committee and raises a question that we had hoped to leave out of it, that questioning on that is entirely proper.

The CHAIRMAN. The Senator probably misunderstood the Chair. I am not ruling out any question the Senator wants to ask or any statement the witness wants to make. But according to the motion made and the vote taken, this committee was primarily interested in the subject matter of whether he had "sold out again" in connection with the gas bill, because we made the gas bill the order of business.

I stated very clearly in the beginning that whether we would later broaden the hearings to include the Grunewald matter was a matter that addressed itself to the committee.

Senator ANDERSON. The proceedings of that day are not transcribed. If they were to be transcribed, I think that they would indicate that the suggestion was made that if the Grunewald matter arose, that was a matter of official record on which testimony had been taken. It was on that basis that I said that I would be quite willing to leave it out of this discussion if it were not otherwise brought in, because we had full opportunity to go back and examine the House records.

But now Senator YOUNG has said, if I may just read this, "I never received a bribe from anyone." I have already said that I would underwrite that statement myself, being an insurance underwriter.

"I do not know Mr. Grunewald. I have never talked with him either personally or on the telephone, and he has never paid me or my campaign committee a single dollar."

Then subsequently I think that he says, "He has made no contributions to me or to my campaign committee."

Now, a former Member of the United States Senate, when he was then a Senator, under oath testified that Mr. Grunewald did give $5,000 to the Young committee. I simply want to ask Senator YOUNG again if he means by this language, where he says, "He has never paid me or my campaign committee a single dollar," do you mean to state that your campaign committee never received from Grunewald a single dollar?

Senator YOUNG. That is correct. My campaign committee or myself never received a dollar in contributions from Henry Grunewald.

Senator ANDERSON. Could you clear it up or is it something that we do not desire to clear up? What happened to the $5,000 that Brewster testified concerning?

Senator YOUNG. I wonder if the committee would permit me to read into the record the testimony on the House side, because I think that clears it up completely.

Senator ANDERSON. If it is in the record, I do not need it. If the same statement that you make is already in the record, I will be happy to see it. I have never seen it. I only want to say I do not remember what happened, and I was on the Senate floor as I recall it, when somebody came back and said that Senator Brewster had given some sort of statement that involved a loan to the national committee for the purposes of making a campaign contribution to Senator NIXON and to Senator YOUNG. I have been chairman of the Senatorial Campaign Committee for the Democrats and I have been acting chairman of the Democratic National Committee, and I understand that campaign contributions are made and I saw nothing improper in the fact that campaign contributions were made. But I am worried by this plain contradiction. If Senator YOUNG says it is in the record, I am completely satisfied.

The CHAIRMAN. I would suggest, if it is agreeable with the committee, I would suggest that the House hearings, that document of House hearings, be made a document of this committee, an exhibit to this committee for reference.

Is there any objection?

Senator KENNEDY. Mr. Chairman, my recollection of our motion on Senator YOUNG's request was that our consideration would be confined solely to the gas bill. Now, I think if we get into the Grunewald matter—and I do not know anything about it, because I was not in the Senate at the time—the representatives of the Leader will give their side of the story, Senator YOUNG will give his side of the story, and the controversy will then be in our laps and this committee will be called upon to make another determination on it. Frankly, that is not the matter before this committee. In my opinion, whether Senator YOUNG brought it up or not—perhaps he should not have brought it up—we now should draw the line and say we are not interested in any degree in the Grunewald matter and confine ourselves solely to the Harris-Fulbright bill.

Senator GOLDWATER. Mr. Chairman, I agree with the philosophy of your thesis, but the headline says, "YOUNG sells out again." Now, that means that there must have been another time that the Leader thought he had sold out. I do not think that we can completely disregard the Grunewald matter, although I agree with the chairman that we should not discuss it unless it is brought up as part of the testimony by both Senator YOUNG and the editors of the Leader.

Senator KENNEDY. I do not think it is any of our business. I know the headline, and the "again" referred back to Grunewald, but I do not think this subcommittee or this select committee should get back into that phase of it, because I am afraid that if we do we are going off on a lengthy pursuit, and we will be called upon to make some judgment at the end of it. I do not think that we have the time.

Senator GOLDWATER. I do not think we have to investigate the Grunewald end of it but I do not think that you can drop the name "Grunewald" from these hearings because it is inferred all of the way through the Leader's article and all of the way through the statement of the editors of the Leader too.

Senator KENNEDY. I do not think we should be called upon to make a judgment on that. I think we have so many things to do connected with this job that has been given to us, that to go back into a matter which I understand was thoroughly investigated I think would be a mistake. I think that we should just confine it to the "selling out" charge dealing with the Harris bill.

Senator THYE. Mr. Chairman, if Senator KENNEDY is through, it is obvious that we have a committee report before us because it was handled by one of the staff. I do not know how lengthy the reference would be in the committee report referring to the incident of where Mr. Grunewald's name came into the question relative to the campaign committee of the Senate, of which Senator Brewster then was its chairman. Senator Brewster, if he made available any of this, or made available any funds to the YOUNG campaign—if that is not too lengthy, it would certainly aid me in my thinking if I had exactly what the committee statement was relative to that incident.

The CHAIRMAN. What the Chair had in mind was making it an exhibit for reference, and there was no need to reprint that whole record in our record. That is all I was trying to do, but when you make it a document for reference, it is then before the committee for such consideration and use as it cares to make of it. I am just trying to avoid reprinting the whole record.

Senator ANDERSON. Senator Brewster said at the time in the Senate that, "I have the check which I gave Mr. Grunewald for $10,000. I have copies of the two checks which Mr. Grunewald made to the two individuals who were the ones to handle the fund, $5,000, apiece, 1 to Senator NIXON and 1 to Senator YOUNG." He either did have them or he did not have them. I recognize that this is not an ordinary campaign contribution. This is an advance for a primary. I do not think that there is any mystery about it at all. The money was sent out to his campaign committee because the Republican National Committee—and we all know this to be a fact—would not want to take part in a primary. It would only want to take part after the primary was over, as a national committee, or as a Senatorial campaign committee.

I am very willing to state, as I am sure Senator GOLDWATER would state, since he served as chairman of a campaign committee of the Senate, that that matter arises frequently. Somebody will say, "I want to contribute to his primary," and you say, "I am not in the primary, and I cannot be in the primary. And if you want to send him some money, send it to so-and-so who is his campaign manager."

I think that that is all that happened in this instance.

Senator THYE. Does the record show whose funds were involved in the checks now referred to? My memory is somewhat vague on this, but it seems to me that somehow the funds were a loan. If my memory serves me right, in the Grunewald incident, there was a loan involved in connection with that, and Senator Brewster obtained it as a loan. Therefore, it was not Mr. Grunewald's money. It was a loan which was initiated by Senator Brewster which became a part of the funds going out to finance a primary campaign.

Now, I have not read the record, but my memory seems to bring this back to me.

Senator ANDERSON. I think that is correct. Senator Brewster said, "I went to the bank, and I borrowed $10,000 with the assistance of Mrs. Brewster's endorsement, which was required to make me a good credit risk, at the Liberty National Bank here, where I do my banking. I took the $10,000 and I gave $5,000 to each of these candidates. I did not want to do it directly myself, because I was then chairman of the committee, and I thought it might lead to even more misunderstanding."

Senator THYE. My memory has been refreshed, because that was my recollection of it. Therefore, it was not Grunewald's money that was involved.

Senator ANDERSON. I agree completely. He said, "I had known Mr. Grunewald for a good while, and I had understood he was more or less a Democrat although he, I think, gave one contribution of $1,000 to a Republican candidate." I might skip a couple of lines. "So I spoke to Mr. Grunewald and asked him whether he would arrange as a conduit for the transaction. I gave him the $10,000. He made out two checks for $5,000 each to these two individuals or to their campaign committee and in the course of time, for which I was profoundly grateful, they were nominated."

Senator THYE. That is my recollection, also. I thought that is what the incident was, and you are reading the record of the committee hearing.

Senator ANDERSON. My question to Senator Young was directed to that point. There was $5,000 sent to his campaign, and he recognized it as coming from the national committee and not from Mr. Grunewald, and he subsequently found that Mr. Grunewald was merely the transmission line.

Senator YOUNG. That is different from what you said a while ago, that I received a contribution from Grunewald. I did not receive a contribution from Grunewald.

Senator ANDERSON. I am trying to say that the contribution came through the hands of Mr. Grunewald. That is all I am trying to say. If that is not correct, then Senator Brewster—what is the polite term?—under oath to the committee made a misstatement.

Senator YOUNG. That is correct, that he used, unfortunately, Mr. Grunewald as a conduit to send the funds out to me. I never heard of Grunewald at that time, and I never heard of him until 6 or 8 months afterward, and I never saw the check. The check was mailed to someone handling funds for a committee for me in North Dakota. Had I seen the check, the name "Grunewald" would not have meant anything to me.

Senator ANDERSON. It would not have meant anything to me.

Senator GOLDWATER. I might say to bear out what Senator ANDERSON has said, that that practice not only has gone on, but it goes on today, and it is a very necessary part of financing campaigns. Many, many people come to me, some Democrats even, I am happy to say, and say, "I would like to get some money into Senator X's campaign." We tell them that it is a primary problem and we are not interested in the primary, and we keep out of it. But if he is interested in getting the money into it, we suggest that he see so-and-so, who would be very glad to handle it. That comes up on both sides of the aisle, and it is one of the ways that money is channeled around into the primaries, and it will happen in the general elections, too.

The CHAIRMAN. May the Chair make a suggestion that will probably solve this for the present and expedite these proceedings.

I suggest that we proceed to interrogate the witnesses in the way of cross-examining them on anything that they present in their statements. This is an executive hearing, but the motion was, and the Chair understood, and the minutes reflect—and I never read the minutes until yesterday afternoon—that the committee's purpose was to be limited to make a determination as to the question, "Did YOUNG sell out again?" That is what I thought we were going into.

Now the committee can at any time, after it hears this testimony in executive session, if it wishes to, initiate a full-scale investigation into the first time that he was alleged to have sold out. But for this hearing, the committee is seeking information that will help it to determine whether he sold out again.

Senator BRIDGES. I think Senator ANDERSON has now clarified for the benefit of the committee what transpired, which has been confirmed by Senator YOUNG. Therefore, I now agree with Senator KENNEDY that we should proceed on the issue at hand, rather than the other.

Senator ANDERSON. Mr. Chairman, I agree completely with Senator BRIDGES. However, if this record was subsequently made public, I did not want somebody to say that Senator YOUNG made a statement that he never received any money from Mr. Grunewald, when the record is here in the House. Senator YOUNG's statement is completely clear now, and I am satisfied with it. That is all I was trying to do. I do not want to sit on this committee and have somebody say that "He has not sense enough to ask a question," when something seems to be contradictory. I understood the situation perfectly at the time it was explained to me in complete detail, and I had, I might say, an interest in it because I was active as chairman of a campaign committee and I wanted to know exactly what was done in that particular transaction.

Senator THYE. Mr. Chairman, before we proceed, may the record reflect the vote as cast in the Senate on the Harris-Fulbright Act. Actually, the yeas were 53, and Senator YOUNG was one voting yea, and the nays were 38, and I, a member of this committee, was among those voting nay on that bill. Then the official CONGRESSIONAL RECORD reflects "not voting, 5."

Senator ANDERSON. I think far more important would be to read the vote of the Kerr natural-gas bill, which came several years previously. I have known Senator YOUNG a long time and he is not a man that it is easy to get him to change his mind. I have been trying my best to educate him agriculturally for a long time and I have had miserable luck.

Senator THYE. I have been endeavoring to change your views for a number of years, and I have been likewise unsuccessful.

Senator PURTELL. I think we are far afield.

The CHAIRMAN. Does anyone make a motion that the vote on either bill or both bills be incorporated in the record at this point?

Senator BRIDGES. I so move.

Senator GOLDWATER. I so second.

The CHAIRMAN. That is the Fulbright-Harris bill and the Kerr bill. The vote as recorded in the CONGRESSIONAL RECORD on both the Harris-Fulbright bill at this session of Congress, and the vote on the Kerr gas bill, I do not know it by number, without objection, will be incorporated in the record at this point. (See Kerr gas bill vote reported in CONGRESSIONAL RECORD March 29, 1950; Harris-Fulbright vote reported in CONGRESSIONAL RECORD February 6, 1956.)

The CHAIRMAN. Now, the matter the Chair suggested a while ago about making this document over here an exhibit for reference has not been acted on. We can proceed, and in the course of the hearings, if anyone thinks favorably of that suggestion, we can do that.

Senator ANDERSON. I will move that the suggestion of the chairman be followed, that it be made an exhibit for reference.

Senator PURTELL. I second the motion.

The CHAIRMAN. Without objection, that part of part 4 of the hearings before a subcommittee of the Committee on Ways and Means, House of Representatives, 82d Congress, 2d session, on Administration of the Internal Revenue Laws, relating to the subcommittee's investigation of the so-called Grunewald-YOUNG incident, shall be made an exhibit for reference for this committee.

All right, are there any questions? Senator THYE?

Senator THYE. I have none.

The CHAIRMAN. Senator KENNEDY?

Senator KENNEDY. Are you a candidate for election this year?

Senator YOUNG. Yes; I am.

Senator KENNEDY. At the time the gas bill was up before the Congress, had a committee been organized to receive funds on your behalf for the election?

Senator YOUNG. Well, yes and no. The committee that I had 6 years ago was still in being and it was carried over.

Senator KENNEDY. And what is the title of that committee?

Senator YOUNG. The La Moure County Young for Senator Committee.

Senator KENNEDY. That committee was in continuous operation since 1950?

Senator YOUNG. Well, they had not gone out of existence. We reorganized it only about 3 weeks ago, and the membership was a little bit different.

Senator KENNEDY. Had they received any campaign contributions for the 1956 election before the Harris bill was considered in the Senate?

Senator YOUNG. Not to my knowledge; no.

Senator KENNEDY. You do not know whether they received any contributions from anyone connected on either side of this issue?

Senator YOUNG. I know this to be true, that they received no contributions from any oil company or anyone outside of the State because I asked them to notify me any time a contribution from someone outside of the State was offered to them.

Senator KENNEDY. You do not know how much money they have been able to raise prior to the Harris bill or since this?

Senator YOUNG. I do not think any.

Senator KENNEDY. And since the Harris bill?

Senator YOUNG. Since then?

Senator KENNEDY. Let me be more specific. Since the passage of the Harris bill, there has been no contribution from anyone who would have any interest pro and con in this bill to your knowledge?

Senator YOUNG. That is right. All we have raised altogether since then is $500.

Senator KENNEDY. I see. That is all.

Senator PURTELL. I do not want to belabor the point, but since the testimony at the House hearing indicated that Mr. Grunewald was a conduit, I gather that that was your interpretation, and was that the reason, therefore, that you stated that "He made no contributions to me or my campaign committee"? You considered that what action he took was that of a conduit or perhaps as a messenger. Was that your thinking, or what was your thinking?

Senator YOUNG. That is correct. I think the House committee went into that fully. The testimony there indicated very clearly that Senator Brewster and his wife borrowed the money at the bank, and, unfortunately, they used Mr. Grunewald as a conduit and he sent the check to the Fargo, N. Dak., campaign, and in the fall when my regular $5,000 contribution was made by the Republican senatorial campaign committee, this $5,000 was returned. So there could not possibly be any contribution on the part of Grunewald.

Senator PURTELL. That is all.

Senator GOLDWATER. I have a few questions. Do you recall a full-page ad that was run in the local papers here by the UAW–CIO prior to the consideration of this bill?

Senator YOUNG. Yes; I do.

Senator GOLDWATER. Urging people to write their Senators against it? Do you know if the Leader ran a similar ad?

Senator YOUNG. No; I do not. I would be surprised if they did not, though.

Senator GOLDWATER. Do you know of any North Dakota papers that ran that ad?

Senator YOUNG. I would not know that without checking it, Senator.

Senator GOLDWATER. No, you said in your statement that you had received a large amount of mail pro and con.

Senator YOUNG. Yes, sir.

Senator GOLDWATER. Would you have any way of recalling when this movement of mail started? Did it start prior to the running of this ad, or did it start after the ad?

Senator YOUNG. After the running of the ad. That is when most of the out-of-State mail came.

Senator GOLDWATER. I am talking only of your State mail.

Senator YOUNG. Well, it ran about the same all of the time. I think the great majority of my mail was for the natural-gas bill.

Senator GOLDWATER. Would you say that you received an unusual amount of North Dakota mail on this measure?

Senator YOUNG. About average for an important controversial measure.

Senator GOLDWATER. But there would not be anything unusual in the amount of mail that you received from North Dakota?

Senator YOUNG. No.

Senator GOLDWATER. But did you receive a lot of mail from all over the country?

Senator YOUNG. Most of the out-of-State mail was against the measure.

Senator GOLDWATER. Would you say that you received more mail from out of State than you received from in the State?

Senator YOUNG. About the same amount.

Senator GOLDWATER. Did these letters use figures and statements that would lead you

to believe they came from the UAW-CIO ad?

Senator YOUNG. They used about the same argument, and it would indicate that they got all of their information from that ad.

Senator GOLDWATER. Now, I have just one other question. You voted for the Kerr bill when it was up, and have you ever had occasion in your public utterances in North Dakota to allude to that fact that you voted for it?

Senator YOUNG. Yes. The Kerr bill became an issue in my election 6 years ago, and it was referred to by many of the opposition candidates.

Senator GOLDWATER. So that the people of your State knew where Senator YOUNG stood on the matter of Federal control of gas at the wellhead.

Senator YOUNG. That is correct.

Senator GOLDWATER. They had the opportunity to know.

Senator YOUNG. Surely, because it was an issue in the last campaign.

Senator GOLDWATER. Did the Leader, at the time that you made these statements to the people of your State, comment on it?

Senator YOUNG. No, they did not.

Senator GOLDWATER. Did any of the press of your State comment on your stand against Federal control of the gas at the wellhead?

Senator YOUNG. Yes, many newspapers did. In fact I had a running controversy with the Public Service Commission, and the majority of the Public Service Commission was opposed to the Fulbright-Harris bill, and an exchange of letters was published in the North Dakota newspapers. That was some 2 or 3 weeks before the vote.

Senator GOLDWATER. The date of the Kerr bill slips my mind. Was that 6 years ago?

Senator ANDERSON. Yes, approximately. I think it was 1950.

Senator YOUNG. I think it was previous to the last election because the question was raised in my last election.

Senator GOLDWATER. The people, when they went to the polls in North Dakota, the people who elected you know that Candidate Young was against Federal control of the gas at the wellhead.

Senator YOUNG. That is correct; and everything I have said since that time was along the same line. I have always been opposed to that kind of control. I believe firmly that the Fulbright-Harris bill, among other things—and I so stated—would return more control of the gas and oil industry to the people of our State. We are an oil-producing State, not much gas, but quite a little oil.

Senator GOLDWATER. The reason for that question was that many of us in our campaigns have made public statements either for or against Federal control of this or that. You made the statement in your last campaign that you were against the Federal control of gas at the wellhead. So that the people, when they went to the polls, knew exactly where you stood.

Senator YOUNG. Yes, sir, and I went so far as to say that I did not believe the oil business was an illegal and dishonorable business in North Dakota.

The CHAIRMAN. Are there any further questions?

Senator KENNEDY. It is your understanding of the words in their statement which they printed that it explained that their words "sell out" were in reference to selling out the interests of the people of that State. They disagreed with the position that you had taken. It is your understanding that in making the charge "sell out," they were charging you received financial or other considerations for your vote. You make that distinction?

Senator YOUNG. That is correct, Senator. If they had only been referring to a sellout of a vote, as it is sometimes referred to, I would have paid no attention to it. In fact, there have been many charges leveled against me during my many years in politics, and I paid no attention to them, or I would say little attention to them. But I felt these charges ran to my honesty and integrity, and were the kind of charges that I could not ignore. I checked with some of the top lawyers in my State and they all said it was a clear reference to a bribe.

Senator KENNEDY. Are you planning or have you initiated litigation in this matter?

Senator YOUNG. No; I have not. Through my attorney, I have served papers asking for a retraction.

Senator KENNEDY. Was the retraction that was printed the retraction that you asked for or was it claimed to be by the Leader?

Senator YOUNG. Well, there was no answer in writing, and they published something and you have seen that.

Senator KENNEDY. You did not accept that as a retraction?

Senator Young. No; I did not.

Senator KENNEDY. And you have received no answer to your request for a retraction directly from them, nor have your attorneys?

Senator YOUNG. That is correct; no answer whatever.

Senator BRIDGES. I have one question. When you voted for the Kerr natural gas bill, were you accused of selling out at that time by this paper or by anybody else?

Senator YOUNG. Well, yes; there were were some references in the campaign to "YOUNG sold out to the oil companies or the gas companies," but it was in no way associated with a bribe.

The CHAIRMAN. Are there any further questions?

Thank you very much, Senator YOUNG.

Mr. K. W. Simons, come around, please sir.

Mr. Simons, will you be sworn? Do you solemnly swear that the evidence you shall give before this special Senate committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SIMONS. I do.

TESTIMONY OF KENNETH WILLIAM SIMONS, ACCOMPANIED BY HIS COUNSEL, JOHN H. SCHAFER, WASHINGTON, D. C.

The CHAIRMAN. Mr. Simons, will you state your name, your place of residence, and occupation for the record?

Mr. SIMONS. My name is Kenneth William Simons, and my place of permanent residence is 811 Mandan Street, Bismarck, N. Dak., and my occupation is high-school teacher.

The CHAIRMAN. Mr. Simons, you have a prepared statement which you submitted to the committee, within the rule, some 48 hours before this hearing. The Chair may say he has read your prepared statement as he has read Senator YOUNG's prepared statement, and has advised counsel before any conversation was had here, that the Chair had in mind to permit the full prepared statements to be read. So if you choose to do so, you may read your statement. Before you do, the Chair would like to have counsel identify himself for the record at this point.

Mr. SCHAFER. John H. Schafer, of Washington, D. C.

The CHAIRMAN. All right, Mr. Schafer.

You may proceed if you choose to read your statement in full.

Mr. SIMONS. Before the United States Senate Select Committee on Lobbying and Campaign Contributions. Statement of K. W. Simons, Bismarck, N. Dak., appearing under subpena.

My preliminary statement:

My name is K. W. Simons, 811 Mandan Street, Bismarck, N. Dak. I have been associated in the editing and publication of The Leader, a political newspaper owned and controlled by The Leader Publishing Co., a North Dakota corporation, for a period in excess of 1½ years last past.

During the debates in the Senate on the natural gas measure interested stockholders of The Leader stated to me, as volunteer copywriter and editor, that they believed this was a proper time to issue an article revealing the contrast between the candor and open frankness of Senator FRANCIS CASE of South Dakota and the absence of candor on the part of Senator MILTON YOUNG, in regard to substantial political contributions.

Senator CASE learned of the receipt by political friends of $2,500. Senator CASE, after reasonable time for inquiry, returned this contribution, and made a full statement of the facts surrounding this contribution on the floor of the United States Senate before the press, fellow Senators and heavily packed galleries.

In preparation of this article, copies of which I understand your committee has received, I did necessary research to refresh my memory about a $5,000 contribution received by the personal representative and campaign manager of Senator MILTON R. YOUNG, of North Dakota.

I diligently searched for any statement to the press or public or in any Senate proceeding to learn whether or not Senator YOUNG at any time after the 10th of May 1950, and before March 13, 1952, had revealed the source of this contribution and whether or not it had been returned to the contributor.

I found no such public statement. It is my belief that there is no such evidence of such a public statement by the junior Senator from North Dakota.

Statement of facts

Senator MILTON R. YOUNG has occupied a seat in the United States Senate since March of 1945.

During 1949 the United States Senate directed one of its major committees to inquire into reports that an attempt had been made to tap a telephone of the former Senator Bailey, of North Carolina. The hearings of this committee, executive and public sessions, revealed that a well known Washington personality (the Dutchman), Henry Grunewald, had taken part in or was guilty of complicity in this invasion of Senator Bailey's personal and public communications.

A major Washington newspaper, reported to me to be the Washington Post, ran a prominently displayed series of articles during or after these hearings in its newspaper.

It is our position that Senator YOUNG could not have been without knowledge of the prominence and character of Grunewald. Reasonable men most certainly will not differ with this reasonable assumption.

Nevertheless, Senator YOUNG received and made use of $5,000, contributed to his 1950 primary campaign fund, by Henry (the Dutchman) Grunewald. This money was received in the form of a personal check drawn upon the personal account of Grunewald in the Munsey Trust Co., Washington, D. C. The check was dated on or about May 9, 1950, and was deposited to the account of Senator YOUNG's campaign fund at the Dakota National Bank at Fargo, N. Dak., a few days thereafter.

There is nothing in any record, transcript or proceeding that I can discover, revealing that this substantial contribution was refused and returned.

Senator YOUNG did not make any statement about this money and its contributor during his primary campaign in 1950, nor during the fall campaign of the same year.

In November 1950, Senator YOUNG was reelected to the United States Senate.

There is no record, transcript, or proceeding which I am able to discover, revealing that Senator YOUNG made public this $5,000 received from Grunewald.

The junior North Dakota Senator had no comment to make upon this matter until some time during the month of April 1952.

His statement on the subject of this contribution was not prompted by his own voluntary act; the statement that he made was a result of newspaper reporters inquiring after the testimony of Joseph Stearns, Washington, D. C., before the House of Representatives King committee, revealed that this money had been paid to Senator YOUNG and Senator RICHARD NIXON. Joseph Stearns was testifying as personal accountant of Henry (the Dutchman) Grunewald. His testimony is revealed in part 4 of the hearings before the Subcommittee of the Committee on Ways and Means, House of Representatives, 82d Congress, 2d session.

These same proceedings contain the testimony of Senator Owen Brewster, then United States Senator from Maine. Senator Brewster's testimony reveals the fact, unequivocally stated, that Henry (the Dutchman) Grunewald contributed $5,000 to the primary campaign of Senator YOUNG and Senator RICHARD NIXON on or about the 9th of May 1950.

The February 9, 1956, issue of the Leader contained a front page article which conveyed and intended to convey that Senator YOUNG, in belief of the Leader, and myself as volunteer editor, had failed to serve the proper interests of North Dakota voters in his vote on the natural gas bill, failed in his duty to North Dakota voters in his votes upon other legislative matters, and had failed, in contrast to the more laudable conduct of Senator CASE, to reveal to his constituency the receipt by him of a campaign contribution 100 percent in excess of the amount received by Senator CASE at and during the time that he was placing himself before the voters as a candidate for a high public office bearing with it a trust and requiring a sense of responsibility of the highest order.

This was the import of the articles to which Senator YOUNG on February 18, 1956, took exception and at which time he announced, through all of the daily newspapers, raido, and television stations in North Dakota, that he had appointed counsel, consulted with them, and elected his remedy to sue in a North Dakota court.

Thereafter, on about the 29th day of February 1956, the junior Senator, through his attorneys, served a demand for retraction upon all members of the board of directors of the Leader Publishing Co.

This demand, under North Dakota law, is a statutory prerequisite to commencement of suit for libel. This committee is well aware that Senator YOUNG, on the 22d day of February 1956, made a specific request on the floor of the United States Senate, that he be permitted to appear before this committee.

This committee should take note that the Senator, after asking the majority leader of the Senate for a promise that this matter be "the first one this committee investigate" had his attorney serve the demand for retraction on the Leader board members.

It is our contention that the junior Senator from North Dakota, by his own actions, has waived his right, or his privilege, to come before your committee.

It is further our position, without any intent of disrespect to the United States Senate, or to your committee, that our appearance here is, or may be, in derogation of our right to a single, separate defense before a North Dakota civil court to the charge of libel leveled against the Leader Publishing Co.

We are aware that Senator YOUNG, on February 18, 1956, stated to the press, in such words as to constitute an admission, that $5,000 had been received and used in his 1950 primary campaign, and the identity of the contributor was revealed as Henry (the Dutchman) Grunewald.

On April 16, 1956, we are also aware the junior Senator from North Dakota announced that he would not sue the Leader Publishing Co.

On May 19, 1956, Senator YOUNG stated in a published telegram to the Leader: "Your charge that I received a $5,000 contribution from Henry Grunewald is false."

Your committee, as well as the Leader Publishing Co., must be in doubt as to Senator YOUNG's real intentions. We do not know what use he intends to make of my testimony, or that of any other witness who may appear in this hearing before your committee.

We believe it is incumbent upon your committee to seriously consider, and in the interest of simple civil justice, refuse to permit the Senator to make any statement on this record bearing on the issues set out in the Notice to Retract.

If this committee, however, sees fit to conduct a hearing into this dispute and the impending lawsuit which the Leader Publishing Co. must at all times be prepared to defend, we then most seriously and sincerely request and urge your committee to make available to all parties those records, exhibits, and witnesses requested in our communication to your chairman of May 16, 1956.

We are not dissuaded in our position as to the scope of this hearing by the recent publicity releases in which Senator YOUNG subverts his own original purpose in appearing before this committee by belatedly charging that the Leader accused him of accepting a bribe.

There has been no such allegation in any statement on the part of the Leader Publishing Co.

In summary, we assure this committee that Senator YOUNG and the Leader Publishing Co. can receive full and fair treatment at the hands of North Dakota jurors and judges. We are prepared to rely upon these normal instruments of justice. In North Dakota, as we believe is true of this committee, the truth is an absolute defense.

Senator YOUNG knows this is true. We are certain that he is prepared to let the truth be known and abide by the verdict of a North Dakota jury.

If after such lawsuit, or if this committee proceeds with a full review of the facts involved in this case, it is found that Senator YOUNG failed to exercise proper judgment and maintain open frankness with the voters of his State, we believe that he should be retired from public life.

If these facts are found to be true, after a full hearing here upon all the contents of the article to which he took exception, we believe that he should resign his endorsement for reelection to this, the highest legislative body in the world, and permit the voters of the State of North Dakota to exercise their electoral preference for some other candidate or candidates.

The CHAIRMAN. Thank you very much, Mr. Simons. In the Chair's opening statement, we tried to make it clear as to what the committee had determined it was interested in. As to the Grunewald incident, the committee would have jurisdiction to investigate it if it decided to do so.

This investigation at the present time is primarily related to the so-called Harris-Fulbright gas bill, and to your statement, the statement in big headlines in the February 9, 1956, issue of your paper, the Leader, Bismarck, N. Dak.: "Young Sells Out Again."

(The article referred to is as follows:)

[From the Bismarck (N. Dak.) Leader of February 9, 1956]

"YOUNG SELLS OUT AGAIN—CASE BRIBE RECALLS $5,000 MILT YOUNG GOT FROM DUTCHMAN

"MILT YOUNG, the junior Senator from North Dakota, has carved a nice political niche for himself by playing off both sides against each other.

"Although a Republican, he has made great public pretense of blasting Brother Benson and his collapsible price-supports system. Meanwhile, behind the scene he plays footsie with Benson and Benson's boys pausing occasionally to step into the limelight with praise for Eisenhower—never bothering to mention, of course, that it was Eisenhower who appointed Benson in the first place and that it is only at the pleasure of Eisenhower that Benson remains in office.

"As a result of all this clever political footwork, some well-meaning but not-too-well-informed people have gotten the idea that Milt is a liberal and for the common man and the farmer.

"Every now and then, though, Milt is forced to show his colors. Like this week, for example, when he announced the would vote for the Fulbright-Harris bill to exempt natural gas producers from regulation by the Federal Power Commission, a bill that will cost gas consumers a cool six-hundred-million-plus if it passes. BILL LANGER is going to vote no on the same measure.

"Milt knows the gas gouge bill is a hot one, particularly for a Senator faced with a tough fight to keep his seat, so in announcing how he was going to vote he laid down a smokescreen of pious declarations about how failure to pass the Fulbright-Harris bill would take away from the North Dakota Public Service Commission its right to regulate gas prices. In so doing, Milt brazenly ignored the majority declaration of the PSC that defeat of the Fulbright-Harris gas racketeering measure would help, not hinder, the PSC in protecting the public interest.

"But facts like these never bother Milt, who is certain the public's memory is so short and the integrity of the North Dakota press so rotten that he is not likely to be tripped up on his contradictions, misrepresentations, and outright lies.

"Now a new twist has come along to plague Milt. Senator CASE of South Dakota has been offered a $2,500 bribe by the wealthy, influence-buying oil and gas lobby. This sent the Washington press corps to ask the other Senators who are not opposed to Fulbright-Harris bill if they, too, have been offered bribes. For the sake of the record, the press boys asked the same question of those Senators who oppose the measure, but this was strictly procedural because the reporters know the real graft is to be found among the stooges of the oil and gas lobby.

"According to the Associated Press, YOUNG replied 'No, certainly not' when asked Saturday if he had ever been approached about a campaign contribution in return for his support of the oil and gas racketeers.

"THE DUTCHMAN PAYS

"But to YOUNG as well as a lot of North Dakotans, it brought back memories of 1950, when Henry 'The Dutchman' Grunewald, convicted king of the five percenters, slipped $5,000 to Milt to help him finance his last campaign.

"YOUNG didn't have the honesty to tell the voters of North Dakota about that money. The story didn't come out in the open until a year after Milt had been elected to his current term and 'The Dutchman' was in the process of being indicted and convicted for influence peddling, which is the polite phrase for bribery.

"If he is to stand any chance of keeping his Senate seat, YOUNG is going to have to do some fast explaining to the electorate as to what the story is behind that $5,000—'The Dutchman' slipped him, as well as about other facets of his political life."

Now, Senator YOUNG has construed that as meaning that he had accepted a bribe. I believe there was some statement made by one of your associates, some public statement that has been referred to, and possibly is in another paper, from your State, in which the word "bribe" is used in connection with the Grunewald case.

If you did not intend to imply that a bribe was involved by this big headline, "YOUNG Sells Out Again," what interpretation do you place upon that headline?

Mr. SIMONS. Chairman MCCLELLAN, out in North Dakota, the term "political sellout" is bandied about quite often, and I have heard Senator LANGER on many occasions use the phrase "political sellout" and most recently I believe at Raleigh, N. Dak., a little less than a year ago. We have never accused Senator YOUNG of accepting a bribe from anyone. We charged clearly, and I think our explanation in the subsequent issue there, the message to MILTON YOUNG whichever issue that is——

The CHAIRMAN. You say that you have never charged that Senator YOUNG took a bribe?

Mr. SIMONS. It is in our issue of Thursday, March 1, 1956. I think we make it clear that we have never accused Senator YOUNG of accepting a bribe.

The CHAIRMAN. Do you now accuse him of having accepted a bribe?

Mr. SIMONS. I do not.

The CHAIRMAN. At any time?

Mr. SIMONS. At any time.

The CHAIRMAN. You have never wished to convey that impression to the readers of your paper?

Mr. SIMONS. That is correct.

The CHAIRMAN. Do you know any way that you could come nearer doing it?

Mr. SIMONS. You say do I know of any way?

The CHAIRMAN. Yes, except to say in bold headlines "YOUNG Takes a Bribe." Is there anything nearer an approach to saying "YOUNG Takes a Bribe" then saying "YOUNG Sells Out Again"?

Mr. SIMONS. I don't agree that those are the same things.

The CHAIRMAN. Do you know any nearer approach that could be interpreted, any statement that you could make short of saying "YOUNG Takes a Bribe," other than the one you used, "YOUNG Sells Out Again"? Is there anything in between the two?

Mr. SIMONS. Is there any difference between the two?

The CHAIRMAN. No. Is there any borderline between the two that you could identify?

Mr. SIMONS. Yes, sir.

The CHAIRMAN. Any other terms

Mr. SIMONS. Yes, sir; I feel definitely.

The CHAIRMAN. Other than "YOUNG Sells Out Again"?

Mr. SIMONS. I feel definitely there is a difference between saying "YOUNG Sells Out Again" and saying "YOUNG Takes a Bribe." I think there is all of the difference in the world.

The CHAIRMAN. You think that there is all of the difference in the world?

Mr. SIMONS. That is correct, sir.

The CHAIRMAN. Is there anything in that borderline of difference that you can identify?

Mr. SIMONS. It is a little difficult to sit here and try to spell it out. It all depends upon what term or what your definition of "sell out" is. In North Dakota it is quite different.

The CHAIRMAN. Do you know the definition of "sellout"?

Mr. SIMONS. I don't believe I have ever looked it up in the dictionary.

The CHAIRMAN. Well, I think an editor should have some responsibility in that regard. According to the dictionary I have in my office, Webster's Unabridged Dictionary, "sell out" means to part with by sale, to dispose of wholly or entirely, as an example, "he had sold out his corn." That is one example.

"No. 2, to sell up, to sell the goods of the debtor in order to pay his debts from the proceeds."

"No. 3, slang, to barter for a compensation, the cause or associates with whom one is identified." As an example, "to sell one's commission in the army."

"No. 5, exchanges, to sell in open market stocks or commodities for one who fails to make good his margin. Purchase or obligation in respect of them, charging him with any deficit. Also, to sell the stock or goods of a person in this way."

Now, what connotation do you put on the term "sellout" when you use that as a charge against a public official?

Mr. SIMONS. In North Dakota, sir, when one politician charges another politician with "selling out," what is clearly meant, and I think it is clearly understood by everyone in North Dakota, it is meant selling out the best interests of the public.

The CHAIRMAN. When you use the term "sellout" in this instance, and then immediately referred to the Grunewald incident, did you mean the Grunewald incident was another sellout?

Mr. SIMONS. No.

The CHAIRMAN. What did you mean "again," and when was the other time that you say he sold out?

Mr. SIMONS. There have been a number of instances, and I believe we outlined it here, on the Taft-Hartley Act, it was Senator YOUNG, as I understand it, who was called back to the floor of the Senate and cast the deciding vote on the Taft-Hartley Act that put it on the books.

The CHAIRMAN. Do you refer to everyone who votes contrary to your views as "selling out"?

Mr. SIMONS. No, sir.

The CHAIRMAN. Do you regard everyone who voted in favor of the Taft-Hartley Act as "selling out"?

Mr. SIMONS. The public interest?

The CHAIRMAN. Yes.

Mr. SIMONS. Definitely.

The CHAIRMAN. You think everybody who disagrees with you on these issues is a "sell-outer"?

Mr. SIMONS. No, sir.

The CHAIRMAN. What do you mean?

Mr. SIMONS. Well, I say that when the issue is clearly drawn, there is room for honest political difference.

The CHAIRMAN. Do you accord to others that right to have an honest difference of opinion?

Mr. SIMONS. Well, I tend to be a little narrow about some things, perhaps, in the minds of a great many people.

I would draw a closer interpretation. For instance, I don't think there is anybody here that feels that there is any question, for example, that totalitarianism is inferior to democracy. I think we are all agreed on that. Likewise, I think in my estimation, I realize that in a sense there is room for honest difference of opinion.

The CHAIRMAN. In a sense?

Mr. SIMONS. On a matter such as Taft-Hartley and on the Fulbright-Harris bill, but as far as I was concerned, it was a clear sell-out on the part of anyone who voted for the Fulbright-Harris bill.

The CHAIRMAN. You meant to convey that to your readers.

Mr. SIMONS. That is true.

The CHAIRMAN. And you now take the position that you did not mean that he received some compensation, some consideration for his vote?

Mr. SIMONS. I take the position that I had no knowledge of any compensation to Senator YOUNG on any vote whatsoever.

The CHAIRMAN. Well, what did you refer to, or why did you refer to the Grunewald incident to support the headline charge that he sells out again?

Mr. SIMONS. Well, originally the headline didn't read "Young Sells Out Again". Let me tell you what happened.

The CHAIRMAN. All right.

Mr. SIMONS. Let me explain what happened there.

Originally, the Leader has a reputation of being a hell-raising newspaper for 40 years. The original headline on it read "YOUNG for Oil Trust", and I decided that it didn't have enough punch, and I re-wrote the head in to "YOUNG Sells Out Again". Frankly, I can assure you at the time that the full impact of the tieup, I wasn't even looking at that drop head on it when I wrote that banner. I was in a hurry and it was late Sunday evening. I work for the Leader on weekends and I do not get paid, and I never received a dime in salary from the Leader, and I think about $50 expense money in the past year. I spent a lot more than that, I might add.

It was late in the afternoon, I was in a hurry, and I decided that the headline "YOUNG for Oil Trust" didn't have enough punch to it, and so I rewrote it in "YOUNG Sells Out Again".

The CHAIRMAN. You spoke of your paper as having a reputation of being a hell-raising paper. Is that correct?

Mr. SIMONS. That is correct.

The CHAIRMAN. Is it hell-raising at the expense of people's character and reputation? Is that what you mean?

Mr. SIMONS. No, sir.

The CHAIRMAN. You were trying to destroy Senator YOUNG's character and reputation by this article.

Mr. SIMONS. Well, the newspaper is not favorably disposed toward Senator YOUNG.

The CHAIRMAN. I did not ask you that. But this headline, you said to make it more vicious, or to use your expression, to have a bigger "punch", was the purpose of it to try to destroy his character and reputation by casting the strongest implication you could that he had sold out and taken a bribe, without actually using the word "bribe"?

Mr. SIMONS. It was not.

The CHAIRMAN. What was the purpose?

Mr. SIMONS. Our purpose was frankly to politically embarrass Senator YOUNG.

The CHAIRMAN. To politically embarrass him?

Mr. SIMONS. That is correct.

The CHAIRMAN. You used a term that carried an implication that you now refute, so that you might publicly embarrass a United States Senator, is that true?

Mr. SIMONS. We sought to politically embarrass him.

The CHAIRMAN. Was that your type of journalism?

Mr. SIMONS. I would say that generally speaking, the Leader tries to keep its copy fairly punchy, yes.

The CHAIRMAN. That is your explanation of it as of now, that you did not mean to infer or imply that Senator YOUNG had taken a bribe?

Mr. SIMONS. At no time whatsoever has the Leader ever accused, or has the Leader or I personally ever accused Senator YOUNG of accepting any bribe whatsoever.

The CHAIRMAN. In view of the fact that you must know, and I will ask you if you don't know, that that headline did carry with it a connotation that Senator YOUNG had accepted a bribe, don't you know that it did among your readers?

Mr. SIMONS. Not in North Dakota, sir.

The CHAIRMAN. Do you think that no one in North Dakota thought you were charging him with taking a bribe?

Mr. SIMONS. I won't say no one, but in North Dakota the term "political sell out," it is one of Senator LANGER's favorite phrases.

The CHAIRMAN. There are charges of bribery, and so that is not anything new, to say someone took a bribe, but the question is what you intended to convey by this article, and what this headline did convey.

Mr. SIMONS. I intended to convey that Senator YOUNG has sold out the public interest, a quite common way of stating the case in North Dakota when a person votes contrary to the way you feel he should have voted.

The CHAIRMAN. Now, would the taking of a contribution from Grunewald, your reference to that, to support your view—would

you regard that again as a sellout or as a bribe?

Mr. SIMONS. I would not regard it as either, and I would regard it as a campaign contribution.

The CHAIRMAN. Who is Mr. Nathan?

Mr. SIMONS. We have never charged, Senator, that the Grunewald matter was——

The CHAIRMAN. Who is Mr. R. C. Mahon?

Senator KENNEDY. What is the end of the statement?

Mr. SIMONS. Certainly, Senator KENNEDY. We have never charged that the money that Senator YOUNG received from Mr. Grunewald was a bribe or a sellout, either one.

The CHAIRMAN. Here is another paper, and that is the Tribune, published in Bismarck. Are you familiar with that paper?

Mr. SIMONS. Yes, sir.

The CHAIRMAN. I quote from an article in that paper on Wednesday, March 28, 1956. It says, "At Tuesday night's advisory council meeting, R. C. Nathan, Jamestown, a member of the board of directors of the Leader, official league newspaper, leveled a direct charge of bribe against United States Senator MILTON R. YOUNG. Referring to the controversy between YOUNG and the Leader, Nathan asserted that he was sure YOUNG was bluffing in his threat to file a libel action against the Leader. YOUNG was bluffing and we have called his bluff,' Nathan told the county chairmen and spectators.

"He invited leaguers to read the Leader to 'see more about' the contribution of $5,000 he alleged YOUNG had received from one Henry 'The Dutchman' Grunewald, which he referred to as a bribe."

Now, what do you say about that? Is that article correct or is it true?

Mr. SIMONS. That article? I have no knowledge of that article whatsoever.

The CHAIRMAN. What has Mr. Nathan's association with your paper been?

Mr. SIMONS. Mr. Nathan is a member of the board of directors.

The CHAIRMAN. Of the board of directors of the paper?

Mr. SIMONS. That is correct.

The CHAIRMAN. If Nathan made that statement, and if that statement is true, wasn't a member of the board of directors referring to the Grunewald incident as a bribe? And didn't your leadline "YOUNG Sells Out Again" refer to another bribe?

Mr. SIMONS. Well, with respect to the forepart of your statement, there, if that statement is true, as reported in the Bismarck Tribune, which Mr. Nathan comes here prepared to state is not true, and not an accurate quotation of him, yes.

The CHAIRMAN. All right. If that statement was made, then that would indicate that it was the intent of your paper and the article you published to charge that YOUNG had accepted another bribe.

Mr. SIMONS. Well, Mr. Nathan would have to speak for himself on that.

The CHAIRMAN. You and Mr. Nathan are associated together in the publishing of this paper.

Mr. SIMONS. Yes, sir.

The CHAIRMAN. Well, if a member of your own board of directors places that connotation on the article, then how can you say now that you did not so intend it?

Mr. SIMONS. Well, I am not going to speak for Mr. Nathan.

Senator ANDERSON. That is not in his paper.

The CHAIRMAN. It is a quote from a speech made by Mr. Nathan.

Mr. SIMONS. Frankly I did not consult with him before I wrote the article in question, and furthermore I was not at the meeting referred to in that clipping from the Bismarck Tribune.

The CHAIRMAN. I thought you had some knowledge of it.

Mr. SIMONS. The first I saw of that clipping was when the snowplow came through and delivered the mail and I read it in the paper myself.

The CHAIRMAN. Well, we will have to find from Mr. Nathan whether he made the statement or not. I don't know. But I am pointing out that the other press picked up this article and Nathan's statement, and so carried it as a bribe.

Mr. SIMONS. Well, that is true.

The CHAIRMAN. The papers may be unfriendly.

Mr. SIMONS. I understand that.

The CHAIRMAN. But I am trying to show, if it is true, that the impression was from your article that Senator YOUNG had accepted another bribe or sold out again.

Mr. SIMONS. There were four newspaper reporters there, and the other three did not say a word. Certainly if Mr. Nathan made the statement, it was a sensational charge, and a reporter was there from the Minneapolis Tribune, Mr. Frank Wright, and Mr. Gifford Herron, and Mr. William Allen from the Grand Forks Herald. They were all there, and I have not talked to those gentlemen personally about the matter.

The CHAIRMAN. Neither have I, and I do not know what they published.

Mr. SIMONS. I also would like to bring to the attention of this committee the fact that the editor of the Bismarck Tribune is a former administrative assistant to Mr. YOUNG.

The CHAIRMAN. That could be true, and that is a fact that you should bring out, or any other fact.

Mr. SIMONS. I can also state that while I was not at that meeting that night, I have been to enough Nonpartisan League meetings to know that the commotion and excitement must have been terrific. I can assure you that the reputation of North Dakota for wild and woolly politics is not exaggerated. Lately things have been tightening down out there, and I can imagine if the Leader is a hell-raising newspaper, that that was a double hell-raising session that they had that night. Mr. YOUNG was roasted and boiled in political oil from one end to the other, and I am confident of that without ever having been there.

The CHAIRMAN. You don't mean to imply there may have been exaggerations in a double hell-raising meeting?

Mr. SIMONS. Senator, you have been to enough political meetings to know how they go.

The CHAIRMAN. I see.

Mr. SIMONS. I presume that Arkansas has its share. I would say our Senator LANGER is typical of the people of North Dakota interested in politics, and you are well aware of the colorful reputation enjoyed by the senior Senator from North Dakota.

The CHAIRMAN. Senator BRIDGES, do you have any questions?

Senator BRIDGES. It has been reported in the papers or it has been called to my attention that before you wrote the article "YOUNG Sells Out Again", you discussed it with Mr. Nathan and Mr. Burdick.

Mr. SIMONS. No, sir, I did not discuss it with either Mr. Nathan or Mr. Burdick.

Senator BRIDGES. Now, you have testified under oath that the word "sellout" has nothing to do with anything corrupt at all. That is, bribery or corruption, and it has purely to do with a common political phraseology used in North Dakota. I hold in my hand the same article from the Leader, YOUNG Sells Out Again, and I will read you this. This is down about half-way or two-thirds through it:

"Now a new twist has come along to plague Milt. Senator CASE of South Dakota has been offered a $2,500 bribe by the wealthy, influence-buying oil and gas lobby. This sent the Washington press corps to ask the other Senators who are not opposed to Fulbright-Harris bill if they, too, have been offered bribes. For the sake of the record, the press boys asked the same question of those Senators who oppose the measure, but this was strictly procedural because the reporters know the real graft is to be found among the stooges of the oil and gas lobby."

Now I ask you, if you see that headline, "YOUNG Sells Out Again," and you read that paragraph in the same article which the headline represents, how you can make a statement that this is just a phraseology that is common in North Dakota? Didn't your headline have reference to the story? That is the point that struck me. When I read that part of the story, the headline gets entirely different connotations than if it had appeared on some other story.

Mr. SIMONS. Senator, there are two elements to that story. One is dealing with Senator YOUNG's vote on the bill, and the other deals with the CASE matter.

Senator BRIDGES. That raises a question. When you see the headlines, and the headlines head the story which I have just read you, which talks about bribes and graft and so forth and so on, anybody who reads the headline and the story could not help but think you were rather far afield in the testimony you have just given us that there is no reference between the two. That is hard for me to follow. The headline alone, without being attached to the details of the story, would mean one thing to me, but when it is attached to the same story, certainly it could mean another.

Mr. SIMONS. May I be allowed to bring this in. Further in that same story there, I have a paragraph which reads this way:

"According to the Associated Press, YOUNG replied, 'No, certainly not' when asked Saturday if he had ever been approached about a campaign contribution in return for his support of the oil and gas racketeers."

Now, do you think, Senator, anyone reading that article could gain the impression or that anyone who read the article—now I agree that perhaps reading just the headline alone, that would be a matter for court interpretation, of course, as a matter of valued judgment there. But anyone who read the full article certainly realized that we were not accusing Senator YOUNG of selling out for a monetary consideration. Senator YOUNG's own former administrative assistant, the man who wrote that article in which he makes false allegations or false quotations of Mr. Nathan, John Hjelle, sat in his office 3 weeks ago and he told me, "Hell, you did not libel MILT YOUNG." And I said, "I know it, and Senator YOUNG knows it, and everybody else knows it." Certainly he wishes now that he had never started the libel action. That is what I told Mr. Hjelle, Mr. YOUNG's former administrative assistant, and now editor of the Bismarck Tribune, and author of that article referred to here.

Senator BRIDGES. What was your object in writing all of this about bribes and graft and stooges and so forth in the same article then if it didn't have some reference to the thing?

Mr. SIMONS. Senator CASE was from South Dakota, a neighboring State, very similar in terms of geography and number of square miles and people and the breed of people and so forth, and it just naturally popped into my mind.

Senator BRIDGES. Do you think Senator CASE was bribed or attempted to be bribed?

Mr. SIMONS. I think it is quite clear that an attempt was made to bribe Senator CASE.

Senator BRIDGES. In spite of the fact that Senator CASE testified, and the committee which investigated it, found it was not true?

Mr. SIMONS. I would rather take Drew Pearson's interpretation of it. Mr. Pearson has indicated rather strongly that he considered it a bribe. That is my recollection of the matter. Or attempted bribe, put it that way.

I would like to suggest to the committee that this whole matter is a squabble between two sets of politicians.

The CHAIRMAN. May I say this to you: This committee is not trying to determine anything about the politics out there. This committee has a duty to investigate any improper influence. Your article implied that from the standpoint of the chairman, at least, and I think from the standpoint of the committee, and we are charged with that duty as a special committee set up to investigate it.

Now, the United States Senator against whom the charge was made took the same view, and requested the committee to go into it. As to a lawsuit, I can say to you so far as the chairman is concerned, I do not care if you are sued or not sued, or who wins or who does not. I am not interested in a lawsuit.

Senator ANDERSON. You said you were a high school teacher?

Mr. SIMONS. That is right.

Senator ANDERSON. What do you teach?

Mr. SIMONS. I teach—this shows the need for the Federal aid to education bill in my estimation, but I teach general math, and I teach present day problems and world history, and I teach general science and I teach English I. On top of that I coach the boys basketball team, supervise the production of the high school paper, and also run the annual school play.

Senator ANDERSON. I need not ask you what you do with your spare time, I guess.

Mr. SIMONS. I live in Bismarck. That is my permanent home, and it is about 80 miles from Pettibone, N. Dak., where I teach school, and I go into Bismarck on the weekends. From Monday through Friday I stay away from politics, and on Saturday and Sunday I work on the Leader.

Senator ANDERSON. How many directors does the Leader have?

Mr. SIMONS. We have a board of directors of seven.

Senator ANDERSON. Do you exercise any editorial supervision over what they say at Nonpartisan League rallies?

Mr. SIMONS. Do I exercise any editorial supervision?

Senator ANDERSON. Yes.

Mr. SIMONS. No, nobody exercises any supervision of any kind over what anyone says at a Nonpartisan League rally, Senator.

Senator ANDERSON. Did you exercise any supervision over what the Bismarck Tribune was reported to have said this individual stated at the rally?

Mr. SIMONS. No, I formerly was a reporter for the Bismarck Tribune. My mother is still a stockholder in that, but I have no control over the Bismarck Tribune, and I do not seek to influence their reporting of any political events. That is beyond answering what questions the Tribune reporter might happen to put to me. I am kind of a contact man, and they come to me and ask me a lot of questions about what is going on.

Senator ANDERSON. You stated that the Minneapolis Tribune had reported the same meeting.

Mr. SIMONS. I am under the impression, that is several people have told me that Frank Wright, of the Minneapolis Tribune, who is their correspondent stationed in Bismarck, was at that meeting, and also Mr. Gifford Herron of the Fargo Forum, and Bill Allen of the Grand Forks Herald.

Senator ANDERSON. You are not able to testify whether they were or were not there?

Mr. SIMONS. No, I can't testify on the basis of personal knowledge, first hand. I cannot, sir.

Seator ANDERSON. If you could tell us of your own personal knowledge that they were there, and were willing to state that they did not hear any such statement made, that would be one thing. But if there is no evidence that they were at the meeting, I don't think that it should be dragged in here.

Mr. SIMONS. Perhaps Mr. Nathan who certainly was there could testify as to whether Mr. Herron and Mr. Allen and Mr. Wright were present. I will put it this way. I have been reliably informed, I don't know, perhaps Senator YOUNG's counsel has some knowledge as to whether they were there or not.

Senator ANDERSON. In your article which has been referred to many times, you state that you did not intend to imply in any way that you felt that Senator YOUNG had taken a bribe at any time. Is that correct?

Mr. SIMONS. That is correct.

Senator ANDERSON. You do not now believe that he ever did?

Mr. SIMONS. That is correct, I have no knowledge of it.

Senator ANDERSON. Do you have any information that he has been casting his votes in such fashion that he might financially profit from them?

Mr. SIMONS. Well, I don't know. I have no information of any contributions received by him.

Senator ANDERSON. I am trying to get to this headline. All of us are a little sensitive on the charge that because we vote as we see fit we have sold out our convictions. I voted for the Harris gas bill, and I voted for the Kerr bill, and when I voted for the Kerr bill, I said, "If you don't pass it, the price of natural gas will have to go up because exploration will be restricted." Natural gas prices did go up, and I don't think that convicted me of selling out my convictions. I am only trying to find out whether you feel that any of these things involved a sellout of his convictions.

Mr. SIMONS. No, I have never implied that he sold out his convictions. We use the word in North Dakota, the word "sellout" when you use it against a politician, it frankly and bluntly means that you feel he has sold out what in your opinion was the public interest. Senator LANGER has used it thousands of times, and it is a stock in trade of BILL LANGER, and everybody knows it out in North Dakota. Perhaps you people, anybody east of North Dakota is an easterner to us, and Senator THYE is an easterner in the eyes of some North Dakotans, perhaps you put a different interpretation on it.

Senator ANDERSON. I come from South Dakota which is not east of North Dakota, and I have participated in a little politics up there. I keep somewhat in touch with it and I am not worried about whether you say it a thousand times or not. I am trying to find out if you believe that there was any sellout involved in the actions of Senator YOUNG.

Mr. SIMONS. Absolutely none whatsoever.

Senator ANDERSON. Thank you.

The CHAIRMAN. Senator Thye.

Senator THYE. Mr. Chairman, I would like to ascertain from Mr. Simons how long he has lived in North Dakota.

Mr. SIMONS. All my life.

Senator THYE. How long have you been a teacher of a high school?

Mr. SIMONS. For the past 2 years.

Senator THYE. For the past 2 years?

Mr. SIMONS. Yes, sir.

Senator THYE. What did you do prior to that?

Mr. SIMONS. I was editor of the Leader on a full time paid basis.

Senator THYE. When did you finish college?

Mr. SIMONS. I finished college in 1953.

Senator THYE. In 1953, and then you were editor for a while and then you became a high school teacher?

Mr. SIMONS. That is correct.

Senator THYE. How old are you?

Mr. SIMONS. I will be 29 on July 24 of this year.

Senator THYE. What did you have in mind when you said, "Milt brazenly ignored the majority declaration of the PSC that defeat of the Fulbright-Harris gas racketeering measure would help, not hinder, the PSC in protecting the public interest," when there were 53 yeas for that measure, and 38 nays for it?

Mr. SIMONS. The majority of the North Dakota Public Service Commission, Senator, took the opinion that the Fulbright-Harris bill was clearly not consistent with the public interest.

Senator THYE. Now I will continue reading the article that appears in the Leader, of which the headline reads, "YOUNG Sells Out Again." In reading further on, in your own article, "But facts like these never bother Milt, who is certain the public's memory is so short and the integrity of the North Dakota press so rotten that he is not likely to be tripped up on his contradictions, misrepresentations and outright lies."

What did you have in mind as a high school teacher, a college graduate and a lifetime citizens of North Dakota? What did you have in mind when you wrote an article like this? That is "contradictions, misrepresentations and outright lies," and then referred to the American press as so rotten? Just what did you have in mind as an intelligent young American, college graduate, entrusted as a teacher and instructor in a high school?

Mr. SIMONS. Well, Senator YOUNG publicly professes to protect the public interest, which is I believe the duty and oath of a Senator, and it is my opinion that he has not fully protected the public interest.

Senator THYE. But the record of the United States Senate indicated that there were 52 other men voting identically as Senator YOUNG voted on this measure, and that they were a decisive majority, casting that vote. There were only 39 nays against the measure. And you, a college graduate, would cast a reflection upon all of these 52 other gentlemen by the very statement that you print here in your press, "But facts like these never bother Milt, who is certain the public's memory is so short and the integrity of the North Dakota press so rotten that he is not likely to be tripped up on his contradictions, misrepresentations and outright lies." What are we as Members of Congress to think when you, a college graduate and instructor in a high school and a publisher of a paper will refer to your press in such language, and put such headlines in the paper as you put?

Mr. SIMONS. Senator YOUNG—I wish I had the newspaper clippings here—but I believe that with respect to the Public Service Commission, he took a contradictory position. Mention was made of it to me, and I did see the clippings on it, which indicated clearly that with respect to the oil and gas regulation he seemed to be saying one thing at one time and another thing at another. I regret I do not have the clippings here before me on this desk and we do not have them with us.

Senator THYE. Mr. Simons, do you intend to cast any reflection upon the votes cast by all of these other Members of the Senate who voted for the Harris-Fulbright bill?

Mr. SIMONS. It is my own contention that anyone who voted for the Harris-Fulbright bill clearly did not vote within the public interest.

Senator THYE. That is your opinion?

Mr. SIMONS. That is my opinion.

Senator THYE. I happen to be one that voted against the measure.

Mr. SIMONS. That is right.

Senator THYE. And I recognize that other men who voted contrary to me were just as sincere and honest in their convictions. But who are you, sir, if I may ask that question, who can publish papers and then refer to this vote and to the press in a State to be "so rotten that he is not likely to be tripped up on his contradictions, misrepresentations and outright lies"?

Mr. SIMONS. Senator THYE, I am not here to contend that anyone who voted against the Fulbright-Harris measure or the Kerr measure did so because they had their palm out for money from the oil industry. It may or may not be true. I could realize that some people cast votes out of sincere conviction. There may have been votes cast, put it this way, at a bare minimum there may have been votes cast for the Fulbright-Harris measure that were cast by Senators on the basis of pure convictions, honestly trying to do their duty to uphold the oath of their office.

Senator THYE. Even though you have placed such a headline "YOUNG Sells Out Again," and, even though in your own writing which I have quoted, where you make this charge against the press in your State—and the charge as it reads here is "tripped up on his contradictions, misrepresentations, and outright lies"—even though you had such an article printed in a publication of which you are responsible, and you are an intelligent person or you would never have graduated from college, and you must have certain public responsibilities as a teacher—even in view of all of this, you are telling this committee under oath that you never charged Senator YOUNG with a sellout or of accepting a bribe of any kind?

Mr. SIMONS. We charged him with a political sellout, Senator.

Senator THYE. You charge him with a political sellout, but you are an intelligent man, and your own conscience must dictate to you what is right or wrong regardless of whether you represent one political party and Senator YOUNG happens to represent another political party. You are an intelligent person, and therefore you know the difference between a political sellout and a slanderous charge, "YOUNG sells out again," in a publication.

Also, the article that is beneath this headline—an article that refers to the press in your State as being so rotten, and refers to Senator YOUNG, and I quote it, "and outright lies"—you just say that is all just a political activity on your part?

Mr. SIMONS. Senator THYE, I am aware of two things. That is, that I would say a good 99 percent of the people who read the Leader are aware of the fact that we are politically opposed to Senator YOUNG. Secondly, I am sure and I would have a bad conscience as a matter of fact if I was not sure that anyone who read that full article, and they certainly would be motivated I think by the liveliness of the headline and the drop head to read the full article—I can't conceive of anybody reading that full article and not coming to the conclusion that we had not accused Senator YOUNG of taking a bribe.

Senator THYE. That you had not accused him?

Mr. SIMONS. That is right. His own administrative assistant told me that.

Senator THYE. Sir, the administrative assistant is not under oath, and he is not testifying, but you are the gentleman that is testifying.

Mr. SIMONS. He read the article, though, sir. He read the article and he told me. He said, "You didn't libel MILT YOUNG."

Senator THYE. Mr. Chairman, I am not interested in the statements of anybody else. What I am interested in is Mr. Simons' interpretation of his action as publisher of the Leader when he wrote the headline, "YOUNG Sells Out Again." You read the entire article, the headline of the article, "CASE Bribe Recalls $5,000 MILT YOUNG Got From Dutchman," and then you go down further in the column, and you read the statement, "Milt brazenly ignored the majority declaration of the PSC that defeat of the Fulbright-Harris gas racketeering measure would help, not hinder, the PSC in protecting the public interest."

Mr. Chairman, when you consider that 53 members of the Senate voted for the measure which was an overwhelming majority of votes cast, and then you read further, "But facts like these never bother Milt, who is certain that the public memory is so short and the integrity of the North Dakota press so rotten that he is not likely to be tripped up on his contradictions, misrepresentations, and outright lies." You want this committee to believe that that is just a typical issue of the Leader and representative of your political activities in North Dakota, and that we should recognize it as a political activity on your part; and that we should pass it over and just accept it as your kind of politics. And you are a high school teacher and a college graduate.

Mr. SIMONS. Do you pose that as a question or not?

Senator THYE. It can stand as my comment of what I have read of your publication.

Mr. Chairman, I have no further questions.

Senator KENNEDY. Does the Leader receive support from the Nonpartisan League?

Mr. SIMONS. The Leader is the official newspaper of the Nonpartisan League.

Senator KENNEDY. Who supports the paper? Is it supported by advertisements?

Mr. SIMONS. Well, to a limited extent by advertising.

Senator KENNEDY. Do you receive any direct contribution from candidates for office other than the ads they put in?

Mr. SIMONS. No, sir, we do not.

Senator KENNEDY. But the league itself contributes to the paper.

Mr. SIMONS. The Leader is published by the Leader Publishing Co., which is a North Dakota corporation, owned cooperatively. Now, I am sure that everyone who is a stockholder in the Leader is also a member of the Nonpartisan League. It has always been the policy of the Leader to support Nonpartisan League candidates.

Senator KENNEDY. As I understand it now, as to the point of this hearing, you have no evidence that Senator YOUNG received money from any oil company in order to influence his vote?

Mr. SIMONS. That is correct.

Senator KENNEDY. I just want to say as someone who voted against the Taft-Hartley bill, and against the Kerr bill, and against the Harris-Fulbright bill, that I think this case is close to the most irresponsible journalism, in view of your last statement, that I have ever seen.

Senator PURTELL. Mr. Simons, you have told us, I believe, that when you use the word "sellout," you mean a political sellout; is that correct?

Mr. SIMONS. That is correct.

Senator PURTELL. Mr. Simons, we have had evidence here that 53 Senators voted for the Harris-Fulbright bill, I happen to be one who voted against it. I voted against it and fought vigorously against it also. I was very much opposed to it.

Mr. Simons, do you therefore feel that every one of the 58 Senators who voted for it is guilty, or would you charge them with political selling out?

Mr. SIMONS. Well, yes, I would charge them with a sellout of the public interest.

Senator PURTELL. Do you know of any way in which Senator Young differed from the other men, the other 52 in this political selling out that you describe?

Mr. SIMONS. No, sir.

Senator PURTELL. In other words, there is nothing that you know that Senator YOUNG did that was not done by the other 52 Senators; is that correct?

Mr. SIMONS. Yes, sir, that is correct.

Senator PURTELL. You blanket the whole 53, including Senator YOUNG, and you don't put Senator YOUNG out as having done anything that the other 52 did not do?

Mr. SIMONS. That is absolutely right.

Senator PURTELL. Now, let me ask you this question, sir. You read a part of this article, and let me read further in the article:

"According to the Associated Press, YOUNG replied 'No, certainly not' when asked Saturday if he had ever been approached about a campaign contribution in return for his support of the oil and gas racketeers."

Now, you have explained what you think "sellout" means. Will you tell me what "pays" means? You have the heading of the next paragraph, "The Dutchman Pays." What did you mean by "pays"?

Mr. SIMONS. That was a reference to the contribution.

Senator PURTELL. Well, now, is a contribution a pay out or is it a pay or what do you mean by "pay"?

Mr. SIMONS. I don't even recall. I don't recall for sure whether I wrote that.

Senator PURTELL. Mr. Simons, I am talking about the article that was published in the Leader. Will you look up and see what "pays" means in the dictionary, please, sir? I am anxious to find out what was meant by the word "pays."

Mr. SIMONS. I don't recall, sir. If that is in a subhead, I don't recall whether that is my subhead or not.

Senator PURTELL. You don't know whose subhead it is. I know it is in the article and the wording is "The Dutchman Pays." I am anxious to find out what is mean by "pays." Did you mean contribution, or did you mean what the dictionary says, and we can shortly find that out?

Senator ANDERSON. Have you established that he wrote the subhead?

Senator PURTELL. It has not been established that he wrote the subhead. I think the witness said he didn't remember, is that correct?

Mr. SIMONS. I honestly don't remember. I know that I wrote the story. That story appears principally as I wrote it.

Senator PURTELL. What does "pay" mean? What I am trying to do is establish what you had in mind when you used the word "pay."

Senator GOLDWATER. There are various interpretations of the word "pay," and in fact the first one that is offered could be used in a wrong way, I believe. It is, "To smear or coat, as a vessel's bottom." I don't think that is the one that you are seeking.

There is another one. "To pacify, appease, satisfy, content, gratify, or please; to satisfy for service rendered." I think that is what you had in mind.

Senator PURTELL. I was most anxious to determine from Mr. Simons what he had in mind.

Mr. SIMONS. Let us presume for just a moment that I did write that subhead, and I don't recall whether I did, but let us presume that I did. Clearly it was a reference to the money which Senator YOUNG received from Mr. Grunewald.

Senator PURTELL. Usually isn't "pay" associated with remuneration for services rendered in the minds of the public?

Mr. SIMONS. I don't know how many definitions there are.

Senator PURTELL. I am talking about the common usage of the word. The man received his pay on Saturday.

Mr. SIMONS. Senator GOLDWATER has pointed out, in Webster's International Dictionary, that you can find all kinds of definitions.

Senator PURTELL. You previously told us that you were not sticking to Webster's International Dictionary when you said what the people in your State would consider "sellout" means, and now I am asking what you think the people in your State would consider "pays" meant.

Mr. SIMONS. It would depend on how you use it.

Senator PURTELL. I will show you the article and ask you how it was used there.

Mr. SIMONS. It was used there to indicate Senator YOUNG received $5,000 from Mr. Grunewald.

Senator PURTELL. But do you think that it meant paid in the commonly accepted term of paying for something received?

Mr. SIMONS. No.

Senator PURTELL. So what you meant when you said "pay" was what?

Mr. SIMONS. That he received $5,000, and now you said "when I said." Now, it has not been established that I did say it. I don't recall for sure that I did.

Senator PURTELL. Will you tell me what you think the word "pay" would convey to your readers, whether you used it or not, since you told us what you thought?

Mr. SIMONS. From that article it would indicate that he received $5,000 from Mr. Grunewald.

Senator PURTELL. That he received it?

Mr. SIMONS. Yes.

Senator PURTELL. Would you think the word "pay" conveyed something else?

Mr. SIMONS. I would not.

Senator PURTELL. You would not?

Mr. SIMONS. No. That is an indefinite thing. There are a lot of subheads indefinite; and that is typical.

Senator PURTELL. That is all I wish to ask.

Senator GOLDWATER. Mr. Simons, where did you graduate from college?

Mr. SIMONS. University of North Dakota.

Senator GOLDWATER. What is the circulation of the Leader?

Mr. SIMONS. Well, it has jumped since our controversy with Senator YOUNG, and it is now up to 5,200, I am informed.

Senator GOLDWATER. That is a paid circulation or does it come through membership in the league?

Mr. SIMONS. We have a combination. You can buy the Leader separately, or for $10 you can get a 20-year membership in the Nonpartisan League and a 2-year subscription to the Leader as a joint package.

Senator GOLDWATER. You heard me ask Senator YOUNG about the UAW-CIO ad. Did you run that full-page ad in your paper?

Mr. SIMONS. I am quite sure we did not.

Senator GOLDWATER. You can't say definitely yes or no?

Mr. SIMONS. I can say definitely no, as a matter of fact. I think that I have seen every issue of the Leader, and there are times when I am snowed in out in this small town where I teach school. In fact, I would go on record as saying without fear of perjury whatsoever that we did not run that UAW-CIO ad. I wish it had been sent to me. If it had been sent to us, we would have been most happy to.

Senator GOLDWATER. I would not blame you, because they pay you for it.

Mr. SIMONS. We are sympathetic to the UAW-CIO.

Senator GOLDWATER. Where did you get the information that you have in your article that "A bill that will cost gas consumers a cool six hundred million plus if it passes"?

Mr. SIMONS. That was a quotation of Senator DOUGLAS and it appeared in the daily press.

Senator GOLDWATER. You are merely repeating Senator DOUGLAS?

Mr. SIMONS. That is correct.

Senator GOLDWATER. Now, I want to get back to this statement of yours that Senator BRIDGES read, because I don't think we have completely cleared it up. I am not going to read it all, but I will just quote this last part of it. "But this was strictly procedural because the reporters know the real graft is to be found among the stooges of the oil and gas lobby."

Who are the stooges in your opinion of the oil and gas lobby?

Mr. SIMONS. I would not be able to identify any one in particular.

Senator GOLDWATER. Well, are they the 53 Senators who voted for this bill?

Mr. SIMONS. I don't know.

Senator GOLDWATER. Well, you used the word "stooges," and you sat down, and you were thinking when you wrote this, and you used the word "stooge." Who are these stooges?

Mr. SIMONS. The stooges of the oil and gas lobby, people I would say like Uncle Charles Simons, to whom Senator YOUNG alluded here. I regard my Uncle Charley frankly as a stooge. Charley will take any position the oil-and-gas industry wants him to take. He is paid by them, and paid well.

Senator GOLDWATER. Do you consider Senator YOUNG a stooge of the gas and oil business?

Mr. SIMONS. Yes.

Senator GOLDWATER. Because he has taken money from the gas and oil business?

Mr. SIMONS. No; I have no knowledge of it.

Senator GOLDWATER. You have no knowledge of that?

Mr. SIMONS. He seems to go along with them.

Senator GOLDWATER. I am a stooge of the oil and gas lobby?

Mr. SIMONS. Did you vote for the Fulbright-Harris bill?

Senator GOLDWATER. Yes.

Mr. SIMONS. Yes; correct.

Senator GOLDWATER. And any one of us who voted for the gas and oil bill, therefore, we are stooges? That is a pretty strong word.

Mr. SIMONS. Yes.

Senator GOLDWATER. A stooge is a foil; it is also used as a part of a comedy act, the straight man.

Mr. SIMONS. I have no knowledge of your record on oil and gas legislation, and I presume from what I know of you, Senator, that you probably vote consistently with the oil and gas industry. I have no detailed knowledge of that, however, but with respect to Senator YOUNG, he goes right down the line with the oil industry.

Senator GOLDWATER. All right, Mr. Simons; you say that the real graft, there is another strong word, is to be found among the stooges. So there is graft to be found in Senator YOUNG's dealings and mine. You are inferring that by this article.

Mr. SIMONS. Not necessarily.

Senator GOLDWATER. I disagree with you. You have just said that Senator YOUNG, in your opinion, is a stooge of the gas and oil people, and you have said that Senator GOLDWATER is. You have inferred that 51 other Members of the United States Senate are.

Mr. SIMONS. I did not say Senator GOLDWATER was.

Senator GOLDWATER. Well, I asked you if you thought I was a stooge, and you said yes, and I don't care whether you think so or not.

Mr. SIMONS. But I further outlined that I am not aware of your detailed voting record, and I think if I checked into it, I probably would be able to say accurately that I think that you are a stooge of the oil and gas industry.

Senator GOLDWATER. We will leave Senator GOLDWATER out of it, because there is no one in your State that can vote for me. But you have said that you think that Senator YOUNG is a stooge of the oil and gas lobby. Then you say that there is graft to be found among the stooges of the oil and gas lobby. So that in your mind when you were writing this article, and you said "YOUNG Sells Out Again," there must have been the attempt to imply that graft was connected with Senator YOUNG's vote.

Mr. SIMONS. Senator GOLDWATER, I have no knowledge that Senator YOUNG either has or has not received any money. He may have received some money from oilmen, and I don't know anything about it, and I have no knowledge.

Senator GOLDWATER. But you make a statement, and you are a newspaperman, and you are writing a story for a paper that is going to be read by 5,200 people. You say that the real graft is to be found among the stooges of the oil and gas lobby. Now, what were you trying to imply there, if you were not trying to imply that Senator YOUNG, who, in your mind, is a stooge of the oil and gas lobby, was connected with graft? What were you trying to get across to 5,200 people?

Mr. SIMONS. That that is where it is to be found.

Senator GOLDWATER. In other words, if they want to find the real graft, they should go to Senator YOUNG?

Mr. SIMONS. No.

Senator GOLDWATER. Well, I don't follow your reasoning a bit. You say or testified under oath earlier that you did not mean to imply by "YOUNG sells out again" that there was any monetary inference at all, or any reference to money?

Mr. SIMONS. That is right.

Senator GOLDWATER. Yet, down here in the same article that you wrote, you say that the real graft is to be found among—and I will substitute the word "YOUNG"—that is among the stooges of the oil and gas lobby. I think that is a very, very slanderous statement. If you can't prove it, I think if we press this thing far enough you could be sued by 53 Senators. I don't know what you are trying to imply if it isn't bribery when you say "the real graft is to be found among the stooges," and in your mind the stooges includes Senator YOUNG. The implication or meaning of the word "graft" is certainly clear to anybody in this country. I think that is one of the most damaging statements that is contained in the whole article. Frankly, as a United States Senator, I know this means nothing to you, but I resent that, and I think it is very detrimental to the press of this country to have that kind of statement made in columns where you cannot prove it. There has been a thorough hearing into the so-called Keck matter, and it was labeled stupidity and not graft, and yet you charge one of your Senators from your State with being a stooge of the oil and gas lobby, and accepting graft.

Mr. SIMONS. Drew Pearson clearly indicated that in the Keck matter.

Senator GOLDWATER. You are entitled to your opinion of Drew Pearson, and in my opinion I have proven three lies on him this year, and I have not even tried. So if Drew Pearson is your prophet, you stick to him. I am not going to believe anything he says.

Now let us go a little bit further. You say that he sells out. Let us forget this inference of money that is contained in this statement. You heard Senator YOUNG testify under oath that he explained many times his position on this gas bill, and on other Federal controls of natural resources, to the people of his State. I might say that I did the same thing, and I campaigned on the tidelands issue, and I was for the tidelands bill, and I campaigned on the issue and I was elected, and Senator YOUNG was elected. So the majority of the people of your State knew what Senator YOUNG stood for, and they voted for him, and they put him here as a United States Senator. Yet you say that he sold out. Now, he certainly did not sell out, and in fact I think he would have sold out if he had come here and voted against the Harris-Fulbright bill after having told the people of his State that he was going to vote for it or implying that he was going to vote for it, and after having voted for the Kerr bill. How do you square that up?

Mr. SIMONS. Well, would you rephrase your question, sir?

Senator GOLDWATER. How can you charge a man with selling out when he is only doing what he promised the people of his State to do?

Mr. SIMONS. Like I said before, we regard it as a clear sellout of the public interest. You implied, sir, that Senator YOUNG campaigned on those issues, and that the public heard them, and that they still saw fit to

send Senator YOUNG back to Washington in 1950, the last time he was up for reelection. Well, may I add there that the quality of the opposition in 1950 was substantially less than it is this year.

Senator GOLDWATER. That does not enter into it at all. The fact is that Senator YOUNG told the people of North Dakota that he, Senator YOUNG, felt this way about Federal controls of the natural resources. I never heard one of his campaign speeches, and he may or may not have been specific, but certainly his vote on the Kerr bill and his statements to the people contained in the press and carried over the radio told the people of that State that he was coming to Washington to do the things he told the people he would do, and that was one of them. Now, how can you interpret that as a sellout?

Mr. SIMONS. I think he is going to go to the public with the same story this year, and I confidently hope he will be defeated for reelection.

Senator GOLDWATER. That does not enter into it. We are trying to find out why you used the words "sell out," and you say it is a political phrase. I understand what sellout is, and how it is used in politics, and all of us at times probably have engaged in it. But you put your case on the fact that it is a political phrase. Yet here is a man who has come here and done what he told his people he was going to do. I think that he ought to have a pat on the back, and I don't think that he ought to be kicked around.

Now, you evidently must have high political ideals, and do you think a man should come to the United States Congress or the Senate and vote contrary to what he led the people of his State to feel he would vote?

Mr. SIMONS. A man who serves in the United States Senate should vote the way his conscience dictates.

Senator GOLDWATER. Then you condemn Senator YOUNG for doing that.

Mr. SIMONS. I have no way of knowing whether his vote on the natural-gas measure was based on his honest convictions or not.

Senator GOLDWATER. Well, have you any reason to doubt that he voted according to his conscience?

Mr. SIMONS. I don't know, and I have no access to Senator YOUNG's conscience.

Senator GOLDWATER. Have you any reason to assume he would vote against his conscience from his votes in the past?

Mr. SIMONS. That he would vote against his conscience?

Senator GOLDWATER. Against his conscience.

Mr. SIMONS. I don't know, and I don't have any access to his conscience. How should I know? How can I determine what your conscience is, sir?

Senator GOLDWATER. You have no way to know what my political philosophy is other than what you read in the newspapers, and you are not from my State.

Mr. SIMONS. It may or may not be true what they say about you.

Senator GOLDWATER. But you are from Senator YOUNG's State.

Mr. SIMONS. That is right.

Senator GOLDWATER. You have had access all of your life, or for 34 years, which is more than your life, to the political philosophy of MILTON YOUNG. Now you don't agree with him, and that is your privilege, and we are not arguing that point at all. But you know what MILTON YOUNG stands for. The people of your State know what he stands for. Do you say that he should come to this Congress and vote contrary to the way he has told his people he would vote?

Mr. SIMONS. I say he should vote according to his conscience.

Senator GOLDWATER. I think he has voted according to his conscience, and of course what we think should not enter into this, so we won't put it this way. It is clearly evident that MILTON YOUNG came to Washington and voted exactly as he told the people of his State he would. And yet you say that he sold out, and you infer in one paragraph that he sold out for money, and you infer by your statements here that the sellout meant political. I don't want to pursue this any further and I want to ask you a further question. Are you a member of the Americans for Democratic Action?

Mr. SIMONS. I am not, sir. I regret I am not. I endorse the organization, and nobody has asked me to join, or I would.

The CHAIRMAN. I have just 1 further question or 2. As we conclude your testimony, do you now charge that Senator YOUNG was unduly or improperly influenced or illegally influenced in his vote on the gas bill.

Mr. SIMONS. I do not, sir, because if I did, I would have used it in the Leader.

The CHAIRMAN. Do you have any knowledge or any reliable information or source of information that you would suggest that this committee pursue that would lead to any evidence that Senator YOUNG accepted a bribe or was otherwise improperly or illegally influenced in his vote on the gas bill?

Mr. SIMONS. I would like to see the committee go into the Grunewald matter.

The CHAIRMAN. That has nothing to do with the gas bill, as you know. I am talking about the gas bill.

Mr. SIMONS. Not in connection with the gas bill; no, sir.

The CHAIRMAN. Do you make any charge that he was in any way corrupted or unduly or improperly influenced in connection with his activities and vote on the gas bill.

Mr. SIMONS. I make no such charge whatsoever.

The CHAIRMAN. Are there any further questions?

Thank you very much, sir.

Mr. Nathan, will you come around, please, sir. Do you solemnly swear that you will tell the truth before this special Senate committee, the whole truth, and nothing but the truth, so help you God?

Mr. NATHAN. I do.

TESTIMONY OF R. C. NATHAN (ACCOMPANIED BY HIS COUNSEL, JOHN H. SCHAFER, WASHINGTON, D. C.)

The CHAIRMAN. State your name and your place of residence, and your occupations, please, sir.

Mr. NATHAN. My name is R. C. Nathan, 302 10th Avenue, Northeast, Jamestown, N. Dak. I am a lawyer and at the present time I am employed as the claims representative for an insurance company at Jamestown, N. Dak. I practice law on the side, and make my major work in claims.

The CHAIRMAN. You say that you are a lawyer, but do you have counsel representing you?

Mr. NATHAN. Yes, sir; I do.

The CHAIRMAN. The same counsel that represented Mr. Simons?

Mr. NATHAN. Yes, sir.

Senator PURTELL. Do we have copies of Mr. Nathan's testimony, or were copies supplied?

Mr. NATHAN. Yes, sir.

The CHAIRMAN. I received a copy this morning after I arrived at the committee meeting. Counsel has advised me that there is no reason why it should not be received.

All right, Mr. Nathan, do you wish to read your prepared statement?

Mr. NATHAN. Yes, sir.

The CHAIRMAN. You may do so.

Mr. NATHAN. This is the statement of R. C. Nathan, of Jamestown, N. Dak., appearing under subpena.

Preliminary statement

My name is R. C. Nathan of 302 10th Avenue NE., Jamestown, N. Dak. I am a member of the board of directors of the Leader Publishing Co., serving a 3-year term which expires on January 31, 1958. The Leader Publishing Co. publishes a political newspaper known as the Leader.

The board of directors of the Leader Publishing Co., consists of seven members. The board of directors in 1955 decided to discontinue the services of a full-time editor and it was their further decision that management of the Leader be delegated to Mr. O. W. Zetter, secretary-treasurer of the board of directors, and that Mr. K. W. Simons be authorized to submit material on a volunteer or contributing basis.

Publication at that time was also discontinued from a weekly basis to a twice per month basis.

On February 6, 1956, while in Bismarck, N. Dak., I was contacted by Mr. O. W. Zetter, at which time he submitted and asked me to read an article which had been written by K. W. Simons for publication. This article was the same story which appeared in the February 9, 1956, edition of the Leader.

The article, as submitted to me, did not contain the headline "YOUNG Sells Out Again." It contained the subhead "CASE Bribe Recalls $5,000 MILT YOUNG Got From Dutchman." I did not see the headline prior to its publication. Since I was aware at that time that Senator YOUNG had received $5,000 from one Henry "the Dutchman" Grunewald, I saw nothing libelous in the article and so advised Mr. O. W. Zetter.

Later Senator YOUNG served notice on myself, as well as the other members of the board of directors, to retract the alleged libel statements in this article. We, at that time, authorized K. W. Simons to prepare a clarification to what the words "sells out" in the headline were intended to mean.

On March 27, 1956, at a meeting of the board of directors and stockholders, I was called on by the chairman to discuss the Young-Leader affair for the benefit of stockholders and board members present. I had no advance notice that I would be asked to discuss this issue and had not prepared any remarks.

In addition to the board of directors and stockholders, there were present a number of other people, as well as 4 or 5 representatives of the press. I outlined the controversy at this meeting as it had progressed to that date, and among other things pointed out that not all political contributions were bribes and that Senator YOUNG had admitted receiving $5,000 from Grunewald and that a contribution this size should have further explanation.

That it was not only the right and duty of the Leader to further press Senator YOUNG for an explanation of this contribution but that the Leader would continue to discuss the relationship between Henry Grunewald and the junior Senator from North Dakota. I invited the persons present to read the Leader as we would continue to press the Senator for a full explanation of this matter.

I do not recall, nor did I intend to refer to, this contribution as a bribe. The word "bribe" was used in my remarks as Senator YOUNG in some of his press releases after the article appeared in the Leader stated that he had been accused by political opponents of accepting a bribe.

I did not, as it was later reported in the Bismarck Tribune, charge Senator YOUNG with accepting a bribe. Since this story appeared in the Bismarck Tribune I have checked with other persons and newspapermen present and their versions of what was said does not check with the story appearing in the Bismarck Tribune.

At no time during my remarks before this group did I mention Senator YOUNG's vote in connection with the Fulbright-Harris bill, nor was any mention made that we felt his vote on the Fulbright-Harris bill had been influenced.

We, of course, do not have any evidence that Senator YOUNG received any money in connection with his vote on the Fulbright-Harris bill, but the last time we know of he received any money he received it from a notorious five percenter, Henry Grunewald.

The CHAIRMAN. From your prepared statement, as I understand, you refute the accu-

racy of the article in the Bismarck Tribune to which we have heretofore referred?

Mr. NATHAN. That is right.

The CHAIRMAN. I believe that I read it to Mr. Simons, that part of the article in the Tribune.

Mr. NATHAN. I recall.

The CHAIRMAN. Now, these are the things that cause us to do a lot of hard work. The committee has no special desire to take a lot of time going into this matter. But since it was, or appeared to be, a charge of bribery, selling out, or charge against a Senator or charge as to his conduct and his vote in connection with the gas bill that precipitated the necessity of action of the Senate in creating this committee, it became the duty of this committee as the committee determined to look into this charge.

At that time, at the time the committee made the decision or subsequent thereto, there came to the committee this article in which the word "bribe" is used. It says:

"At Tuesday night's advisory council meeting R. C. Nathan, Jamestown, a member of the board of directors of the Leader, official league newspaper, leveled a direct charge of bribe against United States Senator MILTON R. YOUNG."

I ask you under your oath whether that statement in the Tribune or that article is true or false?

Mr. NATHAN. It is false.

The CHAIRMAN. Then I read further:

"Referring to the controversy between YOUNG and the Leader, Nathan asserted that he was sure YOUNG was bluffing in his threat to file a libel action against the Leader."

Then you are purported to be quoted as follows:

"YOUNG was bluffing and we've called his bluff," Nathan told the county chairmen and spectators.

"He invited leaguers to read the Leader to see more about the contribution of $5,000 he alleged YOUNG had received from one Henry 'The Dutchman' Grunewald, which he referred to as a bribe."

Do you say that statement is true or false, that you referred to the $5,000 as a bribe?

Mr. NATHAN. I say it is false.

The CHAIRMAN. Did you in that speech, whether in the language here quoted or not, did you in that speech charge directly that Senator YOUNG had received a bribe in either instance, with respect to the gas bill or the Grunewald matter?

Mr. NATHAN. No; I did not, and the Fulbright-Harris bill, the gas bill was not discussed that evening.

The CHAIRMAN. I am not interested primarily in the Grunewald matter, except if you charge a Senator with receiving a bribe. You say positively that you did not in that address charge Senator MILTON YOUNG with receiving a bribe?

Mr. NATHAN. No, I did not.

The CHAIRMAN. Now, you can appreciate, in view of the previous article in the Leader and some having accepted it, even members of this committee, charging certainly by the strongest inference that Senator YOUNG had received a bribe in selling out in connection with his vote on the gas bill, that if you place that interpretation on it yourself in a speech, then I cannot see how you can take the position now that you did not intend for others to infer from the article that you were charging him with receiving a bribe.

So, the point is, if you made this statement, if you charge that he received a bribe in reference to these matters in that public speech after the article was published, it would be pretty convincing to me that the article definitely was intended to charge him with a bribe, which is according to my interpretation the forceful implication of it.

Mr. NATHAN. Well, Senator, that is not true. That was not my intention, Senator. Of course, being a lawyer I do not like to use the word "bribe," and I checked the original article, to make certain that the word "bribe" was not used in it, because we could not charge Senator YOUNG with accepting a bribe.

The CHAIRMAN. Let me see. That reminds me of an incident when I was trying a case one time, and I was prosecuting attorney and I was doing my best to send a fellow to the penitentiary. The lawyer got up on the other side and made some kind of an objection, and in the course of the argument on the objection he said, "My friend here, JOHN MCCLELLAN, can get up the closest to the border line of rascality without getting over it, of anybody I ever saw."

So, may I suggest that you were getting up just as close to the borderline of bribe as you could without actually saying so.

Mr. NATHAN. No. We have no evidence.

The CHAIRMAN. I understand you say now you have no evidence of a bribe?

Mr. NATHAN. At the time I made that speech, I used the word "bribe" but I think I was perfectly free in using it because I was quoting Senator YOUNG in his news releases in which he had stated that the Leader Publishing Co. had accused him or his political opponents had accused him of accepting a bribe.

The CHAIRMAN. In that speech did you say that you had not accused him of accepting a bribe?

Mr. NATHAN. Yes.

The CHAIRMAN. In other words, your statement is completely contradictory to the article that says you did accuse him or refer to him as having accepted a bribe. Now, you state you told them in that speech that you did not accuse him of accepting a bribe.

Mr. NATHAN. Well, Senator, I was not very emphatic about that, because what the persons there were interested in was as to whether or not Senator YOUNG was going to file a libel action against the newspaper. There were a lot of people there, many of the readers of the newspaper who undoubtedly had not read the issue. They had read the Fargo Forum or the Bismarck Tribune, and all of the other daily newspapers, in which Senator YOUNG had stated we had charged him with accepting a bribe.

Some people were somewhat concerned over whether we had actually done so.

The CHAIRMAN. What would you say now? Do you think the people of North Dakota who read these articles think that you charged him with accepting a bribe?

Mr. NATHAN. I do not know.

The CHAIRMAN. What would be your impression of it?

Mr. NATHAN. Well, I do not think so. I do not think that they would. In the first place, Senator, the circulation of the Leader is small and nobody would have paid any attention to the publication if it had not been for the fact that Senator YOUNG made a number of press releases in which he stated that we have charged him with accepting a bribe.

From then on, everybody was interested in the controversy.

The CHAIRMAN. What do you mean now, that nobody would have paid any attention to it if Senator YOUNG had not said that? Do you mean your paper has no influence, or it does not carry news?

Mr. NATHAN. It does not have as much influence as it should have, Senator.

The CHAIRMAN. I can well understand that you may feel that way about it. Here is my problem and I am not interested in any law suit, but I just cannot understand a press that will carry scurrilous articles like this and then come in and say, "Well, we were innocent, we did not mean any harm, and we did not mean the common acceptation of the phraseology we used. We wholly are innocent in our intent."

Then, you refer to it as a hell-raising paper and it just is a little bit inconsistent. If you can say anything further to clear up what to me is an inconsistency, I would be very glad to have you say it for the record.

Mr. NATHAN. I believe that this committee should go into the Gruenwald matter. As I understand it, when the subcommitee, the House Subcommittee on Ways and Means——

The CHAIRMAN. That is not in response to my question, but go ahead.

Mr. NATHAN. Uncovered the Grunewald matter, it was in connection with the administration of the internal revenue laws. That committee was not set up to investigate lobbying and campaign contributions, and it was checking into the administration of the internal-revenue laws.

The CHAIRMAN. Now, will you pause a moment. Let me ask you, suppose that the committee followed your suggestion. What testimony can you offer or where would you direct the committee to go to get testimony that would refute the already sworn record before another congressional committee?

What would we be doing?

Mr. NATHAN. Well, I think first Grunewald should be called in and I would like to know where the $5,000 came from.

The CHAIRMAN. You have the sworn testimony before another committee hearing as to where it came from, and a congressional committee has already discharged a responsibility with reference to that issue. Now, if we reopened it, if this committee went into it, where do you say that you have anything to contradict that sworn record?

Mr. NATHAN. Well, I am not impressed with some of the remarks Senator YOUNG has made, that the money was borrowed. I believe that there is an inconsistency in Senator YOUNG's statement that once the money was loaned by the Senate Compaign Committee to Senator YOUNG and transmitted through Grunewald, and then later on he issued a statement that Brewster, former Senator Brewster, borrowed the money from somewhere, and turned it over to Grunewald to transmit to North Dakota.

The CHAIRMAN. You say that you may not be impressed, but that was a United States Senator who testified that he did borrow the money, that his wife joined him in signing the note so as to make his credit good at the bank with which he did business, and that he issued a check thereon, on that borrowed money, to Grunewald who in turn delivered half of the amount to Senator MILTON YOUNG, and half to the now Vice President NIXON.

Now, you do not want to accept YOUNG's testimony, you say, but there is the sworn testimony.

Mr. NATHAN. Of a former Senator.

The CHAIRMAN. That a congressional committee examined, and went into for the purpose of ascertaining about it.

Mr. NATHAN. It is the testimony of a former Senator. Then, I have one other question. It is apparently quite proper, from what I have heard here this morning, and it is a proper way to transmit money. But why use a fellow like Grunewald whose reputation was known here in Washington at that time?

The CHAIRMAN. Now that might be something to suggest to Senator Brewster, and he has explained, and I can well understand, and if you have any knowledge of politics at all, contributions may be sent to you by someone and you may not even know at the time who the contributor is. If Senator YOUNG was busy in a campaign and he had a committee, and it was received by the committee and used under the circumstances that have been testified to, he probably knew nothing about having received it at the time, except that he was getting a loan from the committee.

I am just trying to point out that you asked us to reopen it, and now when we reopen it, if those are the facts, what would we accomplish?

Mr. NATHAN. Well, I think that we cannot presume that those are the facts.

The CHAIRMAN. Well, I think that you can when you have it under sworn testimony, unless you have something that you can present under oath to refute it.

Now, have you anything under oath that you can present to refute what the record is today in a hearing conducted by a congressional committee by taking of sworn testimony of the people who had the most information and knowledge of the facts? If you have any testimony and can come in here under oath to refute it, and can present it, then I would think that this committee would give some consideration to reopening it.

I do not say that they would, and I cannot speak for the whole committee, but until something is presented under oath that refutes this sworn record, I do not think that the committee has any business going into it.

Since we have been asked to reopen it and go into it, I though I would make those comments.

At this time, the Chairman will insert in the record the article that has been referred to here in the Leader, Bismarck, N. Dak., Thursday, February 9, 1956, headlines, "YOUNG Sells Out Again." We will print it at the appropriate place.

There may also be printed in the record immediately following, that part of the article which the chairman has read from the Bismarck Tribune, of Wednesday, March 28, 1956.

Mr. NATHAN. Senator, may we also get into the record the clarification which is the March 1, 1956 issue?

The CHAIRMAN. Without objection, that will be published in the record.

(Without objection, the following articles are also printed at this point in the record:)

[Excerpt from article in Bismarck (N. Dak.) Tribune of March 28, 1956]

At Tuesday night's advisory council meeting, R. C. Nathan, Jamestown, a member of the board of directors of the Leader, official League newspaper, leveled a direct charge of "bribe" against United States Senator MILTON R. YOUNG.

Referring to the controversy between YOUNG and the Leader, Nathan asserted that he was sure YOUNG was bluffing in his threat to file a libel action against the Leader.

"YOUNG was bluffing and we've called his bluff," Nathan told the county chairman and spectators.

He invited leaguers to read the Leader to "see more about" the contribution of $5,000 he alleged YOUNG had received from one Henry "The Dutchman" Grunewald, which he referred to as a bribe.

A MESSAGE TO MILTON YOUNG

MARCH 3, 1955.

TO MILTON YOUNG:

Your demand for a retraction of the article appearing in the February 9, 1956, issue of the Leader has been received. The Leader endeavors at all times to print the truth. The facts are, that you received $5,000 from one Henry (The Dutchman) Grunewald, the convicted king of the 5 percenters. There can be no retraction of these facts, which are embarrassing to you. The people of North Dakota are entitled to know the conditions under which you received the $5,000. We believe that you, as a public servant, should tell the people how and why a convicted 5 percenter would give you $5,000.

In regard to that portion of the article that refers to your selling out, we intended to convey, and we believe we did convey, the fact that on many occasions you have not voted in the best interests of the people of North Dakota. Included in such voting was your vote for the Reed-Bulwinkle bill, the effect of which is to strengthen the railroad monopoly and increase freight rates to the farmers of this State; your vote for the Taft-Hartley Act has the effect of reducing the standard of living of the working people; and now your vote for the Fulbright-Harris is an attempt to saddle increased costs upon the gas consumers of this country.

Your announcement that you would place this matter before a congressional committee indicates that you have no faith in the courts and juries of this State, or that your case is without merit. We invite you to bring your action as soon as possible, in any court in this State, and we suggest further that you bring Grunewald with you, so that he may be available for cross-examination, and so that the people of North Dakota will be in possession of all the facts.

THE LEADER PUBLISHING CO.,
By K. W. SIMONS,
Contributing Editor.

Senator BRIDGES. I think that there was some confusion here between your testimony and that of Mr. Simons, as to whether or not you saw or passed on the article, "YOUNG Sells Out Again."

Mr. NATHAN. Yes, sir, Senator; I read the article, but I guess most newspapermen attach a headline to an article they are going to run and all I saw was the subhead, and I had never seen the headline, "YOUNG Sells Out Again," until after it was published.

Senator BRIDGES. That would explain the difference in interpretation that might be put on your testimony and the testimony of Mr. Simons.

Mr. NATHAN. That is right. The article was submitted to me, and it was submitted to me on the basis of whether it was libelous.

Senator BRIDGES. Do you know Quentin Burdick?

Mr. NATHAN. Yes, sir.

Senator BRIDGES. Who is he?

Mr. NATHAN. He is an attorney at Fargo, N. Dak.

Senator BRIDGES. Is he associated with you?

Mr. NATHAN. Well, we work together defending lawsuits, and I have known Quentin Burdick for a long time.

Senator BRIDGES. Did he pass on this article, too?

Mr. NATHAN. No, he did not.

Senator BRIDGES. And are you associated in any way with the Farmers Union?

Mr. NATHAN. Yes. I work for the National Farmers Union Property & Casualty Co. which is an insurance company.

Senator BRIDGES. But you do not work for the Farmers Union directly, and this is a company that is owned by the Farmers Union?

Mr. NATHAN. That is right.

Senator BRIDGES. Does Mr. Burdick work for that same company?

Mr. NATHAN. Mr. Burdick works for the North Dakota Farmers Union, and he is the general counsel for the North Dakota Farmers Union.

Senator BRIDGES. He works directly for them?

Mr. NATHAN. Yes, sir.

Senator BRIDGES. That is all.

Senator PURTELL. Well, you mentioned here, Mr. Nathan, on page 2 of your testimony, "The article submitted to me did not contain the headline 'YOUNG Sells Out Again'." You also said that the article was submitted to you to find out whether or not it was libelous, is that correct?

Mr. NATHAN. That is correct.

Senator PURTELL. Can headlines be libelous, or in your opinion can headlines be libelous?

Mr. NATHAN. Yes, certainly. I do not think standing alone, Senator.

Senator PURTELL. Then, may I ask you this question: Since you emphasize the fact that you did not see the headline, had that headline, "YOUNG Sells Out Again," been submitted to you with the rest of the article to pass upon whether or not it was libelous, would you have told them to go ahead with the headline, "YOUNG Sells Out Again"?

Mr. NATHAN. Well, I do not know. I do not know what I would have done.

Senator PURTELL. You would have given great thought to it, would you not?

Mr. NATHAN. Yes, I gave some thought to the article.

Senator PURTELL. But you emphasize here that when the article was submitted to you it did not contain the headline. Why do you emphasize that here? So that it will be clearly understood that you had no association with or passed upon this headline?

Mr. NATHAN. Why I come in here?

Senator PURTELL. Why you mention, "The article as submitted to me did not contain the headline 'YOUNG Sells Out Again,'" and I wonder what your reason was for emphasizing that, and having it in your statement here. What importance do you attach to it?

Mr. NATHAN. I wanted to give you all of the facts.

Senator PURTELL. What importance do you attach to the fact that you did not see the headline?

Mr. NATHAN. None whatsoever. I just wanted to come in to tell you exactly what happened, and I mean I wanted to be open about it and that is exactly so.

Senator PURTELL. You, however, already answered the question which I asked you. Would you have suggested that that headline be changed if it had been submitted with the article? You have answered that, have you not?

Mr. NATHAN. Yes, I said I do not know.

Senator PURTELL. Now, you said, "We at that time," referring to a meeting I believe of your board of directors, "authorized K. W. Simons to prepare a clarification as to what the words 'sell out' in headlines were intended to mean." Then, there was some question in your mind, was there, sir, as to what the people would think it meant, or was there a clear understanding of what "sell out" meant anyway as we understood was testified to before.

Mr. NATHAN. No.

Senator PURTELL. Why did you think it was necessary if everybody understood what "sell out" means (and the word "political" was not attached thereto, as I understood it in your article)? Why did you say at that time "We authorized K. W. Simons to prepare a clarification as to what the word 'sell out' in the headlines were intended to mean"? Let me put it this way, sir, and of course, all we are looking for is just what the facts are.

Mr. NATHAN. Let me be candid about it, that we wanted to protect ourselves from a libel suit, and that is my only interest.

Senator PURTELL. So, you thought there was a possibility of a libel suit on the basis of the words "sell out"; is that correct?

Mr. NATHAN. There is always a possibility of a libel suit, Senator.

Senator PURTELL. But you felt it was important enough anyway to authorize K. W. Simons to prepare a clarification?

Mr. NATHAN. That is right.

Senator PURTELL. Would that lead one to believe, reading this testimony, that maybe the people of North Dakota did not exactly know what "sell out" meant, and it needed clarification?

Mr. NATHAN. I would be interested in a jury of 12 people.

Senator PURTELL. I have one more question.

You said, "I invited the persons present to read the Leader." Now, were you referring to a particular article in the Leader, or a particular issue in the Leader? You are speaking now of this meeting, at which you are reported to have said or charged Senator YOUNG with a bribe.

Mr. NATHAN. Yes, sir.

Senator PURTELL. And you say in your testimony, "I outlined the controversy at

the meeting of the progress as of that date," and you go on and you say that it was only the right and duty of the Leader to further press Senator YOUNG for an explanation of this contribution but that the Leader would continue to discuss relationships between Henry Grunewald and the junior Senator from North Dakota, and then you said, "I invited the persons present to read the Leader as we would continue to press the Senator for a full explanation of this matter."

Now, what issue of the Leader, if any, were you directing the people to read?

Mr. NATHAN. Future issues.

Senator PURTELL. Did you have in mind this particular issue, however?

Mr. NATHAN. No.

Senator PURTELL. You did not?

Mr. NATHAN. No.

Senator PURTELL. You say that you did use the word "bribe"?

Mr. NATHAN. Yes.

Senator PURTELL. Your statement says you did use the word "bribe"?

Mr. NATHAN. I used it in quoting Senator YOUNG.

Senator PURTELL. Can you tell us now how you quoted him, since there is some question as to what you really did say, as reported by one newspaper and what you have testified to as to what you said?

Mr. NATHAN. No; I do not recall.

Senator PURTELL. Well, do you recall whether you said, "As Senator YOUNG said—quote"?

Mr. NATHAN. When you speak, you do not speak in that manner.

Senator PURTELL. I do usually if I am quoting somebody else, but I do not know what practice other people have.

You simply said or you referred to it as a bribe; is that correct?

Mr. NATHAN. No; I think that I stated that Senator YOUNG has accused us of accepting a bribe.

Senator PURTELL. That is what I wanted to get at—how the word "bribe" came into your talk?

Mr. NATHAN. That is right.

Senator PURTELL. And you feel that was the extent of the use of the word "bribe," at this meeting, by you?

Mr. NATHAN. I am sorry. What I stated, Senator, was that Senator YOUNG has stated that we are accusing him of accepting a bribe, and the reason I made that statement is that a number of people who had not read the article had read the Fargo Forum and some of the other dailies and were inquiring as to what the controversy was all about.

Senator PURTELL. So, when you used the word "bribe" at this meeting which has been reported, as you testified, erroneously, you simply were using the word "bribe" or used the word "bribe" only in reference to what Senator YOUNG had said about it?

Mr. NATHAN. That is right.

Senator PURTELL. And that was the limited use of the word "bribe," is that correct?

Mr. NATHAN. Yes, sir.

Senator PURTELL. Except perhaps to explain. Did you at that time explain that you did not make a charge of bribery?

Mr. NATHAN. That is right.

Senator PURTELL. At that meeting?

Mr. NATHAN. That is right. We have some other members on the board of directors who were a little bit concerned over the matter, and they wanted an explanation. In other words, the Senator was threatening us with a law suit, and there was some interest as to what the controversy was all about and as to what had happened.

Senator PURTELL. Now, in the last paragraph of your statement, and I shall read it because I am sure that you probably would want to comment on it after I have asked the question, you say:

"We, of course, do not have any evidence that Senator YOUNG received any money in connection with his vote on the Fulbright-Harris bill, but the last time we know of he received any money, he received it from a notorious five percenter, Henry Grunewald."

Now, did you indicate or did you mean to indicate by that, that that might have been for a vote on some other matter?

Mr. NATHAN. I do not know.

Mr. PURTELL. But you know what you said here, and did you mean it was received in connection with a vote on something else, because you tie them up with a vote and it is all one sentence. You say, "We, of course, do not have any evidence that Senator YOUNG received any money in connection with his vote on the Fulbright-Harris bill, but the last time we know of he received any money, he received it from a notorious 5 percenter, Henry Grunewald."

Do you wish to construe that as meaning that he might have received it at that time for a vote from Grunewald, since you refer to a vote in the first instance?

Mr. NATHAN. No. I prepared that statement this morning, sir.

Senator PURTELL. I thought you would like to clear it up while you are here.

Mr. NATHAN. That is right. No, that should be a separate sentence.

Senator PURTELL. That is all I have, Mr. Chairman.

Senator GOLDWATER. I have nothing, Mr. Chairman.

The CHAIRMAN. Let the Chair ask one further question. I have received a letter from Mr. Hjelle, John O. Hjelle, of the Bismarck Tribune Co., Bismarck, N. Dak., dated May 14, 1956, in response to an inquiry the Chairman made as to just what was said at this meeting when you spoke. He said, and I quote from it, "My notes show that Mr. Nathan stated, 'If you want to see more about the bribe that YOUNG received from the Dutchman Grunewald, you can read it in the Leader.' "

Did you make that statement?

Mr. NATHAN. No, I did not.

The CHAIRMAN. Then, he goes on in his letter and he says, "He made the comment in telling about the controversy between Senator YOUNG and the Leader. That is the official publication of the Nonpartisan League. The quote above is a direct quote and I am sure it is exactly what he said."

You still say that that is untrue?

Mr. NATHAN. No, I did not say that, Senator.

The CHAIRMAN. He also said that Senator YOUNG was bluffing when he spoke of a libel action and predicted the Daily Press would "play the whole thing down," and concluded, "Before the Leader is through, YOUNG will be running around defending Grunewald instead of his voting record. There is no question in my mind that before the campaign is over the Leader is going to make him come in and tell under what circumstances he got that $5,000 from that notorious five percenter, Grunewald."

Is that part of his statement correct?

Mr. NATHAN. The last part is correct.

The CHAIRMAN. The last part is correct?

Mr. NATHAN. Yes, sir.

The CHAIRMAN. And the other where you referred to the bribe, "See more about the bribe that YOUNG received from the Dutchman Grunewald," is untrue?

Mr. NATHAN. That is untrue.

The CHAIRMAN. The other part is accurate?

Mr. NATHAN. Well, I do not recall talking about the bluffing, either, but I do remember stating that we were going to continue to press the Senator on the Grunewald matter.

The CHAIRMAN. All right, Counsel wished to ask you a question.

Mr. FAY. I think the record ought to show, also, Mr. Nathan, how old are you?

Mr. NATHAN. I am 35.

Mr. FAY. And what law school did you attend?

Mr. NATHAN. The University of North Dakota.

Mr. FAY. When did you graduate?

Mr. NATHAN. 1949.

Mr. FAY. You are a member of the bar?

Mr. NATHAN. That is right.

Mr. FAY. The bar of North Dakota?

Mr. NATHAN. That is right.

Mr. FAY. Are you a member of the bar of any other State or jurisdiction?

Mr. NATHAN. No.

Mr. FAY. As an attorney you know the difference between facts and conclusions?

Mr. NATHAN. That is right.

Mr. FAY. And as the chairman asked earlier, you know of no facts which are in your possession or available to you anyplace that in anywise would be a lead for this committee to follow with respect to any improper influence on any vote of Senator YOUNG in connection with any vote he might have cast?

Mr. NATHAN. No.

Mr. FAY. That is all.

The CHAIRMAN. Are there any further questions?

Thank you, very much, Mr. Nathan.

May I ask the witness to stand by for a few hours, or an hour or two until after lunch, until the committee can have an executive session to discuss further action.

At this time, the Chair is not prepared to say.

(Thereupon at 1:30 p. m., the hearing adjourned.)

(Thereafter, at an executive session, held at 3 p. m., March 24, 1956, it was unanimously voted by the committee to release the testimony in lieu of holding public hearings on the matter.)

Mr. YOUNG. Mr. President, I also ask unanimous consent to have printed in the RECORD that portion of the House hearing dealing with certain charges regarding a campaign contribution of $5,000 made to me by the Republican Senatorial Campaign Committee in 1952. This document is known as Hearings Before a Subcommittee on Ways and Means of the House of Representatives, 82d Congress, 2d Session, on Administration of Internal Revenue Laws, Part 4. The part which I ask to have inserted commences on page 2915 with the subtitle "Testimony of Joseph Stearns, Washington, D. C." and goes to the middle of page 2943, ending with the line "Chairman King. You are welcome."

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

TESTIMONY OF JOSEPH STEARNS, WASHINGTON, D. C.

Mr. DEWIND. I think Mr. Stearns, that you were just completing an answer to a question that had been put to you by a member of the committee. Do you remember what you were just talking about at the recess?

Mr. STEARNS. No. I thought I had finished.

Mr. BYRNES. I think the last question I asked him was when they made the last examination of Mr. Grunewald's income-tax return—that is, covering that period of 1948—and I think your answer was, in October 1949.

Mr. STEARNS. That is about right; yes, sir.

Mr. DEWIND. Mr. Stearns, I have here a photostatic copy of two worksheets which have been noted at the top, "J. Stearns work papers," and it says "Henry W. Grunewald, 1950 income tax." Could I show you this copy, Mr. Stearns? Is that a copy of the worksheet you prepared in connection with the 1950 income tax?

Mr. STEARNS. That is correct.

Mr. DEWIND. The only copy of it. Why don't you take it, and I will ask you some questions about it.

On that worksheet, Mr. Stearns, you have noted bank deposits; is that correct?

Mr. STEARNS. That is right; total deposits.

Mr. DEWIND. Total deposits. In going over those items, it seems to me that there were some items there that were not covered in the deposit slips that you went over before. Could you start and run through from the top of that and just explain to the committee how you set up those worksheets?

Mr. STEARNS. Who has the deposit tickets, Mr. DeWind?

Mr. DEWIND. Off the record.

(Off the record.)

Mr. DEWIND. On the record.

What is the first entry at the top of the 1950 worksheet?

Mr. STEARNS. The first entry. On January 3, I have under the column "total deposits" $1,000, and it is carried out into the cash column, $1,000.

Mr. DEWIND. I see. So you show the deposit and then identify it as cash or check?

Mr. STEARNS. That is right.

Mr. DEWIND. The first column shows the deposits, the second column shows cash, and the third column shows the checks; is that right?

Mr. STEARNS. That is right.

Mr. DEWIND. Working down through there, can you just identify each of those?

Mr. STEARNS. Yes. January 4 there is a deposit of $3,000, which was a check from Mr. William P. Maloney.

Mr. DEWIND. What is the date of that check?

Mr. STEARNS. A deposit for January 4, for $3,000.

Mr. DEWIND. That is identified on your worksheet as a check from Mr. Maloney.

Mr. STEARNS. That is right; that was returned by the bank—no funds.

Mr. DEWIND. So that check was returned by the bank, no funds, and then it was marked off as not a receipt.

Mr. STEARNS. That is right.

Mr. DEWIND. Do you know what that matter involved, that particular check?

Mr. STEARNS. Yes. It was the return of a loan. It was supposed to have been money which Mr. Maloney had borrowed from Mr. Grunewald.

Mr. DEWIND. That particular transaction washed out?

Mr. STEARNS. I am not sure about that. It may have been a note that Mr. Grunewald may have endorsed for Mr. Maloney.

Mr. DEWIND. All right, go ahead.

Mr. STEARNS. On January 13, there is a $5,000 cash item.

Mr. KEAN. Will you explain that check again.

Mr. STEARNS. The check of Mr. Maloney?

Mr. KEAN. The check of Mr. Maloney, yes.

Mr. STEARNS. On January 4 there was a deposit of $3,000 on the Pennsylvania Exchange Bank, and that was the check of Mr. William P. Maloney.

Mr. KEAN. Deposited by Mr. Grunewald?

Mr. STEARNS. That is right. That was returned by the bank—no funds.

Mr. KEAN. No funds or insufficient funds?

Mr. STEARNS. I have it marked down here "returned, no funds."

Mr. KEAN. That was a bank notation, "no funds"?

Mr. STEARNS. I think so. This is my notation on the stub here, on my worksheet, "no funds." There might have been insufficient funds, but I just put "no funds" there.

Mr. KEAN. If a man draws a check on a bank where he has a bank account, and if it is for more money than he has, it is returned marked "Insufficient funds." It would be sort of unusual for anybody to draw a check on a bank that didn't handle his particular account.

Mr. STEARNS. This might have been no such funds. I just marked down "returned, no funds," on the worksheet for my own information.

Mr. DEWIND. How were you informed that that was a purported repayment of a loan?

Mr. STEARNS. I think Mr. Grunewald endorsed a note for him, and Mr. Grunewald may have paid the note off. I am just a bit hazy on that. It may have been an outright loan that he had made, returning it.

Mr. DEWIND. Who told you that?

Mr. STEARNS. I saw a slip of paper some place in the file. It should be in the jacket, form 50 jacket.

Mr. DEWIND. That was another note given to you by Mr. Grunewald?

Mr. STEARNS. It might have been a notice from the bank, notice due, and it may be Mr. Maloney paid it with this check and maybe did not.

Mr. DEWIND. Let's come back to that later. Anyway, you have identified that as the repayment of a loan, except that the check bounced.

Mr. STEARNS. That is right.

On January 13, a deposit of $5,000 cash.

January 17 we have a deposit of $16,750 cash. That was to pay the installment of January 15 income tax due on 1949, final estimate for that year. That was an actual deposit.

On January 30 there was a $1,000 deposit in cash.

February 3 there was a deposit in the Riggs Bank of a check for $149.65.

On February 3 there was a deposit of $5,000 cash. The deposit has a notation "Spring Lake house."

On February 14 there was a deposit of $5,000 cash marked "Spring Lake house."

Mr. DEWIND. Do you know what "Spring Lake house" means?

Mr. STEARNS. That was to pay for the construction of the house, I dare say.

Mr. DEWIND. The house had been built in 1950?

Mr. STEARNS. That is right.

On March 10 there was a check deposited, $1,580, which is to Pan American.

On March 16 there was a deposit, a check, $9,745.20, which was a loan, I understand. He gave a mortgage on one of those properties.

April 25 there was a cash deposit of $600.

May 5 there was a cash deposit of $500.

Mr. DEWIND. What was that one?

Mr. STEARNS. It is unidentified, cash $500.

On May 12 there was a deposit of a check, $4,063.50.

Mr. DEWIND. On one of your other worksheets here there is an indication of a deposit slip in between there. Do you have that one?

Mr. STEARNS. $10,000, and it is marked "Brewster check." That was what I got from Mr. Grunewald when I made the entry. He gave me later on the name Brewster, that is all.

Mr. KEAN. What is that?

Mr. STEARNS. May 9 there was a deposit of $1,000 on my worksheet, but I don't have the duplicate deposit ticket for it.

Mr. O'BRIEN. Deposit by whom?

Mr. STEARNS. Brewster check, that is all; a check marked "Brewster."

Mr. DEWIND. I think there is a deposit slip there for that.

Mr. STEARNS. Here it is; yes. May 9, a check for $10,000, and I have written on there "Br," Brewster.

Mr. DEWIND. Is that in your handwriting?

Mr. STEARNS. That is my handwriting; yes, sir.

Mr. DEWIND. What is that item? Do you have an entry for it?

Mr. STEARNS. He just told me it was the Brewster check, with no explanation.

Mr. O'BRIEN. Who is that Brewster; do you know?

Mr. STEARNS. You will have to ask Mr. Grunewald. He just said the Brewster check. I marked down there "Br."

Mr. DEWIND. You have no copy of the check that was covered by that item?

Mr. STEARNS. Do I have a copy of the check?

Mr. DEWIND. That is what I am asking. I assume not.

Mr. STEARNS. That would be in the form 50 jacket which Mr. Davis has, if I do have it.

Mr. DEWIND. This would be, presumably, not Mr. Grunewald's check but a Brewster check.

Mr. STEARNS. It is a check for $1,000, and I have put down in the corner "Br" for Brewster.

Mr. DEWIND. You do not have a copy of that check before you?

Mr. STEARNS. No, sir. That was one item I had marked off for discussion with Mr. Grunewald when I went over the papers with him.

Mr. DEWIND. Did you discuss it with him?

Mr. STEARNS. Yes; because he told me Brewster, and I put "Br" on it and that was all.

Mr. DEWIND. What did he say about the item?

Mr. STEARNS. He said it was not a taxable item; it was just an exchange of checks.

Mr. DEWIND. He told you it was an exchange of checks?

Mr. STEARNS. That is right.

Mr. DEWIND. And nontaxable?

Mr. STEARNS. That is right.

Mr. DEWIND. What did he mean by "exchange of checks"?

Mr. STEARNS. He might have given his check for this check or something like that. He might have put out $10,000 and gotten a check back for it.

Mr. DEWIND. Do any of the checks in the Grunewald bank account show a repayment of this sum?

Mr. STEARNS. I think it does. I think my work papers show it there; it may.

Mr. DEWIND. What is the date of the check?

Mr. STEARNS. The deposit was May 9.

Mr. DEWIND. Yes; but I mean you say there is evidence that there was an exchange.

Mr. STEARNS. No; I am just guessing at that. I would have to look at my work papers first to recollect that.

Mr. DEWIND. Here is a photostatic copy of worksheets that were prepared by representatives of the Bureau of Internal Revenue listing all of the checks drawn on the Grunewald bank account in the year 1950. Would that serve to help you identify the exchange—the Brewster exchange?

Mr. STEARNS. This is a copy of my worksheet.

Mr. DEWIND. That is a copy of your worksheet?

Mr. STEARNS. That is right.

Mr. DEWIND. That is in your handwriting?

Mr. STEARNS. No; it is not my handwriting.

Mr. DEWIND. This photostat I just handed you, then, is a copy, in the handwriting of an internal-revenue agent, of your worksheets that were originally prepared by you?

Mr. STEARNS. I think it was. Except for the remarks on the side—except for the remarks.

Mr. KEAN. What year is this?

Mr. DEWIND. 1950.

Mr. KEAN. This is one of the later examinations?

Mr. DEWIND. Yes.

I guess you know the question I have in mind. Can you find on there the identification of the exchange item by which the $10,000 was returned to Brewster?

Mr. STEARNS. It may have been a cash transaction for all I know. I just don't recall the facts now.

Mr. DEWIND. Do you find any check there?

Mr. STEARNS. No, sir.

Mr. DEWIND. A check around October 19? Let's see if there is any evidence there of a check.

Mr. STEARNS. There is a check October 19 for $2,500.

Mr. O'BRIEN. Louder.

Mr. STEARNS. There is a check which is dated October 19 for $2,500, made out to Owen Brewster, and the agents remarked here "Endorsed to Dorothy Brewster, New York Trust Co.," I think. That is what it looks like. That is for $2,500.

Mr. DEWIND. Mr. Stearns, there is here a photostatic copy of a canceled check dated October 19, 1950, drawn to the order of Owen Brewster in the sum of $2,500, and signed Henry Grunewald. The check is unnumbered. It is drawn on the Munsey Trust Co., Washington, D. C. Could I get you to look at this check and see if you can identify whether or not this is Mr. Grunewald's signature on the check?

Mr. STEARNS. That is his signature.

Mr. DEWIND. Is that part of this so-called exchange item?

Mr. STEARNS. Yes, sir.

Mr. DEWIND. That only accounts for $2,500 out of the $10,000.

Mr. STEARNS. I will have to see my own work papers. Of course, this is the agent's papers. I don't have my papers.

Mr. DEWIND. Mr. Chairman, may this photostatic copy of this check be made part of the record at this point?

Chairman KING. If there is no objection, that is so ordered.

(The document referred to as follows:)

[Document omitted in the record.]

Mr. DEWIND. Mr. Stearns, do you have your work papers for 1950?

Mr. STEARNS. No, sir.

Mr. DEWIND. Where are the work papers for 1950?

Mr. STEARNS. They were turned over to one of Mr. Grunewald's attorneys, William E. Davis. I will give you the exact date, December 7 or 8.

Mr. DEWIND. That is December 7 or 8 of 1951?

Mr. STEARNS. That is right.

Mr. DEWIND. Mr. William E. Davis asked——

Mr. STEARNS. That is right; he asked for the file. It was right after the agents returned the file to me.

Mr. DEWIND. Prior to December 7, I gather from what you have said here, the internal revenue agents must have examined those work papers.

Mr. STEARNS. Yes, sir. November 30 Special Agent McCarthy and Revenue Agent Albrecht came into my office unannounced and said they wanted to see Mr. Grunewald's file for 1949 and for 1950. I gave them the file and they looked through it and I said, "Take it along with you, and when you are through with it bring it back." They kept it a week and returned it the following Friday. The next day, Saturday, Mr. Davis picked it up.

Mr. DEWIND. Mr. Stearns, when you were requested or received a subpena last year to produce any records in your possession of Mr. Grunewald's, these were records that you had of Mr. Grunewald's which you were not able to produce under that subpena?

Mr. STEARNS. That is right.

Mr. DEWIND. What steps have you taken to recover possession of these work papers?

Mr. STEARNS. I spoke to Mr. Davis about it. He says he has them and refuses to turn them over to me.

Mr. DEWIND. He refuses to turn your own work papers over to you?

Mr. STEARNS. That is right. He has them. He is one of the attorneys for Mr. Grunewald.

Mr. DEWIND. When did you ask Mr. Davis to return these work papers?

Mr. STEARNS. I never asked him, exactly. I told him I was going to appear before the committee and they would ask me questions about the work papers. He said, "Well, they are in my possession, and I want to keep them."

Chairman KING. Did you notify this committee or any of its staff, Mr. Stearns, that pursuant to that subpena you were unable to produce these documents and papers?

Mr. STEARNS. When I was served with the subpena I came right down here. I think it was Mr. Levine, was it?

Mr. DEWIND. I think that is right, yes.

Mr. STEARNS. He came to my office, and I said, "I will get Mr. Grunewald's file." I showed him what I had down there. I told Mr. Levine that the 1949 and 1950 papers were not then in my possession so I couldn't bring them down here. I think you remember that.

Mr. DEWIND. That is entirely right, I will say, Mr. Chairman. Mr. Stearns has furnished everything that he has told us he has been able to produce and has in every way been entirely cooperative with the staff.

Mr. Stearns, you said that this October 19, 1950, check for $2,500 was part of this exchange transaction which started in May, on May 9, with the receipt of this Brewster deposit for $10,000. How did you know that those two transactions are part of the same exchange?

Mr. STEARNS. I am taking Mr. Grunewald's word for it.

Mr. DEWIND. Mr. Grunewald told you it was?

Mr. STEARNS. That is right. I am taking his word for that.

Mr. DEWIND. Then it is your conclusion from that information that the deposit of $10,000 on May 9, 1950, was on a check of Owen Brewster; is that right?

Mr. STEARNS. I think it was. I didn't see the check but I suppose it was.

Mr. DEWIND. Where is the balance of that exchange transaction? That leaves $7,500.

Mr. STEARNS. In my work papers which I think you have—you have a photostatic copy of it there—I can point it out to you.

Mr. DEWIND. I have a photostatic copy here.

Mr. STEARNS. Here it is. August 7 there is a $3,500 deposit here, August 21 there is a $1,500 deposit.

Mr. DEWIND. These are deposits by Mr. Grunewald in his account?

Mr. STEARNS. That is right. And August 21 there is a $5,000 deposit.

Mr. DEWIND. Just a moment. $3,500 on August 7, $1,500 on August 21?

Mr. STEARNS. That is correct.

Mr. DEWIND. And $5,000 on August 31?

Mr. STEARNS. August 21, the same day, it looks like.

Mr. DEWIND. Those are deposits which total $10,000; is that right?

Mr. STEARNS. That is right. I have marked that "Exchange out $10,000."

Mr. DEWIND. I beg your pardon?

Mr. STEARNS. I have a notation here, "Exchange out $10,000." That is just my own information, that it was to be eliminated from his tax——

Mr. DEWIND. Those are deposits that Mr. Grunewald made?

Mr. STEARNS. That is right.

Mr. DEWIND. Where are the withdrawals?

Mr. STEARNS. I don't have my work papers. I can't answer without my work papers.

Mr. DEWIND. Are you working on the assumption that there were offsetting checks totaling $10,000 drawn against——

Mr. STEARNS. Yes. I think altogether there were about $12,500. That is Mr. Grunewald's information to me. Altogether it was about $12,500.

Mr. DEWIND. Of checks drawn to the order of Owen Brewster?

Mr. STEARNS. I don't know who they were drawn to, but it was a deposit inside his account of about $12,500 and withdrawals of about $12,500. That was his explanation to me.

Mr. DEWIND. How were the withdrawals made?

Mr. STEARNS. I can't tell without my work sheets, and that is in my file which Mr. Davis has.

Mr. DEWIND. Here are some photostatic copies of the work sheets that were copied by the Internal Revenue Bureau. Let me show you all of these and see if you can gain any assistance from those. You have told me, have you, that these photostats copied by the agents are of no help to you?

Mr. STEARNS. That is right.

Mr. DEWIND. Could you do this: Could you look at this list of checks drawn on the Grunewald accounts for the year 1950, that was copied from your work papers by the internal revenue agents, and say whether there is any other check on there drawn to the order of Owen Brewster except the check of October 19, 1950, for $2,500?

Mr. STEARNS. No, all you find is one check for $2,500.

Mr. DEWIND. All I find in the year 1950 is the receipt of a Brewster deposit of $10,000 and a check drawn against that back to Owen Brewster for $2,500.

Mr. STEARNS. That is right.

Mr. DEWIND. Taking the photostatic copy of this check of October 19 can you make out the endorsement on that check and the banks through which the check cleared?

Mr. STEARNS. Endorsement "for deposit only to credit of Dorothy Brewster" and Owen Brewster, and some other name there.

Mr. DEWIND. Is that an endorsement possibly "Dorothy Brewster"?

Mr. STEARNS. It could be. There is a "Dorothy Brewster" and an "Owen Brewster," and then some other name. I don't know what that name is. Is that "Dorothy Brewster"?

Mr. DEWIND. That could be the endorsement after the endorsement to her order.

Mr. STEARNS. It says "For deposit only to credit of Dorothy Brewster" and Owen Brewster, that is right, and she might have signed it "Dorothy Brewster."

Mr. DEWIND. You can't make that out for sure?

Mr. STEARNS. Not very well.

Mr. DEWIND. Can you make out through which banks the check cleared?

Mr. STEARNS. It looks like the Federal Reserve Bank of Boston.

Mr. DEWIND. Federal Reserve Bank of Boston.

Mr. STEARNS. But that is just the clearing.

Mr. DEWIND. In what bank was the check deposited for collection?

Mr. STEARNS. Bangor Trust Co.

Mr. DEWIND. Bangor Trust Co.?

Mr. STEARNS. No; any bank or trust company. It is all smeared up and you can't make it out very well. It is not very clear.

There is a notation here on the worksheet, the "Day Trust Co.," with the bank serial number, 51–86, I think it is.

Mr. DEWIND. Did Mr. Grunewald give you any further identification as to the identity of the Owen Brewster involved in this transaction?

Mr. STEARNS. No. He told me he received in all $12,500, and he paid back $12,500.

Mr. DEWIND. From whom?

Mr. STEARNS. From Brewster. He never told me that——

Mr. DEWIND. But did he identify him?

Mr. STEARNS. No; he didn't identify him.

Mr. DEWIND. Did he identify who the Owen Brewster was?

Mr. STEARNS. No, he didn't tell me it was Senator Brewster. He merely said Brewster. It never occurred to me it might be Senator Brewster.

Mr. DEWIND. Have you been able to identify the bank through which that check cleared?

Mr. STEARNS. It says "Day Trust Co."

Mr. DEWIND. D-a-y?

Mr. STEARNS. D-a-y, that is right; the serial number is 51–86.

Mr. DEWIND. Can you make out or does it state the location of the bank through which it cleared?

Mr. STEARNS. That seems to be smeared up somewhat. I can't make it out very well.

Mr. DEWIND. Have you got any further way of identifying the persons involved in this transaction and what the transaction is all about?

Mr. STEARNS. No, sir. I think I made a notation in my own work papers, something about $12,500, and I said, "Clears through Brewster."

Mr. DEWIND. How can it be $12,500? The incoming check that was deposited in May was $10,000; is that right?

Mr. STEARNS. I am trusting to memory now. I would have to see my work papers.

Mr. DEWIND. The deposit slip shows $10,000.

Mr. STEARNS. That is right.

Mr. DEWIND. Then you find that there were cash deposits in August, 3 cash deposits totaling $10,000, but you find no checks drawn against those deposits, that is, no checks to Owen Brewster in August or September, but you do find a $2,500 check on October 19 drawn to the order of Owen Brewster by Henry Grunewald.

Mr. STEARNS. Let me see. There are listed here 3 items which he explained to me, August 7 and August 21, which total $10,000, as exchange of $10,000. I recall it might have been exchanges with Brewster.

Mr. DEWIND. Is that what Mr. Grunewald said?

Mr. STEARNS. It is my understanding that that is his explanation of that; that is right.

Mr. DEWIND. What is the $2,500 check in October of 1950?

Mr. STEARNS. A check that he paid out. That is part of the $12,500, as I remember it, altogether.

Mr. DEWIND. Are you able to show any other amounts coming in, the $10,000, in the Brewster exchange?

Mr. STEARNS. No, sir.

Mr. DEWIND. Are you quite clear in your recollection that Mr. Grunewald identified the August cash deposits as amounts that he intended to use in the exchange transaction?

Mr. STEARNS. I have them marked here "Exchange" and crossed out $10,000, and that is all——

Mr. DEWIND. In order to pin that down, do yon not have to find withdrawals in the form of either checks to Owen Brewster or at least checks to cash which might have been cashed and the money turned over?

Mr. STEARNS. That is what might have been.

Mr. DEWIND. Were there any checks, whether drawn to the order of Owen Brewster or to cash or in any other way, in the sum of $10,000 after August 21?

Mr. STEARNS. Here is an item here. August 16, Liberty National Bank, $6,500.

Mr. DEWIND. I beg your pardon?

Mr. STEARNS. For instance, here is an item. August 16, $6,500 to Liberty National Bank, and then it says "Bank statement notation, Br."

Mr. DEWIND. Is that a deposit in the Grunewald account?

Mr. STEARNS. No; that is a check issued by Grunewald.

Mr. DEWIND. A check issued by Grunewald on August 6?

Mr. STEARNS. On August 16.

Mr. DEWIND. August 16.

Mr. STEARNS. At least cleared through the bank then; $6,500 Liberty National Bank. It says "Bank statement notation, Br." That means on the bank statement which we received from Munsey, someone put a notation next to it, "Br." That I think is the Brewster check.

Mr. DEWIND. What is the Liberty National?

Mr. STEARNS. I don't know. That is just a notation.

Mr. DEWIND. Was the check drawn——

Mr. STEARNS. It says check drawn to order Liberty National Bank, the payee, $6,500. Then on the Munsey statement showing the check canceling through the bank is "Br." written next to it, which meant Brewster.

Mr. DEWIND. Was that in your handwriting?

Mr. STEARNS. No; I don't think so, because this notation is in the agent's handwriting, and it says "Bank statement notation, Br.".

Mr. DEWIND. That was not a check to the order of Owen Brewster?

Mr. STEARNS. No.

Mr. DEWIND. But a check to the order of Liberty National Bank?

Mr. STEARNS. It says payee; yes, sir.

Mr. DEWIND. Where is the Liberty National Bank?

Mr. STEARNS. At 15th and I Streets.

Mr. DEWIND. In Washington, D. C.?

Mr. STEARNS. Yes, sir.

Mr. DEWIND. Leaving that for the moment, Mr. Stearns, you were running through these worksheets for 1950, and you had gotten down as far as May 9 when we got into this transaction.

Mr. STEARNS. May 12 there is a deposit of a check, $4,063.50. That is from the Marsh estate.

June 1 there is a check for $300. That as I explained before was made payable to Mr. Grunewald, and he paid his check to Mr. Burke.

Mr. DEWIND. What was the name on that, Mr. Stearns?

Mr. STEARNS. June 1, $300.

Mr. O'BRIEN. I can't hear you. I am interested in this.

Mr. STEARNS. There is a notation on the slip here, "Commission"—or "C-o-m-m."—"to C. Burke from D. Dahl."

That check was made payable to Mr. Grunewald, and I told him to deposit that check and give Mr. Burke his own check to keep the record straight.

Mr. DEWIND. Do you know what that transaction was?

Mr. STEARNS. No. He told me it was given to him for a check. I said, "The check was made payable to you, so you put it in and gave Burke your own check."

Mr. DEWIND. Is Mr. Burke an employee of Mr. Grunewald's?

Mr. STEARNS. C. Burke.

Mr. DEWIND. He is a chauffeur?

Mr. STEARNS. I think he is, that is right.

Mr. DEWIND. He is Mr. Grunewald's chauffeur so far as you know?

Mr. STEARNS. That is right.

June 9 there is a deposit of cash, $1,000.

June 14 there was a cash deposit of $1,250.

June 22 there is a cash deposit of $500, and with the notation, "Redeposited, check withdrawn."

Cash for $3,000 withdrawn June 21, 1950. That was a redeposit. In other words, he took out $3,000 from the bank and then put back $500.

June 27 there is a deposit of cash $3,500. On the back of it there is a notation to me: "Henry withdrew two checks covering this deposit: $2,500 income tax, $1,000 hotel. E. A. M." That must have been Eddie Martin.

Mr. DEWIND. I couldn't hear that, Mr. Stearns.

Mr. STEARNS. On this deposit slip here, June 27, there is a $3,500 cash deposit, and attached to the deposit slip is a statement made out to me. It says, "Henry withdrew two checks covering this deposit: $2,500 income tax, and $1,000 hotel. E. A. M."

Mr. DEWIND. Who is "E. A. M."?

Mr. STEARNS. I suppose it is Eddie Martin.

Mr. DEWIND. Is that an attorney for Mr. Grunewald?

Mr. STEARNS. That is right. He was his attorney at one time. I think he still is. I don't know.

On July 6 there was a deposit of a check for $300, Dahl's check for Burke, the same thing as before, $300 again.

On July 21 there was a deposit, $1,000 cash, and it was marked "Exchange," some check. I have a notation here "Redeposit for check issued June 9, for $1,000."

August 7, here is a deposit ticket. I don't have the deposit ticket, but there is a deposit ticket for $3,500. August 21, $1,500, and August 21 again, $500.

Mr. DEWIND. Are those cash deposits?

Mr. STEARNS. They were cash deposits, yes.

Mr. DEWIND. $10,000 of cash deposits?

Mr. STEARNS. That is right. That was marked "Exchange out," that is, exchange out $10,000.

Mr. DEWIND. That notation of "Exchange out" is something you got from Mr. Grunewald at the end of the year?

Mr. STEARNS. Yes, sir.

Mr. DEWIND. After you had worked up the worksheets?

Mr. STEARNS. Yes; that is right.

Here is a deposit ticket, "Br." and checks as follows: $5,000 and $1,500.

Mr. DEWIND. What is the date on this one?

Mr. STEARNS. Wait a minute. This is August 14, but I have here August 21 for some reason on my worksheet, yet the deposit ticket here shows a $6,500 deposit on August 14.

Mr. DEWIND. Is there a check of Owen Brewster?

Mr. STEARNS. It says just $5,000 check and a $1,500 check and it is marked "Br." next to it.

Mr. DEWIND. In whose handwriting is "Br."? Can you tell?

Mr. STEARNS. I think that is my handwriting. It looks like my handwriting. He must have told me that.

Mr. DEWIND. Are those two items cash deposits?

Mr. STEARNS. No; they are check deposits.

Mr. DEWIND. Two checks were deposited?

Mr. STEARNS. I listed the checks. They are not shown in the cash column here.

Mr. DEWIND. There were 2 checks deposited on August 14; 1 for $6,500?

Mr. STEARNS. No; 1 for $5,000 and and 1 for $1,500.

Mr. DEWIND. Totaling $6,500?

Mr. STEARNS. That is right.

Mr. DEWIND. Can you identify those as being checks of Owen Brewster?

Mr. STEARNS. I can't identify them; no. I have them listed down here. I didn't know what they were. Later on this was shown to me, this deposit ticket.

August 28 there is a deposit of $2,500 in cash, and I have a shorthand note down here marked "borrowed." That is what he must have told me.

Mr. KEAN. What is that?

Mr. STEARNS. A shorthand notation, marked "borrowed," b-o-r-r-o-w-e-d.

September 12 there was a $1,000 cash deposit.

September 15 there was a cash deposit of $1,250.

September 25 there was a cash deposit of $500, a notation on this slip, "In re Democratic National Committee."

October 2 there was a deposit in cash of $5,080.

October 5 there is a deposit in cash of $4,600.

I have a notation of $1,000 for which we cannot find the slip. That was taken from the bank statement, no doubt.

On October 19 I have a $2,500 deposit, exchange check. There was a check for $2,5000, and at the bottom is the notation, "Exchange check, Stern to B, $2,500."

Mr. DEWIND. In whose handwriting is that exchange check?

Mr. STEARNS. Mr. Grunewald's handwriting.

Mr. DEWIND. That is the only identification there is?

Mr. STEARNS. That is right.

This is the one I think you handed me separately.

Mr. DEWIND. That is the October——

Mr. STEARNS. That is right, that is the October 19 check.

Mr. DEWIND. Just a moment. What is this you are holding up there?

Mr. STEARNS. On the back of it here is an account which says: "Dakota National Bank, Fargo, N. Dak. Henry Grunewald credit account, William Stern (?) (you), $100 sight check."

Mr. DEWIND. May I see that, please?

Mr. Chairman, this is a photostatic copy of a statement furnished by the Munsey Trust Co., Munsey Building, Washington, D. C. It has at the top No. A-72378, and then it says, "Dakota National Bank, Fargo, N. Dak. Owner: Henry Grunewald, credit account." Then down below, "Date received October 1950, payer, William Stern (?) (you)." Then below that is says "No protest, please remit, airmail, amount $2,500. Due, sight. Documents, check. Your number or date, 10-19-50." Then it is stamped, "Disposition: The item hereon described is October 25, 1950, paid and credited." Down in the lower righthand corner it says, "$2,500 net amount."

That is attached to a deposit slip on the Munsey Trust Co. dated October 19, 1950, for $2,500 on which there is written "B exchange," which Mr. Stearns identified as Mr. Grunewald's handwriting, and below that it says, "Exchange check, Stern to B, $2,500."

Mr. STEARNS. That might have been for my information.

Mr. BYRNES. Does anybody know who Stern is?

Mr DEWIND. Can you identify Mr. Stern?

Mr. STEARNS. Other than it might have meant me.

Mr. BYRNES. Will somebody explain that last transaction?

Mr. DEWIND. I am not able to explain it, Mr. Byrnes.

Mr. BYRNES. Can the witness explain it at all?

Mr. STEARNS. Let me say, here is what the record shows. On October 19 there was a deposit made of $2,500, and that was for a check or a draft which must—I think it was made by the Munsey Trust Co. on the Dakota National Bank from Fargo, N. Dak., for Mr. Grunewald's credit. That is what this looks like to me.

Mr. KEAN. A draft on the bank?

Mr. STEARNS. Yes, sir. Here it says: "Dakota National Bank, Fargo, N. Dak., Owner: Henry Grunewald, credit account, date received Munsey Trust Co., October 19, 1950." and the "payer, William Stern, to Mr. Grunewald for $2,500 on sight." Then with the rubber stamp of the bank, "The item herein described is paid and credited October 25, 1950."

Mr. BYRNES. Did Mr. Grunewald have an account in the Dakota bank?

Mr. STEARNS. No; I don't think so. I never knew of it. It looks like a sight draft on the bank in North Dakota to Mr. Grunewald's credit.

Mr. BYRNES. Yes. But it would be an order on the bank in Dakota to pay out of their funds.

Mr. STEARNS. To Mr. Grunewald.

Mr. BYRNES. To Mr. Grunewald.

Mr. STEARNS. That is right, and Munsey collected the account for Mr. Grunewald and deposited it in Mr. Grunewald's account.

Mr. DEWIND. Do you have any further information concerning this transaction?

Mr. STEARNS. No; just what you have here. That is all I know.

Mr. DEWIND. You don't know what was involved, what was the reason for it?

Mr. STEARNS. No, sir.

Mr. BYRNES. Wouldn't it appear from that that Mr. Grunewald had some funds or amounts due him from the Dakota bank?

Mr. STEARNS. I would think so.

Mr. BYRNES. You don't know, to your knowledge at least, of any account that Mr. Grunewald maintained at that bank?

Mr. STEARNS. I don't think he did. I don't know that he had an account there.

Mr. BYRNES. You cannot very well draw a draft on a bank that you don't have any funds in, can you, and have it clear and get money as a result of the draft?

Mr. STEARNS. I never heard of any account that he had there.

Mr. BYRNES. If he did not have an account they would not honor it.

Mr. STEARNS. I don't know why they would honor it. There was a collection account. They credit Mr. Grunewald's account. That is all I can explain to you.

Mr. BYRNES. The explanation would be that he had funds in the North Dakota bank or at least had a credit.

Mr. STEARNS. He might have had a credit. He had no funds in it, I am almost certain about that.

Mr. BYRNES. Could they have had an item out there for collection——

Mr. STEARNS. No, sir; not that I know of.

Mr. BYRNES. For Mr. Grunewald?

Mr. STEARNS. I don't know how this originated or what the purpose of it is.

Mr. BYRNES. You never got any explanation from Mr. Grunewald as to that transaction?

Mr. STEARNS. Outside of the fact that this was part of that $12,500 exchange of checks.

Mr. BYRNES. The Brewster transaction?

Mr. STEARNS. Yes, sir.

Chairman KING. Mr. Stearns, you knew nothing about this transaction for him to explain, or you to inquire, how a bank in the State of North Dakota would be in the transaction? Was it the usual thing for transactions of Mr. Gruenwald to entail financial institutions——

Mr. STEARNS. It is not usual; no sir. When I asked him, he said it was merely an exchange of funds. That was his explanation to me.

Chairman KING. That is as far as you pursued it?

Mr. STEARNS. That is right.

Chairman KING. Have you any knowledge of other transactions of Mr. Gruenwald which entailed——

Mr. STEARNS. The record doesn't show any.

Mr. KEAN. He had a home in Miami, and he had a home in Spring Lake. As far as you know, he had no bank account in either of those places?

Mr. STEARNS. I will accept his word for that because I have known him for 30 years, and I have never known him to be a liar.

Mr. KEAN. He didn't tell you?

Mr. STEARNS. I never knew him to be a liar. I have known him for over 30 years.

Chairman KING. He either told the truth or he did not talk; is that it?

Mr. STEARNS. That might be it.

Mr. BYRNES. In that connection he told you that he made all this 90 percent and 100 percent at times of his income for a whole year at gambling. Do you believe that they were horse-race winnings?

Mr. STEARNS. When I asked him if he had been winning for several years and I didn't believe him, at the same time I didn't tell him that I believed him, but I said, "I will have to report it." All I was concerned about was to get it on the return; that is all.

Mr. BYRNES. I mean, as far as his honesty and integrity is concerned, did you believe that that was where he made, for instance, over $100,000?

Mr. STEARNS. It is a lot of money to make, but that was his explanation to me of those things. He never lied to me about anything with regard to his financial matters. I was never concerned about how he made the money or just where it came from as long as we got it in the return; that is all.

Mr. BYRNES. I would like to get your impression as to whether or not you believed that Mr. Grunewald was stating the facts when he told you that this $100,000, for instance, over $100,000, that he made in this 1 year recently, was income from gambling and horse racing?

Mr. STEARNS. You say do I believe it?

Mr. BYRNES. Yes.

Mr. STEARNS. It is pretty hard to believe; I tell you the truth.

Mr. BYRNES. That is the way it occurs to me, too.

Chairman KING. The committee will recess for 5 minutes.

(Brief recess.)

Chairman KING. The committee will come to order.

Mr. BYRNES. There is one more thing, Mr. Stearns, I would like to go back to, and that is the so-called draft or memorandum on the North Dakota bank. This in itself is not in the form of a legal instrument, is it, such as a draft or a promissory note or order?

Mr. STEARNS. Here it says "Please remit, air mail."

Mr. BYRNES. Isn't it more in the form of a memorandum that probably accompany a draft?

Mr. STEARNS. I couldn't answer that, but——

Mr. BYRNES. It is not a draft in and of itself.

Mr. STEARNS. No, sir.

Mr. BYRNES. There is no order to anybody or to anybody.

Mr. STEARNS. That is right.

Mr. BYRNES. It is more likely to be some kind of a bank form——

Mr. STEARNS. That is right.

Mr. BYRNES. That they use either to accompany a draft or to put into their files showing information that was on a draft that was sent out.

Mr. STEARNS. That might be; yes, sir.

Mr. BYRNES. So there is no way that you can determine from that exactly on whom the draft was drawn nor to whose credit it was drawn or against whose credit it was drawn?

Mr. STEARNS. That is right.

Mr. BYRNES. All we know is that there are those various names, such as Sterns.

Mr. STEARNS. Not me.

Mr. BYRNES. That is not you?

Mr. STEARNS. No, no.

Mr. BYRNES. You do not know what Stern it is?

Mr. STEARNS. It is William Stern, a banker in Fargo, N. Dak.

Mr. BYRNES. What?

Mr. STEARNS. It is William Stern, a banker, of Fargo, N. Dak.

Mr. BYRNES. William Stern is an individual?

Mr. STEARNS. No; he is a banker in Fargo, N. Dak.

Mr. BYRNES. He is a banker?

Mr. STEARNS. Yes, sir.

Mr. BYRNES. And it is the same bank?

Mr. STEARNS. The Dakota Bank, at Fargo, N. Dak.

Mr. BYRNES. He is an officer of that bank?

Mr. STEARNS. He is president of the bank.

Mr. BYRNES. I see. We do know from that and from the deposit slip that apparently that had something to do with the $2,500 deposit that was made to Mr. Grunewald's account in the Munsey Bank in Washington.

Mr. STEARNS. That is right.

Mr. BYRNES. Mr. Grunewald told you that it had something to do with a Brewster transaction?

Mr. STEARNS. That is right.

(Senator Brewster entered the room.)

Chairman KING. You may be excused temporarily, Mr. Stearns. Will you remain about?

Will you come forward, Senator Brewster, please?

Will you be sworn, sir? Do you solemnly swear that the testimony you will give will be the truth, the whole truth, and nothing but the truth, so help you God?

Senator BREWSTER. I do.

TESTIMONY OF HON. OWEN BREWSTER, UNITED STATES SENATOR FROM THE STATE OF MAINE

Chairman KING. Be seated, Senator. You know, of course, that in the course of the testimony today your name has been brought in involving financial matters. That is all. You may proceed, Mr. Counsel.

Senator BREWSTER. I want to express my appreciation to you for affording me the courtesy of so prompt a hearing. Your counsel, Mr. DeWind, called me some weeks ago, and I explained to him about this transaction about which he apparently was then informed, and told him that I would be very happy to make myself available to the committee at any time for any discussion of it which was desired. So I appreciate your courtesy in hearing me so promptly, so there may be no misunderstanding regarding the circumstances of this case.

Mr. DEWIND. Senator, do you wish to make a statement concerning this?

Senator BREWSTER. I do not know precisely what has been brought out here. I understand there is a question of some checks.

Mr. DEWIND. Yes, the subcommittee has been examining Mr. Stearns with respect to finance transactions with Mr. Grunewald as to which we could get no information from Mr. Grunewald himself. In the course of that, in going through various items, Mr. Stearns has referred to a $10,000 deposit made in May of 1950 which is identified in his record as the Brewster deposit. He said he could not identify it beyond that.

Senator BREWSTER. Yes, sir.

Mr. DEWIND. He then identified a check, photostatic copy of a check dated October 19, 1950, in the amount of $2,500 drawn to the order of Owen Brewster.

Senator BREWSTER. Yes?

Mr. DEWIND. And he said he knew nothing more about that check. Then there were some other entries in his work papers indicating cash deposits in Grunewald's bank account and check deposits which he was unable to identify as to the source of the deposit except that one of the deposit slips was marked "Br" which he said indicated Brewster.

Senator BREWSTER. Do you remember the date of that?

Mr. DEWIND. Yes; they were in August. On August 14, 1950, Mr. Stearns has said there were 2 deposits, 2 checks deposited, 1 in the amount of $5,000 and 1 in the amount of $1,500, and on the deposit slip is written "Br." Then there are 3 cash deposits made in August, during the month of August 3 different cash deposits totaling $10,000, which he said Mr. Grunewald told him were part of a Brewster exchange transaction.

Senator BREWSTER. I am not familiar with all of these. I have the records of this $10,000 item of which you speak, which is covered by my check of May 8, 1950, I believe.

Mr. DEWIND. Would it be helpful to you, Senator, to describe all financial transactions you have made?

Senator BREWSTER. Yes; perhaps that would be the best way of clearing it up.

I would like in justice to Mr. Grunewald to exempt him from any degree of responsibility and culpability so far as these transactions are concerned, as they were made entirely at my own request, and in a matter in which Mr. Grunewald had no interest whatsoever. The circumstances were that I was chairman of the Republican senatorial campaign committee, and two of the candidates in that were more concerned with the primaries than they were with their elections. They besieged me, as it was customary for us to provide $5,000 for candidates, to see if they couldn't get some assistance in advance of their being actually nominated. That was not allowed under the practices and the rules of our committee. We had taken a very firm vote that we would not do that kind of thing, to advance money to candidates in the primary before the election. These two men were ones for whom we had high regard. Under the circumstances of the case I took the perhaps somewhat unusual procedure of intervening myself, personally. I went to my bank. I borrowed $10,000 with the assistance of Mrs. Brewster's endorsement, which was required to make me a good credit risk, at the Liberty National Bank here, where I do my banking. I took the $10,000 and I gave $5,000 to each of these candidates. I did not want to do it directly myself because I was then chairman of the committee, and I thought it might lead to even more misunderstanding. I had known Mr. Grunewald for a good while. I have understood that he was more or less a Democrat, although he, I think, gave one contribution of a thousand dollars to a Republican candidate. That is the only other transaction I believe I have had with him of a financial nature. For one of the candidates in that election he made a contribution of a thousand dollars, and I think the check ran to me, as I recall it.

So I spoke to Mr. Grunewald and asked him whether he would arrange as a conduit for the transaction. I gave him the $10,000. He made out two checks for $5,000 each to these two individuals or to their campaign committees, and in the course of time, for which I was profoundly grateful, they were nominated. If they had not been I might have been in a little difficulty myself. But having been duly nominated they were then entitled to the $5,000 grant from the committee which was duly made and they repaid me the money which they had thus received. I don't think all the money came through Mr. Grunewald. I think some of it was made direct, as I recall it. I haven't the records of all that transaction here. I think some of it was made direct so that the note was taken care of. I think the October 19 date was probably about the time when the thing was cleaned up. I know there was some in August. I can't be sure about all the details of just how the money was repaid, but I got it all back.

There was this other transaction, I think $1,000 that Mr. Grunewald contributed for one candidate in the election of the Republican ticket.

Mr. DEWIND. Did you say, Senator, that you had the details of the transaction with you?

Senator BREWSTER. I have some of them. I haven't all of it. I have the check here which I gave Mr. Grunewald for $10,000. I have copies of the two checks which Mr. Grunewald made to the two individuals who were the ones to handle the funds, and I have the dates, I believe, of some of the repayments. My record shows $1,500 on August 3, $2,000 on August 7, and $6,500 on August 16.

Mr. DEWIND. Can you identify from your records where these repayments came from?

Senator BREWSTER. No; I couldn't. I don't think I have all of the information on that in the records which I had. I think some of them came through Grunewald, and I think some of them came direct by checks from the people rather than through Grunewald.

Mr. DEWIND. The three items you mentioned, Senator, I am not sure I got them right. There were $1,500, $2,000, and $6,500; is that right?

Senator BREWSTER. That makes the $10,000; yes.

Mr. DEWIND. That makes the $10,000.

Senator BREWSTER. Some of that may not have all been in the course of these requirements. I mean I didn't care to have a note outstanding, and I think I retired it as promptly as I could, so I don't know that all of those came for repayments in this transaction.

Mr. DEWIND. Have you got the dates of those repayments?

Senator BREWSTER. I have the dates here, which show August 3, $1,500; August 7, $2,000; and August 16, $6,500.

Mr. DEWIND. Mr. Stearns' testimony I think was that on August 14 there was deposited in the Grunewald account $6,500.

Senator BREWSTER. That may be the August 16 that I have, that I made the repayment of $6,500 on the note on that date.

Mr. DEWIND. Then there was a check to your order drawn on October 19, 1950, in the amount of $2,500. Does that relate to this same transaction?

Senator BREWSTER. I think that was probably belated payment. I think I probably retired the note to get it out of the way so my wife wouldn't be in my hair, and that he later repaid that. I think that is probably the way it came through.

Mr. DEWIND. Mr. Stearns has identified from his work sheets deposits in the Grunewald bank account on August 7 of $3,500; August 21, $1,500; August 21, $5,000; adding up to $10,000, as having related to this $10,000 exchange transaction. That all took place in August. Then the October 19, 1950, check of $2,500 might at least appear to bring the total to $12,500, and Mr. Stearns stated it was his recollection there was $12,500 involved.

Senator BREWSTER. No; I am very positive there was not. Would you give me those dates in August again?

Mr. DEWIND. The dates of the deposit in the Grunewald account were August 7, $3,500; August 21, $1,500; and August 21, $5,000.

Senator BREWSTER. On those last two I do not understand the 21st, because I made this payment of $6,500 on August 16.

Mr. DEWIND. The deposit slip Mr. Stearns had on those for August 21 I think he said was dated August 14. I don't know why it is here as August 21.

Senator BREWSTER. I think it is because they didn't clear them through. I found they sometimes take some time to clear them through if the check is on out-of-town banks, and things of that character. They probably don't credit them. I think that probably explains it.

Mr. DEWIND. The deposit on August 14 of two checks totaling $6,500?

Senator BREWSTER. That probably ties with my payment of $6,500 on August 16.

Mr. DEWIND. The August 7 deposit of $3,500—does that tie in?

Senator BREWSTER. There I have $1,500 on August 3 and $2,000 on August 7. That would be $3,500.

Mr. DEWIND. That would indicate the entire $10,000 came from Mr. Grunewald.

Senator BREWSTER. Yes. I am not quite clear about that. It may well be that it was, that they made the checks through that way. I would have recalled that it was different. I don't understand this October 19, 1950——

Mr. DEWIND. In connection with that item there is attached to the deposit slip, which is dated October 19, a communication between the Munsey Trust Co. and the Dakota National Bank of Fargo, N. Dak., "Owner Henry Grunewald, credit account." It shows "William Stern (?) (you), $2,500 due on sight, check, October 19, 1950," "The item hereon described is Oct. 25, 1950, paid and credited."

Senator BREWSTER. I think that is very clearly the one because William Stern was one of those who was a participant in this transaction.

Mr. DEWIND. You mean he was one of the candidates?

Senator BREWSTER. No. He was one of the campaign managers. He was the one to whom the original check ran for $5,000. That ties with the October 19 and also with the payments to the candidate for the amount. I don't understand these other items unless there is also a $1,000 item there

of the other candidate for whom he made a contribution.

Mr. DEWIND. Would it be a possibility that Mr. Grunewald had advanced you the $2,500 in August to complete the $10,000 payment and then awaited this payment to reimburse himself?

Senator BREWSTER. Either he did or I advanced it myself, but I don't recall his ever doing any such thing. I have no recollection of it. I had the impression that I had some money which I paid on this note before the repayment arrived. That was my recollection, and that would seem to be confirmed by this. What his records show I don't know, and I don't understand.

Mr. BYRNES. What note are you talking about, Mr. Senator?

Senator BREWSTER. My own note for $10,000 to the Liberty Bank——

Mr. BYRNES. I see.

Senator BREWSTER. Which I put in there to get this $10,000 and which I asked Mr. Grunewald to transmit for me.

Mr. BYRNES. I see.

Mr. DEWIND. Mr. Stearns testified to a check drawn on the Grunewald account to the order of the Liberty National Bank.

Senator BREWSTER. That is another Stearns, I understand.

Mr. DEWIND. Yes.

Senator BREWSTER. I do not want to confuse the two gentlemen. I have never seen this Mr. Stearns before.

Mr. DEWIND. Mr. Stearns, can you recall the amount of that check drawn on the National Liberty Bank and the date on it?

Mr. STEARNS. If you will give me that work sheet.

Senator BREWSTER. I think that is clear. The item which he point out to me now is the item of—he shows it as August 16, which conforms with my records of $6,500 to the Liberty National Bank—the bank statement notation, "Br." That would correspond with my own notation as to the payment on this note at that time, $6,500 on August 16.

Mr. DEWIND. Was that amount paid by check that Mr. Grunewald drew directly to the Liberty National?

Senator BREWSTER. According to his record that would be so. I asked the bank about the payments on the note and they showed me that that was the date on which this was paid. What I want to see are these other items which didn't seem to check in the statements which you made. That item, I think, is clear.

Mr. DEWIND. That would indicate that the two deposits of $5,000 and $1,500 were used to pay Liberty National Bank.

Senator BREWSTER. That is right.

Mr. DEWIND. That leaves the $3,500 deposit made on August 7.

Senator BREWSTER. What were those? Were those his checks?

I gather from what he shows here that according to his records the entire $10,000 was paid out, was paid back on these two dates, August 7, as he shows, August 21, although the other record shows August 16. That was the date the bank actually endorsed money on the note. This October 19 seems to be an entirely distinct transaction. He said it was from Bill Stern to Henry Grunewald. Apparently Henry—Mr. Grunewald—had previously paid me that money. I don't think I realized that he had put it in himself. I didn't know that such a thing had occurred. I should want to check a little further, but according to these records that was apparently what happened. It certainly was not a second $2,500 for me above the $10,000.

Mr. DEWIND. Let's see. That explains $2,500 out of $3,500. Mr. Grunewald put up $3,500 of his own funds at that time to make the repayment to Senator Brewster; is that right, Mr. Stearns?

Mr. STEARNS. There were three deposits—August 7, of $3,500, August 21 of $1,500, and August 21 of $5,000.

Mr. DEWIND. In regard to the deposits on August 21, were those cash deposits?

Senator BREWSTER. I don't think so.

Mr. STEARNS. I am not certain, because I got this from the bank statement.

Mr. DEWIND. I thought you identified them as check deposits?

Mr. STEARNS. They were.

Mr. DEWIND. Those would be checks of these candidates or their campaign managers?

Senator BREWSTER. Yes.

Mr. DEWIND. There is the $3,500 cash deposit.

Mr. STEARNS. That might have been cash; I am not certain, because I didn't see—do you have a deposit ticket there?

Mr. DEWIND. Possibly so.

Senator BREWSTER. Those would be on Mr. Grunewald's account. It would not affect the transaction at the Liberty Bank. My records would not clarify this other later transaction. It doesn't, apparently, as far as I see, have any relation, except the fact it was a check of William Stern, who was one of the parties in it, according to his record. Whether that had been a matter which I had taken care of earlier out of my own funds and then repaid it, I am not clear.

Mr. DEWIND. Perhaps this would clarify the situation: On the deposit slip covering this $2,500 item, it is marked "B exchange," which Mr. Stearns said referred to Senator Brewster, and it says, "Exchange check, Stern to B, $2,500."

Senator BREWSTER. I don't know. I should have to look in the records further. My only explanation would be that I had paid this money on these accounts. I am very positive there was never any advance by Grunewald in connection with a transaction, because there was no reason why he should. He was not involved in any way. I had known him for some time about town here and through mutual friends. That was the reason for my requesting him to assist in this transaction.

Mr. DEWIND. Might I ask why you believe Mr. Grunewald would be available for this sort of a transaction as a person you could rely on for it?

Senator BREWSTER. I had every reason to have complete confidence in him. I had known him originally through Mr. Marsh, who was his benefactor, and with whom he was formerly associated. Mr. Marsh was a man I had never met, but who had contributed at various times to the campaign funds. Later I met Mr. Grunewald. He was apparently well known to Members on both sides of the Chamber. I think the one who originally spoke highly of him to me was Vice President Barkley, who has also known him and thought well of him, as well as Senator HOLLAND, of Florida, who was the attorney for Mr. Marsh and the executor of the estate. He also had spoken to me of Mr. Grunewald and his high regard for him. So I had every reason to believe he was highly reliable as far as the financial transactions were concerned. I might have picked most anybody else. Perhaps it wasn't a happy selection, but I still have confidence in Mr. Grunewald's financial responsibility.

Mr. DEWIND. Was this hight regard for Mr. Grunewald in some business capacity of his, that is——

Senator BREWSTER. No. I had known him only as I know many other people about Washington. He had taken an interest in things around here, and apparently was quite well known to many Members on the Hill.

Mr. DEWIND. In what business is he known to be engaged?

Senator BREWSTER. I have never had any transactions of any character, other than this one.

Mr. DEWIND. His reputation around the Hill was not based on any particular business activity?

Senator BREWSTER. No. He never intervened in any matters with which I was familiar. I think he had hoped he might be able to get a job for a chauffeur, but a Republican doesn't rate that much on the Hill at this time, so I wouldn't be able to do it.

Mr. DEWIND. It has been stated Mr. Grunewald has served as an investigator, or engaged in the business of investigations. Was that known?

Senator BREWSTER. I have understood that he was formerly with the FBI or in some associated activity, and served in the armed services and had done work of a confidential character for Mr. Marsh over a period of many years.

Mr. DEWIND. Mr. Grunewald has declined to answer any questions of this subcommittee. The committee is trying to find out the answers to some questions about his activities.

Was this the first transaction you had ever had with him of any business or financial sort?

Senator BREWSTER. Yes.

Mr. DEWIND. And I gather from what you say, the only one?

Senator BREWSTER. As I said, I think he gave me $1,000 to give to a senatorial candidate in that campaign, which I transmitted, and I think the man duly reported it as having received $1,000 from Henry Grunewald. That is the only other transaction of which I know, which I now recall. I think that is correct.

Mr. DEWIND. As I understand it, your selection of Mr. Grunewald for this particular transaction was based not on your prior acquaintance with Mr. Grunewald, but on the reputation he had?

Senator BREWSTER. Well, it was a question of someone outside of the Republican ranks that wouldn't at any rate be associated with the Republican senatorial campaign committee, of which I was then chairman. I could have made the check myself direct, but I thought it would call in some question. I could have asked anybody else to do it, but I happened to ask him.

Mr. DEWIND. That indicates a degree of confidence which was based solely on what you had heard about him, and not your personal appraisal of him?

Senator BREWSTER. Only as I had seen him from time to time. I used to run in to him both in the corridors, occasionally, or I think he had been in my office perhaps 2 or 3 times a month, and then I wouldn't see him for a long time. He always took quite an interest in anything that was going on.

I had no reason to think he was not entirely reliable. I still have no reason to doubt that.

Mr. DEWIND. Can you identify, Senator, the matters in which Mr. Grunewald was interested, of which you had any knowledge, as a result of his visits to your office, or otherwise?

Senator BREWSTER. Well, it was simply, as far as I recall, general matters that were pending. He seemed to have an interest in political affairs. The only personal request that I recall he ever made was this matter about getting a job for a chauffeur, which I was not able to do anything about.

Mr. DEWIND. Based on this, Mr. Grunewald recommended himself to you as a discreet person for the conduct of this sort of transaction, which you wished to be confidential?

Senator BREWSTER. I didn't realize all that was involved, but if I wanted to get a man who had a capacity to keep his mouth shut, I think he was the one. I didn't realize he was that good.

Chairman KING. You did not go wrong there.

Senator BREWSTER. I apparently couldn't have placed my confidence in a better one in that respect, although there was nothing, to my knowledge, irregular about the transaction.

Mr. DEWIND. I did not mean to suggest that; it simply was a transaction requiring some discretion and discreet treatment.

Senator BREWSTER. That was right. That was the idea. I could have had one of the secretaries in my office do it, but I don't think that was advisable—for someone who was immediately associated with me.

Mr. DEWIND. Am I correct in concluding then that both from your personal contact with him, and what others have told you, he had been recommended as a person who could be asked to engage in transactions requiring discretion?

Senator BREWSTER. That is right. He was well spoken of.

Mr. O'BRIEN. Senator Brewster, who were the candidates that Grunewald was supposed to give the money to?

Senator BREWSTER. Senator NIXON in California and Senator YOUNG in North Dakota. He did give the money to their campaign representatives.

Mr. O'BRIEN. Did you instruct Mr. Grunewald as to how to advance these funds to these two candidates?

Senator BREWSTER. I think I just asked that he send the checks to them. I don't know whether he sent them or he gave me the checks and I sent them. I can't recall about that.

Mr. O'BRIEN. It was done by check?

Senator BREWSTER. They were by check, yes.

Mr. BYRNES. Checks to the individuals or to the campaign committee?

Senator BREWSTER. To their campaign representatives.

Mr. DEWIND. Senator, to your knowledge, did Mr. Grunewald frequently or generally hold himself out or actually engage in transactions involving a situation where he acted as confidential intermediary?

Senator BREWSTER. Not as far as I was concerned. As I said in opening, if there is any discredit in any way attached to this transaction, I want to assume full responsibility for it. I am sorry now I asked Mr. Grunewald as a friend to do this because, if it added in any degree to his embarrassment, I would not have. As I told counsel, Mr. DeWind, when he first called me up, I said I wanted to assume full responsibility for all that occurred, and also I would say the same thing about the Senators involved, as they, too, were in no way participants, except they asked me to see if I could arrange to get this money, which I did arrange, and which I gave to them.

They had nothing to do with the selection of Mr. Grunewald as the intermediary. Their campaign representatives simply were happy to accept the checks to take care of it, and they subsequently repaid them, in accordance with the understanding.

Mr. DEWIND. I was not referring to this particular transaction, but more generally whether Mr. Grunewald was known to be available as an intermediary in transactions involving discretion.

Senator BREWSTER. No. There was never any question of that. It was entirely my business. He did not show any reluctance. He apparently was glad to accommodate me in any request, but he certainly was not seeking an opportunity to add to the complications of his transactions.

Mr. DEWIND. Your decision to select him for the purpose was one you arrived at entirely by yourself?

Senator BREWSTER. Yes, indeed. He had no knowledge and he had nothing to do with the request in any way. I don't think he knew YOUNG or NIXON or knew anything about it, or had anything to do with the suggestion that perhaps it would be a good idea to get some money for them.

Mr. DEWIND. That is all, Mr. Chairman.

Mr. O'BRIEN. Senator, can I ask a question?

We have evidence in the record of the receipt by Mr. Grunewald of some $1,500 from Pan American Airways in 1950. Can you tell us anything about that transaction?

Senator BREWSTER. No, sir; I have no knowledge of it whatsoever.

Mr. O'BRIEN. During the time you were using Mr. Grunewald in these transactions——

Senator BREWSTER. I might add that I have paid the Pan American Airways some $15,000 or $20,000 for aerial transport, which is the only transacation I have ever had with them.

Mr. O'BRIEN. During the time you were using Mr. Grunewald in these transactions, wasn't his reputation brought into question by the Senate District Committee?

Senator BREWSTER. Would you repeat that?

Mr. O'BRIEN. During the time you were using Mr. Grunewald in these transactions, wasn't his reputation brought into question by the Senate District Committee?

Senator BREWSTER. Not to my recollection. This was in the summer of 1950. I think it was in 1951 the Senate District Committee had some queries of Mr. Grunewald, a year later.

Mr. O'BRIEN. Did you have a hard time finding Mr. Grunewald when you wanted him?

Senator BREWSTER. He, I believe, spent some time in Florida and some time in New Jersey. I have never seen him at either of those places. I have heard he was there occasionally, and had places there.

Mr. O'BRIEN. In 1950 the District Committee had a hard time finding him; is that a fact?

Senator BREWSTER. I didn't recall that, but it may be; I am not sure. I am very sure it hadn't happened at the time I turned this $10,000 check over to him, because I think certainly I would have paused about it. It may be later on during that summer there were some questions raised.

Chairman KING. Are there any further questions?

Mr. BYRNES. These payments to campaign committees, they were in the form of a loan rather than in the form of a contribution, as I understand it?

Senator BREWSTER. Well, it was in a somewhat nebulous state. I was uncertain what would happen if they didn't get nominated, because there would have been some problems about repayment then. I was advancing it out of my own personal funds. Naturally, I expected to be taken care of. If they had not been nominated, I don't know just what might have happened. That was where I stuck my neck out.

Mr. BYRNES. So the record might be clear——

Senator BREWSTER. There was no note.

Mr. BYRNES. I was wondering as to whether or not there was an understanding with the people to whom the check was sent.

Senator BREWSTER. There was no note.

Mr. BYRNES. As to whether it was considered an advancement or a loan or a contribution?

Senator BREWSTER. Well, there was no note or anything of that character. They understood the situation that I was raising money myself. I certainly would have wished to treat it as an advance, although I was conscious at the time if anything went wrong, why, it might be a troublesome question.

I took that much hazard for the sake of getting what we thought were two good Republican candidates for the Senate nominated. I was very grateful when they were elected. That seemed to vindicate my judgment.

Mr. BYRNES. Was the understanding, however, that at least if they were nominated that you would be reimbursed for this advancement?

Senator BREWSTER. Surely. That was the understanding, if they were nominated, that then they were entitled to a $5,000 grant from the campaign committee and they would use that money to repay me for the advance made. That was what actually happened. That was the way it worked out.

Mr. DEWIND. Do you happen to know how candidates who receive moneys of this sort are required to report them, if at all?

Senator BREWSTER. No. That rests with the laws of the several States. That was in a primary. I don't think we have any regulations in the Congress about primaries; so it rests with the law of the State involved. I do not know what that law is. I left that entirely to their campaign representatives.

Mr. DEWIND. In connection with Mr. Grunewald, at the time of these repayments, in August, did you see Mr. Grunewald yourself at that time?

Senator BREWSTER. I could not tell about that, whether he sent the checks or how it was handled.

Mr. DEWIND. Were you in touch with him by telephone, or did you otherwise speak to him at that time?

Senator BREWSTER. I could not say. I got these dates on the repayment, but I couldn't tell how I received them, whether he mailed them to me or what was the transaction.

Mr. DEWIND. Mr. Grunewald appeared before the Senate District Committee in September, as I recall, when the committee had been looking for him since July 1950. I wondered whether he had been available to see you in connection with these transactions in August. He testified before the Senate District Committee, as I recall, and the substance of this testimony was that he had been told by his doctor to take it easy from July on, and had not been aware of the fact that the Senate District Committee was looking for him.

Senator BREWSTER. I don't recall how these payments came about, except as I checked them at the bank on the payments on the note. I couldn't tell how I received them. Sometimes I would see Mr. Grunewald 2 or 3 times in a month. At other times I would not see him for 2 or 3 months.

Mr. DEWIND. Did you have any diary or record or any recollection that would establish for the committee as to whether Mr. Grunewald was around in July, August, or September?

Senator BREWSTER. No; I wouldn't. I was certainly around during that time. That was a rather busy period. I was available.

Mr. DEWIND. Senator, just one more question.

I believe you referred to a contribution that Grunewald himself made, a $1,000 contribution?

Senator BREWSTER. Yes, sir.

Mr. DEWIND. Do you know what campaign, what candidate received that?

Senator BREWSTER. I think that was for Joe Talbot, up in Connecticut. He was a candidate for the Senate. He was a former Congressman.

Mr. DEWIND. Was that in the 1950 election?

Senator BREWSTER. I think so. That was reported by Mr. Talbot. I forwarded it along to him and he reported it as received from Mr. Grunewald.

Mr. DEWIND. Senator, might I ask: Do you have any further information concerning any activities of Mr. Grunewald? You understand the difficulty the committee is faced with?

Senator BREWSTER. I have read a good deal about him in the paper, so I don't assume you would refer to that.

Mr. DEWIND. I meant matters that you personally knew about.

Senator BREWSTER. No; the things which have been going on—almost everything which has happened when he has seen me

has been talked about at various times. I wouldn't have any direct information regarding his activities outside of his contacts with me.

Mr. DEWIND. Do you know of any connection or transactions he may have had with Lieutenant Shimon, of the Washington Police Department?

Senator BREWSTER. No; I believe he was acquainted with him, but my only connection with Lieutenant Shimon, not involving Mr. Grunewald, was when I found that I was being shadowed by a character here in town. I reported it to one of my fellow Senators, Senator BRIDGES, who requested the police department to investigate.

Lieutenant Shimon came to my office and secured a description of the man, identified him, and later reported that he had found out that he was a rather well-known character about town. He showed me his FBI portrait and identified him, and told me we wouldn't hear any more from him. That was a matter that happened, and was rather explored at length a year or two ago.

Mr. DEWIND. You know of no connection Mr. Grunewald had with Lieutenant Shimon or any part in that transaction?

Senator BREWSTER. No; not as far as any of his connections with me were concerned.

Mr. DEWIND. I am not quite sure I understood that.

Senator BREWSTER. I said, as far as I was concerned.

Mr. DEWIND. You don't know of any connection Grunewald had with Shimon?

Senator BREWSTER. No. Shimon came to my office twice, and once before this and once afterward. Later I appeared before the grand jury and gave a complete statement of the situation, and subsequently two representatives of the District Attorney's office came to me and wanted to know if I would testify in a trial to convict this man of perjury, the man who had been shadowing me. I told them I would be glad to. I gave them the names of several responsible parties in this community who could verify my statements and trace the entire matter to its source.

I never heard anything more about the matter thereafter. If the reports I read were true, they would have uncovered a good many of the transactions which I think the Crime Committee is still interested in. The matter was dropped at that point.

Mr. DEWIND. That is all the questions I have.

Senator BREWSTER. I may add that I have this $2,500 item here from my correspondence, as it was apparently covered by two checks in October, the October 19 items, that I sent the $2,500 from the campaign committee out there to Mr. William Stern on October 17, which my records shows. Apparently these checks were endorsed over and I should judge from the record that it then came back and may have passed through Mr. Grunewald's account simply as a cash transaction, if it had already been paid, though my own recollection would be that I had made it myself. There is some complication in the thing, but I think that explains the October 19 transaction.

Mr. DEWIND. It was on October 19 that Mr. Grunewald sent you $2,500, or drew a check to your order for $2,500?

Senator BREWSTER. I don't know whether it was a check, but I find on October 17 I sent—Senator YOUNG sent me the two checks covering the $2,500.

Mr. DEWIND. This check for $2,500 drawn to your order on October 19 is endorsed "For deposit only, credit of Doris—Brewster, Doris Owen Brewster" or something like that, and below that "Dorothy Brewster."

Senator BREWSTER. Evidently the $2,500 checks which I referred to in this letter of Senator YOUNG on October 17 must have been endorsed to Henry Grunewald, though it had already been paid, so we gave the checks to him and he gave me his check in return.

You say that is made out to Dorothy Brewster?

Mr. DEWIND. Made out to your order and endorsed over by you.

Senator BREWSTER. She associated with me in the endorsement of the note. So I think that is what explains that October 19.

Mr. DEWIND. I was trying to tie it into the deposits that were deposited back in August, which totaled $10,000, as having been——

Senator BREWSTER. It was my recollection that I had put that money in myself and that Grunewald has subsequently paid this. His records would apparently indicate that he had paid it. In either event, I am certain it was only $10,000 altogether.

Mr. DEWIND. I guess the mystery persists, then. It would look as though even in October, having paid it in August, there is another $2,500 turned over to you by Mr. Grunewald in October.

Senator BREWSTER. The fact that Senator YOUNG forwarded me these checks for $2,500 at that time involved in this transaction leads me to think that record is correct. I think the record is more likely in that earlier $3,500 item. I think that is where a mistake, if any, has been made, either in their records or in mine.

Mr. DEWIND. You are inclined only to believe $7,500 was received by you in August and $2,500 in October?

Senator BREWSTER. Yes; or else this was simply a wash transaction, the $2,500 having been earlier paid, but I don't think that was the way it happened.

Mr. DEWIND. It doesn't seem to be so since this check was endorsed over by you to Mrs. Brewster.

Mr. KEAN. Mr. Chairman, as I understand it, when they went over these checks, the accountant went over these checks with Mr. Grunewald. Mr. Grunewald just picked out certain items which he said were refunds or exchanges. Knowing there would be an exchange of $2,500, he very well may have picked out a $2,500 item up in August and not the actual amount, but paid it back in October.

Senator BREWSTER. I think that probably happened. He saw these all together and thought that.

Mr. KEAN. And marked them "Br" or whatever he did.

Senator BREWSTER. I think that is probably what happened.

Thank you very much for giving me this opportunity to appear so promptly in the matter.

Chairman KING. You are welcome.

Mr. YOUNG. The pertinent part of these hearings having a direct bearing on the North Dakota controversy commences on page 2931 with the testimony of former Senator Owen Brewster. My purpose in inserting in the RECORD all of the hearing, however, is to make it possible for anyone interested in this controversy to have full and complete information on every detail.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks the report of the United States Special Committee To Investigate Political Activities, Lobbying, and Campaign Contributions, dated May 24, 1956.

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

Senator JOHN L. MCCLELLAN, chairman, and Senator STYLES BRIDGES, vice chairman of the Special Committee To Investigate Political Activities, Lobbying, and Campaign Contributions, announced today that the committee had heard testimony from Senator MILTON R. YOUNG, K. W. Simons, and R. C. Nathan in connection with the charge "YOUNG Sells Out Again," which was headlined in the February 9, 1956, issue of the Leader, a Bismarck, N. Dak., publication.

Mr. Simons and Mr. Nathan both testified in substance as follows:

(a) That they never made any charge that any vote made by Senator YOUNG on any measure was motivated by dishonest motives or improperly influenced and they emphasized the fact that at no time had they ever charged directly or indirectly that Senator YOUNG had accepted any bribe of any kind.

(b) That although the contents of the statement in the paper might lead one to infer that Senator YOUNG had accepted a bribe, the explanation made by them was that in North Dakota no such inference would be drawn by the average reader. They contended that the phrase "sold out" or "sell out" has been in common usage in North Dakota for many years and are merely loose expressions to indicate that the legislator voted the wrong way on a particular bill.

(c) That the Leader had a circulation of approximately 5,000; that it was issued twice monthly; that it was definitely a political newspaper; and that it was the intention of the Leader to embarrass Senator YOUNG politically.

(d) Mr. Simon and Mr. Nathan knew of no facts or of any evidence that would show that Senator YOUNG was influenced improperly or illegally on any vote during his tenure in the Senate.

(e) They both acknowledged that they knew of no facts which would controvert the testimony under oath given before the Subcommittee of the House Ways and Means Committee in 1952 relating to the delivery in 1950 by Henry Grunewald of campaign funds from Senator Owen Brewster, then chairman of the Republican Senatorial Campaign Committee, to Senator YOUNG's campaign chairman.

Both the chairman and the vice chairman announced that it was the decision of the committee that the statements made against Senator YOUNG were completely unsupported by any evidence whatsoever and merit no further action by the committee. The transcript of all testimony taken at the hearings in executive session this morning was by unanimous vote of the special committee ordered released and made public.

Senator MCCLELLAN personally stated that the article (in the Leader, a Bismarck, N. Dak., publication) charging Senator "YOUNG Sells Out Again" is that sordid and irresponsible type of journalism that resorts to the poison pen to contaminate the news and pollute the stream of public information through the media of a free press. Now that it has been exposed for what it really is, it deserves no further attention of this committee.

THE AMERICAN JEWELED WATCH INDUSTRY

Mr. CURTIS. Mr. President, the Joint Committee on the Economic Report is in the process of holding hearings on the criteria for defense essentiality of industry under the Reciprocal Trade Agreements Act. I understand that the American watch industry is being used as a guinea pig to develop the assumptions. Since my State is one of the largest producers of American watches, I am naturally very interested. I am particularly glad that the American watch industry is under scrutiny because I am certain that the committee will surely be convinced that it is vital to the interests of the United States to keep this small but

essential industry alive. I think the Members of the Senate will be interested in some of the basic facts concerning this industry which I shall now place in the RECORD.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a further statement which I have prepared, dealing with the American jeweled watch industry.

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

The jeweled watch industry is a small industry that does not have any appreciable significance in our total trade program. There are only three companies now making jeweled watches commercially, where once there were over a score. Total watch employment is about 4,200, as against over 10,000 in 1949. The industry has currently less than 20 percent of the American market (19 percent in 1954) and very little export business, whereas some other industries now complaining about imports have over 95 percent of the American market, and a large foreign market. Also, all three of the American companies are forced to import part of their watches.

The American industry's difficulties are not due to lack of manufacturing or merchandising skill, but to the fact that it pays an average wage about three times the average in the Swiss industry. The Bulova Watch Co. produces watches here and in Switzerland. It is the largest merchandiser of watches in the country and is recognized generally as the most succesful. Yet Bulova reports that it has the same problem in preserving its relatively small American production as the other American companies.

This small industry has been declared essential to our national security by four different studies of qualified Government groups: The Munitions Board, the National Security Resources Board, the Office of Defense Mobilization, and the Senate Armed Services Committee. In addition, it is a business basic to our whole industrial, economic, and social life.

It has been fighting a losing battle with one of the most tightly controlled cartels in the world, the Swiss watch trust. This trust has the openly declared purpose of preventing competition wherever it is found outside of Switzerland. It is now the defendant in an antitrust suit under our laws, which is pending in the United States district court in New York.

Now consider the other side of the trade question: Have we given the Swiss a real benefit in the American market under our trade program?

According to Tariff Commission reports, in 1936, the year of our trade agreement with Switzerland, the Swiss had less than 50 percent of the American market and sold us 1,700,000 jeweled watches as against 1,800,000 domestic watches. In 1953, the Swiss had 81 percent of the American market and sold us 9,900,000, as compared with domestic production of 2,250,000. Thus, Swiss watch sales in America had increased over 500 percent while American production was up by only 25 percent.

The Swiss are seeking to hide this rather startling benefit by the claim that many of their jeweled watches are not competitive with the American watches. They make no acknowledgement of the good thing they have been given, but only complain that they are not left free to secure more. They have berated the United States action in making a modest increase in tariff. They tried to circumvent the action by encouraging upjeweling of watches after importation, to avoid duties, and complained when the Treasury Department asked for legislation to plug a legal loophole that permitted this practice. And, most ungraciously, they have accepted reductions in United States tariffs on other Swiss exports, which were made expressly to compensate for the watch tariff increase, without any lessening of their criticism or their efforts to undercut the protective action of our Government. These substantial compensating benefits have been simply ignored.

The Swiss industry supplies about 95 percent of all watches in the world excepting the United States market and Russia. Published figures show that the number of all watches exported by Switzerland in 1955 was greater than in any year in its history, and that the total value of these exports was only 3 percent less than in its previous record year, 1953. The industry has had to import foreign workers and keep employees beyond normal retirement age in order to have enough labor.

How, in the face of these facts, does it happen that the Swiss seem to be able to persuade some people in this country that the United States is making a mistake in seeking to preserve a small watch industry?

It seems to me this is one of the outstanding demonstrations in modern times of the power and ruthlessness of a cartel. And, unfortunately, a cartel legalized, and supported to the hilt, by the Swiss Government, which owns 30 percent of the stock of the top holding company of the trust.

The cartel is well organized and financed for such an effort. In addition to its use of the full power of the Swiss Government, and, of course, the very active cooperation of the importers of Swiss watches here in the United States, it employs at least two large American public relations firms. Its propaganda agency is a branch of the trust called the Watchmakers of Switzerland. The work of this agency is financed by a levy of about 12½ cents on every jeweled watch exported from Switzerland, a total of around $3 million each year.

In Washington, these allies are trying to convince the Executive and the Congress that the United States doesn't know what it is doing. They say the Office of Defense Mobilization and the other groups which have found the watch industry essential are mistaken. They try to weaken the last essentiality report, by ODM, with the claim that the Department of Defense disagreed, although that Department clearly concurred and the Secretary of Defense has said so repeatedly. They have even claimed that this report under the present administration must have been merely a political report, although the NSRB report, issued under President Truman's administration, was just as strong, if not stronger.

They are now actually engaged in attacking the entire mobilization plan of the Government as unnecessary, simply because the American watch industry is an important part of the mobilization base under present mobilization concepts.

Having failed to fool the Government directly by all this, they are now trying to fool the press and the public, in the hope of exerting pressure on Congress. In this campaign they are placing advertisements in newspapers and magazines throughout the country that are designed to persuade various economic groups that the sales of their products to Switzerland have been or will be curtailed as the result of action to preserve the American watch industry.

The caliber of this misleading propaganda is best illustrated by the threats made to Maryland tobacco farmers. These farmers were told that the increase in the duty on watches would result in reduced sales of Maryland tobacco to Switzerland. Yet Department of Agriculture statistics show the Swiss bought more Maryland tobacco in 1955 than in any year in history.

Again it was claimed that sales to Switzerland from the Detroit area were adversely affected, while an examination of the statistics shows substantial increases in Swiss purchases of all important categories of goods from that area.

They are now running advertisements in southern newspapers in an effort to make the cotton interests believe that the recent drop in Swiss purchases of American cotton is the result of governmental action respecting watches. The deception involved is apparent if one realizes that last August, world cotton prices dropped from 4 to 8 cents below the United States price, and that this price situation is responsible for a present low level of cotton exports generally—not just to Switzerland.

All of this, of course, has nothing whatsoever to do with Swiss watches. The average of Swiss purchases of all products in the United States in 1955 was up about 6 percent over 1954. The Swiss actually have a dollar surplus and could buy American cotton if they were not buying it more cheaply elsewhere.

The ironical thing about this advertising campaign against the United States policy of preserving a watch industry is the fact that Swiss newspapers refused to carry a paid advertisement offered by the American industry in 1954 to explain the watch decision to the Swiss people—and on the ground that it was contrary to the policy of their government.

This whole effort to mislead the American people is a shameful distortion. The Swiss have taken advantage of the United States trade policy on this commodity to their immense benefit, while not joining in its spirit. They have already the great majority of the American jeweled watch market and in effect are asking that the Swiss watch cartel be left alone to take the rest from the American producer. The inevitable result would be elimination of domestic competition and complete exposure of our country to a foreign monopoly. To seek such a license in the name of free trade and free competition is a prostitution of terms and principles. And when one considers that we are dealing with an essential industry, this attitude of the Swiss and the importers appears presumptuous, to say the least.

I, like Americans generally, am fond of the Swiss people, and I regret very much that the interests of the Swiss watch cartel are allowed to put them in such a questionable position with their American friends. It would be much better for all concerned if this problem were settled on a factual basis and within the bounds of reason. Tactics like those now being used cannot succeed in a country such as ours.

TAKE THE ACADEMIES OUT OF POLITICS

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the body of the CONGRESSIONAL RECORD an article entitled, "Take the Academies Out of Politics." The article was written by the very distinguished and able junior Senator from Massachusetts [Mr. KENNEDY], and was published in the June 2 issue of the Saturday Evening Post.

It is an excellent article, and I highly commend its reading to the Members of Congress.

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

TAKE THE ACADEMIES OUT OF POLITICS

(By Hon. JOHN F. KENNEDY, United States Senator from Massachusetts)

Gen. George C. Marshall never went to West Point because his family and their Congressman were on different sides of the political fence.

Ulysses S. Grant almost lost his chance at the Academy because his father and Congressman did not see eye to eye politically.

Today, as hundreds of service-academy openings go begging, potential George Marshalls and Ulysses Grants all over the country are devoting their talents to other fields less vital to our national security and less challenging to their ability—all because they feel they don't stand a chance to enter West Point or Annapolis under the ancient congressional appointment system. Members of Congress, by default or indifference, are failing to fill vacancies at the two service academies that are worth thousands of dollars, and, more important, are costing the Nation vitally needed leaders for the atomic future.

Here are the shocking facts: Last year, Members of Congress were entitled to appoint 866 boys to enter West Point. Yet 324 of these vacancies were never filled, either because various Representatives and Senators simply neglected to make any nominations or because they nominated candidates who lacked the necessary qualifications for admission. At Annapolis, in 1955, of 1,134 congressional appointments available, 460 nominations went unfilled.

The same story can be told for previous years. In 1954, for example, 1,279 congressional Annapolis appointments were available; 45 percent went begging; 976 West Point appointments were authorized, and 38 percent went to waste.

When we realize that each cadet and midshipman during his 4-year training at the Academies receives a Government-paid education worth roughly $26,000 to $32,000, the failure of Congressmen to find and nominate qualified boys is appalling.

There are other avenues that lead to West Point and Annapolis—Presidential appointment, competitive examinations among the enlisted ranks and selection of qualified congressional alternates by the Secretaries of the Army and Navy—but 8 out of every 10 West Pointers and 6 out of every 10 midshipmen owe their appointments to their Congressmen. The responsibility for defects in the appointment system is largely ours.

Vacancies are not the only problem—the quality of personnel is just as disturbing. The Coast Guard Academy, which recruits its students by open competition, has 8 or 9 times as many applicants as vacancies—men who in many cases might have gone to the other Academies, but who felt that they did not have the political influence to get an appointment. And in the 3 years in which the same testing service prepared examinations for both the Coast Guard Academy and the Naval Academy, Coast Guard candidates consistently achieved higher scores. A study made for the War Department in 1944 compared the records of cadets who were appointed by Congressmen with those appointed as a result of a competitive examination. Over a 10-year period, the cadets who were not congressional appointees had performed better academically, year after year, than those owing their appointment to a Congressman.

Favoritism, unfairness, and unsoundness in the selection of future officer material are not even avoided by those Congressmen who exclude politics in their appointments by relying exclusively on the results of the competitive examinations offered. The highest grades in these examinations are quite likely to be received by those from relatively well-to-do families who can afford the private tutoring for such exams offered by the so-called cram schools. These cram schools have been established to meet the need of candidates for the Academies to receive additional instruction. A survey made of the Annapolis class of 1942 disclosed that 97.3 percent of the 298 members of the class who qualified by passing the regular entrance examination had preparation supplementary to their high-school courses. That survey substantially confirms four previous studies which have shown that more than 95 percent of the candidates who passed the regular examination had extra instruction in addition to their regular high-school work.

Moreover, such a system places too much emphasis on mere grades to the exclusion of other factors essential for future military leadership. Good grades are not enough. Native intelligence, aptitude, character, and desire are just as essential, if not more essential.

A study of the service records of 1,000 Naval line officers who came from the Annapolis classes of 1912 through 1922, and who were on duty at the time of Pearl Harbor, indicated there was very little relationship between a boy's scholastic record as a midshipman in school and his later achievements as a career officer. In fact, those in the middle or even lower third of their classes frequently turned out to be better qualified Naval officers than their academic superiors when they found themselves in situations where character and leadership really counted.

This, of course, does not apply in every individual case. Among the great naval and military leaders of this country have been men like Adm. Ernest J. King, who ranked fourth in his class at Annapolis; Adm. Chester W. Nimitz, who ranked seventh in his class; and Adm. Forrest Sherman, who was second in his class; Gen. Robert E. Lee, who ranked No. 2 in his class at West Point; Gen. Douglas MacArthur, who was top man in his class; and present Army Chief of Staff Gen. Maxwell Taylor, who was fourth man in his class.

But even General Taylor himself recently told the student body of the Citadel Military College, in South Carolina, that academic proficiency does not insure successful military leadership. When he was superintendent at West Point, General Taylor told the student body at the Citadel, "I often tried to determine a relationship between cadet records and subsequent success in the Army. I would like to report that scholarship—that is, high class standing—accounts for success in the Army. I must report in all honesty that the record proves no such thing. An examination of the records of successful World War II generals indicates that it is only a slight advantage to graduate in the upper half of the class rather than in the lower half. Even the very tail of the class—the immortal goats, as we call them—have contributed their part to American generalship. * * * Several of our most successful generals in World War II were in the lowest academic 10 percent. It took George Patton 5 years to complete a 4-year course."

Unfortunately, the lack of the proper desire, temperament, and qualifications of leadership on the part of many congressional appointees is apparent even before they reach the firing line. Of the West Point class which graduated last June, 665 cadets entered the Academy, but only 470 finished. This was a loss of almost 3 out of every 10 cadets. For the same class at Annapolis, 1,101 midshipmen entered together in 1951. Only 742 were on hand for their commissions in 1955.

In the 4 years in between, "undesirable attrition" had taken its toll. Spelled out, this means simply that poor grades, disciplinary dismissals, physical disqualification, and resignations—evidencing lack of desire—washed out almost one-third of the corps at the two schools. As opposed to this, the normal attrition of an entering class at Harvard College, from the time of entrance until graduating, is in the vicinity of only 15 percent.

Nor is this the end of the waste stemming from unintelligent congressional appointive methods. Those who graduate from the Academies quit the services at a startling rate after being commissioned.

For the Naval Academy class of 1946, the resignation toll, 10 years later, cost the Nation 45 out of every 100 who had been graduated. For the same class from West Point, the resignation rate over the same 10 years amounted to 13 out of every 100 graduates. Millions of dollars' worth of education—at the taxpayers' expense—is thus wasted, at least in terms of its original purpose.

In short, as the result of the present outmoded congressional appointment system at 2 of the finest institutions this country possesses, from one-third to nearly one-half of the possible appointments are never filled; about a third of those nominated never finish; at least 1 out of 7 graduates gives up his military career before completing 10 years' service; and unknown quantities of men—superior to those who do reach the battlefield—are engaged in other occupations less satisfying to them and less essential to our Nation.

I do not mean to imply that Members of Congress are solely to blame. Most Members of Congress give serious thought to the selection of their Academy candidates. And among such congressional nominees in the past have been the Grants, the Eisenhowers, the Pattons, the Kings, the Spruances, and the Radfords. But in spite of the brilliance of these figures, the deficiencies of the present system are still apparent. These men, undoubtedly, would have been selected in any fair competitive system for the Academies, and we do not know how many other talented potential leaders we have lost because of our inefficient and sometimes unfair selection system.

The fact is that Members of Congress are hamstrung by an outmoded selection system which fails, by its very structure, to give the guideposts so necessary in the selection of future military leaders—a system which has remained basically unchanged since the two service Academies were established well over a century ago, when the United States was internationally a snail-paced, homespun nation.

Under that system, each Congressman and Senator has been empowered to fill a quota of 4 West Point cadets and 5 Annapolis midshipmen each year. Beyond that, there has been no rigid yardstick. How he makes his selections—or, for that matter, whether he makes any selections at all—has been solely traditionally a matter for his own conscience. It is not surprising that the history of such a system is replete with abuses of personal favoritism and political back scratching. Cries for reform have been sounded on the House and Senate floors for more than a hundred years.

In 1815, Congressman Cyrus King, of Massachusetts, bluntly declared that "* * * abuses have crept into the institution at West Point—none but the sons of the rich and the powerful can gain admittance there. And the most odious partiality is manifested in some of the appointments in the Navy, particularly of midshipmen."

Five years later, Congressman Newton Cannon, of Tennessee, offered a bill to abolish the Military Academy because of "favoritism." The House Member said he favored a school of military science, but asserted his firm opposition to "confining it to a favored few—a privileged order"—and to this device for "teaching the sons of our most wealthy citizens at public expense."

One of the most forceful appeals for a change was made as long ago as 1863. Calling the service-academy rate of attrition to the Senate's attention, Senator Henry B. Anthony, of Rhode Island, moved to make admission to the Academies dependent on nationwide competitive examinations. "We reject from one-third to one-half of the cadets both in the Naval School and at West Point," Senator Anthony declared. "We go on educating them for a year or two, and that is all thrown away because persons who

have no claims or qualifications are pitchforked in there by favoritism and political influence."

Urging that a board of examiners be created to conduct competitive tests in each State, the Senator concluded, "I think an examination by a board of examiners of all young men who apply cannot be any less likely to get the best men than for a Senator or Representative to select some young man whose father has rendered him some political service, for it is in that way we know that half the appointments are made." His proposal was defeated 32 to 6. "It was," Senator Anthony declared, "one of those propositions that everybody was in favor of and nobody would vote for."

Surely the time has come for Congress to establish a better way to award what are, in effect, military and naval scholarships—to insure that we are producing intelligent and capable leaders we can entrust with the life-and-death decisions of the atomic age.

Some steps to improve selection methods have already been taken, but they fall far short of the desired goal. Civil-service tests, which have been continuously improved, are made available to Congressmen for their use. But, although some 50 percent of the Members of Congress utilize these tests, all too often mere lipservice is paid to their results, and the son of a political friend is appointed to West Point or Annapolis.

An even more important stride forward was taken when a system was devised for picking appointees to go to the fledgling Air Force Academy at Colorado Springs. Each State was given an overall quota of appointees and each House Member and Senator from that State was authorized to nominate candidates. But these appointees were to be finally selected on the basis of merit, following a statewide competitive examination.

In Massachusetts, for instance, the State as a whole was allocated eight vacancies for the first class to attend the Academy. Each of the 16 members of the Massachusetts congressional delegation was allowed to nominate 10 candidates.

These 160 youngsters then compete for the 8 nominations. The Air Force itself, after weighing the examination results, plus such factors as personality, competitive spirit and the intangibles that make a leader, made the final selections.

When the Air Force suggested such a system might lead the way for the two senior Academies, representatives of the Army and Navy turned thumbs down on the proposal, convinced that Members of Congress would begrudge surrendering their right to appoint whom they pleased.

In fact, Congress approved the new competitive system for the Air Force only until such time as the Academy graduates its first class in 1959. Then, Congress indicated, it wants the new Academy to return to the traditional selection method used for the two senior Academies.

What can the individual Senator or Congressman do about this problem, if new legislation is impossible? How shall the right men be encouraged to seek Academy appointment? Should good scores on scholastic tests alone be the basis for selection? Is there any way to make a true objective choice? How can we be reasonably sure that the boys we send to the Academies can pass the stiff entrance requirements, undergo a tough 4-year schooling and then be willing to serve the Nation in the badly needed capacity for which they were trained?

When I came to Congress 9 years ago, I conducted a study of this entire question, comparing among other things the modern techniques used by other governmental, scholastic, and business institutions in their attempt to predict leadership qualities accurately. As a result of this study, I initiated a "pilot" selection system for my Academy appointments which I have used continuously since that time. It may not be the system for every Congressman. It is by no means perfect. But it represents, I believe, one method of eliminating the abuses that have afflicted congressional appointments.

Each year I publicly announce that examinations, open to all, will be held for the appointments I am entitled to make to the Academies. Newspapers, radio, and television media throughout the State cooperate as a public service in carrying these announcements. In addition, the headmaster or dean of every school and college in Massachusetts is informed of the competition and is asked to encourage all interested candidates to apply.

The first step for each boy is to undergo an examination to make certain he is physically qualified for entrance. This is essential, for between 15 and 20 percent of all congressional appointees fail to meet the physical requirements at the service academies each year.

Candidates found physically acceptable are then given aptitude and achievement tests, specially tailored by the Test Development Section of the United States Civil Service Commission. Scholastic records in high school, prep school or college are carefully compiled and evaluated. At that point, every boy's file is processed and screened, and the entire list of candidates is given a competitive ranking.

This is merely the beginning. Objective questionnaires devised to bring out data on the candidate's character and personality are sent to former teachers, employers and others closely acquainted with him. The questionnaires are deliberately and scientifically fashioned to make it almost impossible to give any candidates perfect marks. We want something more useful than a polite letter of recommendation.

With these facts at hand, a special selection board, serving without pay, takes over. This year, for example, my selection board consisted of the headmaster of a preparatory school who is himself a West Point graduate; a clergyman who was formerly an Army chaplain in the combat zone; and a physician with extensive Navy and educational experience.

It is the selection board, not I, that personally interviews each of the highest-ranking candidates and makes the final decision as to selection. It is the selection board, not I, that notifies the boys that they have been nominated, without any opportunity for veto, approval or even review by my office. I have never even met one of my West Point or Annapolis nominees until after he has actually been appointed. I honor the judgment of my selection board without question.

Perhaps my proudest recollection came when I found my system gave the son of a Chinese laundryman the same chance to go to Annapolis as the son of a prominent ex-mayor in my district. That influential political figure—a fellow Democrat—wrote me that his boy wanted an appointment, and asked that I give him "special consideration." He learned from my reply that I could not give anyone's son special consideration, but that his boy—like all boys—was "more than welcome" to enter the competition. And among those competing from that same city was a young Chinese-American boy, the son of the local laundryman. On the basis of sheer merit, the politician's son did not qualify; the laundryman's son did.

A few years ago I learned that one of the boys interested in gaining an appointment was a young soldier stationed on the west coast. After I had arranged for the boy to obtain leave and military-plane travel back to Massachusetts, he succeeded in winning one of my West Point appointments. Only when I received from his father one of the most sincere letters of appreciation I have ever received in my political career did I discover that the latter was one of the most active Republicans in my district.

But these are personal incidents. The overall results of my experience with the system tell an even more encouraging story. Two years ago, for example, I was allowed two West Point appointments. A total of 140 boys sought the nominations. My selection board chose 8—2 as principals, 6 as alternates. Not only did both of my principal appointees make the grade but, in addition, 4 of the 6 alternates were selected for admission under the qualified-alternates system. When you consider that the Army in 1954 admitted only about 50 qualified alternates from its nationwide pool of qualified congressional alternates, the performance of these candidates is obvious. Today, 4 of these 6 boys are on the dean's list, and West Point officials advise me they are doing outstanding work.

The qualified-alternates system is briefly the method by which the Secretaries of the Army and Navy are empowered by an act of Congress in 1950 to fill congressional vacancies by selecting candidates for admission from the nationwide pool of all congressional alternates who qualified for admission.

Last year 190 Massachusetts boys participated in my statewide competition for the three vacancies I was allowed to fill at Annapolis. All 3 of my principles were admitted, and 6 out of the 15 alternates were selected as well. Since the Navy admitted to the Naval Academy as qualified alternates a total of 134 boys from its nationwide alternates pool, again the outstanding performance of these candidates is apparent.

Screened by the same system, my nominations for appointment to the initial class of the Air Force Academy last year won 2 of the 8 places available from the nominees of the 14 Congressmen and the 2 Senators from Massachusetts.

The chief fault in the present system of appointment generally in use does not lie in the fact that Congressmen have most of the appointive power. For this is in keeping with the traditional American concept of civilian supremacy over the military, and it makes certain that the selection of cadets and midshipmen is apportioned throughout all sections of the Nation. But self-reform by Congress itself is long overdue. It is high time that Senators and House Members availed themselves of the scientific testing yardsticks that have been developed in recent years.

Those Congressmen—the great majority—who do give conscientious thought and consideration to the task of selection of Academy appointees should be provided with a more expert, farsighted means of doing so.

There is evidence that the Academy officials themselves are eager to see such a selection system used universally.

In a letter to former Congressman William J. Miller, of Connecticut, who, as far back as 1940, used a method similar to my own, Brig. Gen. Jay L. Benedict, then Superintendent of West Point, declared: "Our own test of determining entrance qualifications is necessarily restricted to tests of mental and physical qualifications. It contemplates that other desirable qualities, such as personality, character, initiative, determination, potential leadership, and so on, be determined by the appointing authority before principals and alternates are designated for our mental and physical tests. Your method should be most effective in accomplishing this."

While I am sure that the Academy officials have since that time made improvements in their own criteria of worthwhile Academy material, the services cannot do this job by themselves. Congress itself must take action, and take action soon, before the present system brings widespread disrepute to our service Academies.

First, a commission should be established to improve methods of selecting Military and Naval Academy appointees, empowered to study and devise aptitude techniques similar to those used by almost every up-to-date business in the United States to pick the best-qualified men.

Second, the present quota system should be changed to eliminate the carryover that presently results when a Congressman fails to make his appointments for that year. Each House Member and each Senator should be allowed to name one boy to each Academy each year. If he fails to do so, then the Academies themselves should be allowed to make the selection and wipe the vacancy off the books. Under the existing system, Congressmen can hoard their appointments over a 4-year period. The Academies themselves have no way of knowing the exact number of new students they will have from year to year.

Third, adequate administrative facilities should be made available to Members of Congress who desire to conduct a competitive-selection system similar to the one I use, in order to encourage them to appoint young men who have been screened mentally, physically and psychologically for the important future that lies before them. The expense for such facilities would be small. The Test Development Section of the Civil Service Commission has had long experience in the field. My own selection board serves without pay, and the newspaper, radio, and television stations in my State are glad to publicize the forthcoming selection tryouts as a public service.

Let us send to our Academies young men who are more than good students, able athletes, or militarily poised robots. By using available modern selective methods, we in Congress can get the type of boys we need to become the guardians of our future security.

For it is the military and naval officers with character and courage who may well prove to be, in the crucial years ahead, this Nation's truly ultimate weapon.

TWO HUNDRED AND FIFTIETH ANNIVERSARY OF BENJAMIN FRANKLIN

Mr. MARTIN of Pennsylvania. Mr. President, I ask unanimous consent to proceed for not to exceed 8 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Pennsylvania may proceed.

Mr. MARTIN of Pennsylvania. Mr. President, by act of Congress we are celebrating the 250th anniversary of the birth of Benjamin Franklin. Congress authorized the Franklin Commemorative Medal for distinguished service. This medal has been awarded to 71 societies and organizations which Franklin either founded or in whose activities he had an important part. The Franklin Institute of Philadelphia has carried out the plan.

When the plan was made originally to honor the 250th anniversary of the birth of Benjamin Franklin, the committee thought of only a small celebration. They expected to limit it to an exchange of ideas among the societies and institutions of which Franklin was once a member, or which he founded or helped.

But such is the stature of the man that the original and limited plan soon developed into a great outpouring of voluntary cooperation in 51 countries of the world. Franklin's spirit and philosophy were never more alive and vital than they proved to be in this year, 2½ centuries after he was born.

Nearly a thousand organizations, with hundreds of thousands of members, seized upon this opportunity to do one of the things Benjamin Franklin believed was necessary to help bring enduring peace to the world. They will cooperate, all during the year 1956, in a free and voluntary communication of ideas to help improve international understanding.

Each group plans its own program, in its own country, in its own way. Ideas are exchanged through addresses, papers, books, and broadcasts through the generous cooperation of many thousand publishers and broadcasters.

Already, the Franklin Institute, which organized this plan, estimated that upward of 500 million people have been reached in the 51 cooperating countries.

This is the kind of plan that Franklin himself once developed for the young United States. He was elected to membership in 28 of the most famous learned societies of his day—in England, France, Scotland, Holland, Russia, Germany, Italy, Spain, and America. Through the transaction of these societies, and the free press, the development of which he so greatly assisted, he took part in the exchange of ideas which helped our young country to grow in the technological world we know today.

Twenty-one of these famous old societies that helped Benjamin Franklin are still in existence today and cooperating in the current program. They have been joined by many others in South America, Asia, and Europe in this modern exchange of ideas.

Franklin believed that it was necesary for the peoples of all countries to communicate with each other, in addition to their governments communicating with each other. He thought that in this way mankind could hasten the day when peace and understanding would replace wars and threats of war.

The Congress of the United States thought of this objective when they met to consider the most fitting tribute they could pay to Benjamin Franklin on the 250th anniversary of his birth.

They felt, as they believe Franklin would have felt, that honor should be paid to those groups which did so much to help make his success in this field possible.

The Franklin Commemorative Medal for Distinguished Service was designed for this purpose. On it appear these words of Franklin's: "Wise and good men are the strength of a nation." The complete quotation adds the words: "Far more than riches or arms."

Someday the world will come to recognize the truth of that statement. The position of a country in the Council of Nations will be determined, not by its material wealth or power of its armaments alone but even more by the contributions of its great men and women to the welfare and progress of all mankind.

Benjamin Franklin believed this more than 200 years ago. He knew and said that the road would be long and difficult. But he never lost faith in the belief that "wise and good men" would be recognized as the "strength of a nation far more than riches or arms." And that this day would be speeded by the free and open communications between the peoples of all countries.

The United States honors that philosophy in the creation of the Franklin medal.

President Eisenhower's plan of talking over the world situation is along the lines advocated by the wise and good Doctor Franklin more than 200 years ago.

Mr. President, I have had the honor of presenting four of the commemorative medals. One of them was presented to the Commonwealth of Pennsylvania in the governor's office at Harrisburg on March 26, 1956. Franklin was twice governor of that State while it was a colony.

Mr. President, I ask unanimous consent that the brief remarks I made on the occasion of the presentation of the medals be printed in the RECORD as a part of my remarks.

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

REMARKS BY SENATOR EDWARD MARTIN OF PENNSYLVANIA

Benjamin Franklin was the most outstanding of the 101 Governors of the Commonwealth of Pennsylvania. He was a businessman, a diplomat, a statesman, a politician, an inventor, and organizer of the military defense for the Colonies.

Being interested in welfare, he commenced a hospital, an insurance company, a savings society, libraries, and many other institutions which would benefit mankind.

You, sir, as the present Governor of Pennsylvania, and myself, as a former Governor, appreciate so much what he contributed to the welfare of this Commonwealth, the United States, and the world.

Franklin was first a governor under the title of President of the Pennsylvania Committee of Safety, when our revolutionary ancestors formed this great Government and gave us the priceless heritage of liberty and freedom.

Franklin was the first Governor after the proprietary Governors and served from 1775 to 1776.

Franklin was Governor of Pennsylvania the second time under the title of President of the Supreme Executive Council, from 1785 to 1788.

He was the 56th and 63d Governor of the Commonwealth of Pennsylvania and was frequently referred to as the President of Pennsylvania.

His work as Governor, as a member of the committee to draft the Declaration of Independence, a member of the convention that wrote the Constitution of the United States, Postmaster General, and as a diplomat representing the Colonies in France during the most critical period of our American independence, will never be forgotten.

In a period when we are all demanding so much from government, we should heed his words:

"They that can give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety."

It is a great honor to be chosen to present this medal, struck by an act of Congress, to the Commonwealth of Pennsylvania in commemoration of the 250th anniversary of the birth of Benjamin Franklin.

Mr. MARTIN of Pennsylvania. Mr. President, Benjamin Franklin helped organize the first hospital in America.

I ask unanimous consent that my statement in presenting the Franklin Commemorative Medal to the Pennsylvania Hospital in Philadelphia on May 7, 1956, be printed in the RECORD as a part of my remarks.

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

REMARKS BY SENATOR MARTIN OF PENNSYLVANIA

It is a great honor to present to the Pennsylvania Hospital the Benjamin Franklin Medal on behalf of the Congress of the United States.

It is most appropriate to present this medal on this day in conformity with the old Quaker custom for this annual assembly on the first Monday in May to discuss the progress of the hospital.

We owe so much to Benjamin Franklin. When he had arrived at the age of 40, he was a most successful businessman. He then started to devote his great talents and energy for the public good. He soon won recognition as an editor, inventor, patriot, diplomat, statesman, and humanitarian.

How helpful it would be in this glorious period of peace and prosperity if more of our people would emulate Benjamin Franklin.

Pennsylvania Hospital is the first to be founded in the United States.

The world owes much to Benjamin Franklin for his many contributions to mankind, but I feel that probably his greatest was in the founding of this hospital. This was really the founding of the public hospital system in our country.

What a contrast when we look back over the years and realize that once the only place for the sick poor was a pesthouse, and then note the Pennsylvania Hospital where rich and poor alike receive the best of care. It meets Franklin's ideal, because he himself once ascribed the highest duty as "doing good to man."

Though Franklin himself, in his autobiography, disclaimed the honor of first suggesting the project for the Pennsylvania Hospital, which he credited to your own Dr. Thomas Bond, nevertheless it was his genius that made this magnificent institution possible.

Let me quote from Franklin's own words to get the story as he told it.

"In 1751, Dr. Thomas Bond, a particular friend of mine, conceived the idea of establishing a hospital in Philadelphia for the reception and cure of poor sick persons whether inhabitants of the province or strangers."

Franklin then pointed out that such a proposal was "a novelty in America, and at first not well understood."

Dr. Bond went to Franklin and asked for leadership to accomplish the project.

I quote again from Franklin:

"At length he came to me with the compliment that he found there was no such things as carrying a public spirited project through without my being concerned in it."

Franklin immediately became enthusiastic and turned his fertile and brilliant mind to the problem of making this dream come true.

Far ahead of his times in the art of what we now call public relations, Franklin conceived that his first objective was, as he said, "to prepare the minds of the people by writing on the subject in the newspapers, which was my usual custom in such cases."

Franklin then set up a three step program and immediately went to work on it. First, the public relations program; second, a fund raising drive; and third, a contribution from the Commonwealth treasury.

His public relations program created the proper climate for the fund raising and money started to come in but salesmanship was not quite adequate to get the direct contribution from the Commonwealth.

Then the political genius of Franklin successfully overcame this obstacle. He conceived the idea, which has since been referred to as "Franklin's cunning."

He got a bill through the General Assembly incorporating the contributors, with a proviso that when they contributed 2,000 pounds, with the interest to be applied to the operation of the hospital, the Commonwealth would provide 2,000 pounds for the founding, building and furnishing of the hospital.

Thus, as Franklin said, "the cause worked both ways since every man's donation would be duplicated."

Evidently Franklin had many a chuckle out of this device, for he later wrote, and I quote:

"I do not remember any of my political maneuvers the success of which at the time gave me more pleasure, or wherein, after thinking of it, I more easily excused myself for having made use of some cunning."

Your own Dr. Francis R. Packard was years later to make a very pertinent comment on this, and I quote:

"If the success of his cunning was pleasing to Franklin it has certainly been of inestimable benefit to many thousands throughout the subsequent years."

I might add that Franklin's maneuvers in this fund-raising project may also be credited with laying a foundation for what is now accepted as a standard method for joint State and public contributions to the care of the poor and needy. This is one of the outstanding principles of our great free-enterprise system in this country that makes our Nation so different from all of the others in the world.

The charter for the Pennsylvania Hospital was granted by the general assembly and approved by the Governor on May 11, 1751, and a meeting of the contributors was held in the State House—subsequently to become Independence Hall—on July 1, 1751. Twelve managers and a treasurer were chosen to serve until "the first second day of the month called May." These meetings have always been so scheduled since that time.

Every time I see the pin worn by your nurses in the Pennsylvania Hospital, the device of the Good Samaritan, I am reminded of the fact that Franklin and Dr. Bond designed that seal, with the inscription "Take care of him, and I will repay thee."

Benjamin Franklin served as the first clerk of the board of managers and as the second president.

The hospital was first located in a private house on Market Street near Sixth, and on May 28, 1775, the cornerstone was laid for the first permanent building—what is now the east wing, at Eighth and Pine Streets.

Now you have here, on the original site, the department for the sick and injured. Across Spruce Street is the Philadelphia Lying-In and Maternity Hospital. Across Ninth Street is the Benjamin Franklin Clinic. In West Philadelphia is the department for mental and nervous diseases and the institute. The fame of your school of nursing is known far and wide. The growth of Pennsylvania Hospital is a challenge to all of us. Each new department or unit has added new luster and fame to an already great name.

This hospital has been responsible for so many medical firsts that it is hardly possible to recount them all. But it should be noted that here the pattern was originated for interns and medical training. Here the first operation planned specifically for appendicities was performed; here was built the first medical amphitheater; here was founded the first public dispensary in the United States; here commenced the new era in the cure of the mentally ill.

Indeed, I doubt if there is any single institution or organization receiving one of the Benjamin Franklin Medals, struck by act of Congress on the occasion of the 250th anniversary of this great American, which more richly deserves this congressional recognition.

Franklin was an intellectual giant among men and certainly among the greatest of all Americans. He influenced or advanced the course of a host of human activities—science, invention, politics, government, statesmanship, diplomacy, literature, and journalism. But I feel that if it were possible to ask him today the contribution he made which gave him the greatest personal satisfaction in being of service to his fellowman, he would say that it is where we stand now at the Pennsylvania Hospital.

Therefore, Mr. Chairman, it becomes my humble honor to pay tribute to Benjamin Franklin and to the Pennsylvania Hospital by the presentation of the Congressional Benjamin Franklin Medal.

The Congress, in this presentation, also honors all of those "wise and good men," from Dr. Bond on down to today, who made this hospital the magnificent and inspiring institution of service which it is.

To you I say, carry on.

Mr. MARTIN of Pennsylvania. Mr. President, Benjamin Franklin conceived the idea of the volunteer soldier. I ask unanimous consent that my statement in presenting the Franklin commemorative medal to the Pennsylvania National Guard in Philadelphia May 19, 1956, be printed in the RECORD as a part of my remarks.

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

REMARKS BY SENATOR MARTIN OF PENNSYLVANIA

General Biddle, General Baker, and my fellow Americans, it is an honor to present the Benjamin Franklin medal to the Pennsylvania National Guard.

This medal is presented by an act of Congress to organizations which were either founded or influenced by Benjamin Franklin. This is a part of the celebration of the 250th anniversary of the birth of this great American.

There is an enormous significance in making this presentation on the hallowed ground where we now stand. It was here in this very statehouse—now known to the world as Independence Hall—where Benjamin Franklin signed the Declaration of Independence and the Constitution of the United States.

Benjamin Franklin has frequently been referred to as America's first great scientist. He won world recognition as an editor, inventor, patriot, diplomat, and statesman. But the fact is that much of Franklin's most brilliant work was in the application of science and politics to military problems of defense and war.

Essentially a man of peace, Benjamin Franklin himself developed the idea of citizen-soldier as we now know it in the National Guard and in the Reserve.

Benjamin Franklin was the father of the Pennsylvania National Guard.

In witness to this, the soldiers of the fighting 111th Regimental Combat Team wear the full figure of Benjamin Franklin on their regimental insignia.

The 111th Infantry was the first unit of the Pennsylvania National Guard.

How this regiment came to be created years before the formal beginnings of our Nation is one of the many proud stories connected with Franklin and the history of our country.

Since 1739 England had been at war with Spain over British smuggling in America and since 1734 with France over the Austrian succession. By 1744 these wars were coming

close to Pennsylvania. In that year French and Spanish privateers appeared in Delaware Bay, plundered two plantations, captured a ship and murdered its captain.

Philadelphia had no fort, no artillery, and no militia. The Assembly had voted no money for defense.

Typically, Franklin turned from philosophy and electrical research to tackle the immediate and realistic problem of defense for Philadelphia and Pennsylvania.

He concluded the answer was a voluntary association of militia men and he wrote a brilliant pamphlet to stimulate public thinking. In reality it was a recruiting pamphlet such as the Regular Army, National Guard and the Reserves put out today in order to get new recruits.

Franklin estimated that there were available at least 60,000 fighting men acquainted with firearms, many of them hunters and marksmen, hardy and bold.

How many of them he would be able to recruit was then a matter of speculation. But they were English, Scotch, Irish and German—all descended from peoples famous in war. The association spread through the province until there were more than 10,000 members of this first volunteer militia.

They started the traditional one drill night per week, which is characteristic of the National Guard and the Reserve today.

Franklin even organized a lottery to raise funds to build a fort, which he furnished with cannon.

Franklin was especially proud of the success in erecting this fort and arming it. He noted in his writings, and I quote: "I regularly took my turn of duty there as a common soldier."

This was the beginning of the Pennsylvania National Guard, a body of free men voluntarily associated together as citizen-soldiers giving of themselves as patriots to the common defense.

This beginning tradition has been carried on by the 111th Infantry which was organized on November 21, 1747, as the Associated Regiment of Philadelphia, a distinct entity within the Associators.

The Associators became known as the militia in 1777, then as the Pennsylvania National Guard in 1870.

Let us note the history of other well-known Philadelphia outfits.

The 1st Troop, Philadelphia City Cavalry, is the oldest component of the Army of the United States having a record of continuous service.

It is now the 28th Reconnaissance Company of the 28th Division. It was organized November 17, 1774, served during the Revolutionary War, and escorted Gen. George Washington on numerous occasions.

The old 1st Regiment is now the 103d Engineers. They were originally organized at the same time the 111th was organized. They started out as a flank company of light infantry in one of the battalions of Associators organized by Benjamin Franklin in 1747, and have had a gallant record of service since that time.

Time does not permit us referring to historic outfits like the Duquesne Greys, the 108th Field Artillery, the first organization to be known as the National Guard, the 109th Field Artillery, the 110th Infantry, 112th Infantry, and many others in all parts of the Commonwealth. They have fought intelligently and bravely all over the world in order to preserve individual freedom and the dignity of man.

We must always have active spots for these historic units.

We must never forget the morale value of history and tradition of military outfits.

We must also recognize that while we will always improve weapons, we cannot depend upon pushbutton fighting alone to win victories. Victory depends upon men with a will to fight. The volunteer possesses that will.

Benjamin Franklin believed sincerely that people who love liberty must be willing to fight for it.

Great as his many services were, we honor him particularly today as one of the first successful builders of the volunteer system for our national defense.

Many nations have built powerful armies and navies. Compulsory military service has been a requirement in most countries since the dawn of history.

In our own country, we have been faced with the necessity of conscription a number of times. But through it all, we have recognized and known that the heart of our national defense was the proud and voluntary service of American youth.

The Pennsylvania National Guard, the Reserve and all the regular professional services have kept that principle of voluntary service bright and shining for more than 200 years.

You men perform both the duties of citizens and soldiers. You are patriots in the truest sense—the Benjamin Franklin type of patriot.

When Dr. Franklin came out of Independence Hall, this sacred building, after the completion of the Constitution, he was asked by the assembled people, "What kind of a government have you given us?" Dr. Franklin replied, "A Republic, if you can keep it." Those were significant words. It is up to each one of us to keep that Republic as the Founding Fathers intended.

In presenting this medal to the guard, General Biddle, the Congress not only honors Benjamin Franklin, but also the "wise and good men" who have made and are making the Pennsylvania National Guard the leader in voluntary military service for our State and country. It is my proud privilege to give you this medal on behalf of the Congress of the United States.

Mr. MARTIN of Pennsylvania. Mr. President, Dr. Benjamin Franklin was a devout believer in religious tolerance. His church affiliation was with the Presbyterian denomination.

I ask unanimous consent that my statement in presenting the Franklin Commemorative Medal to the Presbyterian General Assembly, convened in Philadelphia May 25, 1956, be printed at this point in the RECORD as a part of my remarks.

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

REMARKS BY SENATOR MARTIN OF PENNSYLVANIA

I come before you today with deep and sincere appreciation of the honor of addressing the 168th general assembly on the 250th anniversary of the first Presbytery on the American continent.

It is likewise a special honor to be chosen to present to the Presbyterian Church in the United States of America the Benjamin Franklin Commemorative Medal for Distinguished Service.

This medal is granted by the Congress of the United States to commemorate the 250th anniversary of the birth of Benjamin Franklin.

It is not only a tribute to his illustrious career but also gives recognition to the greatness of the Presbyterian Church and its vast contribution to the moral and spiritual strength of our Nation.

Let me say, in all modesty, that it was my privilege to join with my distinguished colleague, Senator DUFF, in sponsoring the legislation enacted by Congress authorizing the Franklin Medal.

The act of Congress directed that 71 such medals be presented to those institutions, societies and other enterprises which were founded by Benjamin Franklin or were aided in their early development by his devotion to the cause of truth, greater knowledge, and the public welfare.

Learned societies in many parts of the world have been designated as recipients of the medal, commemorating the part Franklin played in their history. Twenty-one organizations, dedicated to the promotion of science, agriculture, education, and the arts in which he held membership are still active in England, Scotland, Holland, Germany, Italy, and Spain, as well as in the United States.

It is noteworthy that in 1706, 250 years ago, the same year that Franklin was born in Boston, seven weary and travelstained Presbyterian ministers came to Philadelphia and organized the first Presbytery. These sturdy and courageous preachers knew the toil, hardships, and sacrifice of pioneer life. In order to reach Philadelphia, they pushed their way over rough forest trails.

Sustained by faith in the protection and mercy of God they faced the perils of the wilderness and the danger from savage Indians. In their hearts they yearned for a season of prayer and fellowship.

These men were dedicated servants of God. The influence of their ministry spread rapidly. It gave impetus to the building of churches and schools. It strengthened the early settlers in their love of God and love of freedom as the colonial frontier advanced westward over the mountains.

There has been a great deal of discussion concerning Franklin's religion, but the known facts point with perfect clarity to his broad tolerance and his firm adherence to the principle of religious liberty.

Freedom of worship was a human right that Benjamin Franklin served with all his heart, contributing of his money and effort to every faith and every creed. He fought against bigotry of every kind.

In his autobiography Franklin reveals that his father intended him for the ministry. He was baptized the day he was born and was given religious instruction as a boy. His first adult affiliation was with the Presbyterian Church and he aided materially in the development of the Presbyterian Church here in Philadelphia.

He helped to complete Christ Church where many of the Founding Fathers worshipped. His name led the list of subscribers to the Jewish Congregation Mikveh Israel. He recommended the first Catholic Bishop for America. He raised money to erect a building for any preacher of any faith to talk to the people.

Franklin believed in God. He believed in the immortality of the soul and in divine judgment in the hereafter.

Throughout his life he held fast to the creed he drafted at the age of 22, which he entitled "Articles of Belief and Acts of Religion." In that creed he wrote:

"I believe in one God, Creator of the universe.

"That He governs by His providence.

"That He ought to be worshipped.

"That the most acceptable service we can render to Him is doing good to His other children.

"That the soul is immortal and will be treated with justice in another life respecting its conduct in this."

Many years later, in the evening of his life, he rose in the Constitutional Convention to reassert his faith that God governs in the affairs of men.

Franklin's motion that each session of the Convention be opened with prayer is a historic landmark in the spiritual growth of the American Republic. The custom survives to this day in our Legislative Halls.

Franklin's impressive words are familiar to all of us, but they are worth repeating here.

"If a sparrow cannot fall to the ground without His notice is it probable that an empire can rise without His aid?"

You will recall that the Constitutional Convention of 1787 had been in session for 5 weeks but had made little progress. It looked like failure when Dr. Franklin proposed that daily prayers be offered "imploring the assistance of Heaven and its blessing" on the deliberations of the assembly.

From then on, history tells us, real progress was made in framing our Constitution and the establishment of a Republic which recognized social, political, and religious freedom as God's greatest gift to mankind.

Many volumes have been written in praise of the amazing career of Benjamin Franklin. His brilliant achievements as an author, philosopher, scientist, statesman, and diplomat mark him as one of the giant intellects of all time. He attained worldwide renown, but to my mind his outstanding service was in the field of government and politics.

Historians have drawn some interesting and significant parallels between the establishment of constitutional government in the United States and the government of the Presbyterian Church.

It has been pointed out that the church congregation represents local government; the Presbytery can be compared to State government and the General Assembly to the Federal Government.

Each has been kept separate in its duties and functions, yet each has such an important part in the spiritual strength of our people.

The point I wish to emphasize is that today, just as in Franklin's time, civic duty and religious duty are interwoven.

America is a great and fortunate land because in all its history great men—dedicated men of the cloth—have preached the word of God and the way of Christ.

There have always been great preachers to guide the spiritual lives of our people.

There have always been church leaders of great moral courage to fight against evil conditions that bring corruption into private lives and public affairs.

Those men knew that the moral standards of government cannot rise above the spiritual strength of the individual citizen.

They did not hesitate to take an active part in public affairs in order to protect the liberties of the people. They taught that obedience to the laws of God and man is the foundation of good citizenship.

The great need of our times is more willing and more sincere acceptance of Christian responsibility. That is why I am constantly urging every good citizen, every churchgoer, to take a more active, intelligent and patriotic part in government.

That means taking part in politics. It means working for the election of men of integrity and high character. It means working to drive out of office every politician whose objective is personal gain and personal power, rather than public service.

It means taking an active interest in community affairs, in State, National, and world problems.

It means arousing public opinion to a higher standard of morality, to inspire deeper respect for the law and to assure confidence in the integrity of our officials and our courts.

It means working courageously for good, clean, decent, honest government—because good government is the strongest safeguard of all our God-given freedoms—including the most important of all, freedom of religion.

The most effective leadership in that direction should and must come from the pulpit and from the great body of laymen who hold official positions in our church organizations.

It would contribute so much to the greatness of the United States if more of our people would emulate the example of Benjamin Franklin in patriotic citizenship and devotion to the public welfare.

Inscribed on the Benjamin Franklin medal are these words which he wrote:

"Wise and good men are the strength of a nation" and the complete quotation adds the words: "Far more than riches or arms."

These words were carefully chosen for their significance. They have special meaning for all of us here assembled.

They honor not only the memory of Benjamin Franklin but also the "wise and good men" of this church who have done and are doing so much to advance the faith and freedoms by which we live.

It is now my great privilege to present, in the name of the Congress of the United States, this Franklin medal to the Presbyterian Church in the United States of America.

Mr. MARTIN of Pennsylvania. Mr. President, in this critical period of history I hope that all of us may study the ideas and plans of Dr. Benjamin Franklin for world peace.

COMMISSION TO INVESTIGATE AND REPORT ON PROFITS EARNED FROM PRODUCTION OF WEAPONS AND FROM OTHER DEFENSE CONTRACTS

Mr. NEUBERGER. Mr. President, I am urging today that the President of the United States appoint a commission to investigate and report on the profits being earned from the production of weapons and from other defense contracts of the United States.

We have just had the report of the Presidential commission, headed by Gen. Omar N. Bradley, set up by President Eisenhower to inquire into veterans' benefits. That commission, in reporting its findings and recommendations, had this to say:

> Military service in time of war or peace is an obligation of citizenship and should not be considered inherently a basis for future Government benefits. * * * The performance of the duties of citizenship cannot be expected to be painless or free from sacrifice.

These are noble sentiments, even when accompanying a report which proposed cutting down drastically on the programs instituted for the benefit of the men and women who have fought America's wars on the field of battle.

But, Mr. President, if a Presidential commission can apply the standard of obligation of citizenship to those called upon to risk their lives for our country during a military emergency, what about the obligations of those who manufacture the armaments which those soldiers and sailors must take into battle?

The President appointed a commission to look into our programs of veterans' benefits. The commission recommended a gradual abandonment of certain benefits for veterans, at least in part, on the ground that military service is no more than an obligation of citizenship which deserves no special economic reward. I now propose that the President appoint a similar commission to inquire into the profits made from defense contracts—to see whether our Armed Forces are being furnished with weapons and material, as well as with servicemen, as an obligation of citizenship and without special economic reward.

I believe such a study would show that never before have there been such vast profits from the production of weapons and other materiel for the armed services. The study should be made. Is the administration going to have one of its commissions say that, under modern conditions, special veterans' benefits have outlived their justification and should be diminished, and yet do nothing to cut down on the immense profits that modern defense budgets pour into coffers of the corporations which are the chief suppliers of defense material?

VETERANS' ORGANIZATIONS DEMANDED EQUALITY OF SACRIFICE

Mr. President, I well remember hearing, back in my school days, the proclamations of the various veterans' organizations that, in the next war, capital would be drafted as well as men. I am sure that other Senators will recall such statements, as for instance, the following from a resolution adopted at the American Legion's national convention in 1922, calling for an investigation of what were then known as war profiteers:

> The Legion recognizes this as among its immediate obligations, because when the American people are aware of the extent of war profiteering a national determination will have developed that in any future war there shall be a draft not only of servicemen, but of the laboring man and capitalist as well. Had there been such a draft, the fundamental basis of adjusted compensation, now temporarily thwarted by executive action, would never have arisen.

In those years, resolutions and legislation were also repeatedly introduced in Congress on behalf of the American Legion and in response to the sentiments generally of veterans and their families, designed—and I quote from one of these resolutions—to recognize "the duty of Congress to require that the burdens and benefits of war shall be justly and fairly distributed" and "to take the profits out of war and to require equal service for all."

Today, Mr. President, we no longer speak of the benefits of war. We know that war cannot benefit anyone, whether he be on the winning side or the losing. But if there is no one who benefits from war, there are still those who profit from armed peace.

GOP SEEKS TO MINIMIZE ROLE OF DEFENSE SPENDING

There are efforts, of course, to play down the magnitude of these profits and the extent to which the recent prosperity of the manufacturing segment of our economy has reflected continued high defense expenditures. This prosperity, by the way, has notably not been shared by the agricultural and small business segments of the economy, which also share less in the defense budgets. But in any case, the political slogan has been raised that, under the present administration, "peacetime prosperity replaced wartime inflation." Let us examine this claim against the history of our military budgets.

The last year of World War II spending was fiscal 1946, which began July 1,

1945. In fiscal 1947, our national expenditures on military security, which include atomic energy and military foreign aid, were $14.6 billion, about 6 percent of the gross national product. In fiscal 1948 they were $12.3 billion, in 1949 they were $15 billion, and in 1950 they were $14 billion. In other words, in the 4 years of the Truman administration prior to the Communist attack in Korea, our defense expenditures averaged about $14 billion annually. That was about a 5-percent slice of our national economy, which during those same years expanded by $50 billion.

In fiscal 1952, at the height of the Korean war, we spent on defense $42 billion, which was 12.2 percent of our gross national product. In 1953 and 1954, under the present administration, we spent on defense $46 billion annually—the highest amount since World War II. That was 13 percent of the gross national product, 2½ times the slice of the national economy devoted to defense under some of the Truman administration. I might note that, in spite of this record defense spending under the Republican administration, the gross national product actually contracted between 1953 and 1954. Today, in 1956, we still spend at a rate comparable to the years of the Korean war.

This kind of Federal spending has the same effect on our national economy whether the planes and guns are used to shoot at an enemy or not. We all hope that these weapons will become obsolete without having once moved from their storage depots, and without having been needed by our men in combat. But the effect on our economy of producing these weapons is, nevertheless, exactly the same. If on your doctor's orders you buy a pint of some expensive medicine fresh every week, the effect on your pocketbook—and on that of the druggist—is the same whether you swallow all of it, or just put it on a shelf.

Since 1952, through all the years of this administration, we have been riding the crest of a vast armaments boom. For 5 consecutive fiscal years, defense expenditures have averaged more than $35 billion, and that figure appears to be the approximate level for these expenditures next year and in the years ahead. I want it clearly understood that I do not challenge the need for these expenditures. I support the necessary appropriations. But I think it is time for a review of the financial impact of these expenditures on corporate profits, as we have had a review of the veterans' programs.

In the widespread eagerness to claim credit for a great "peacetime prosperity," Mr. President, the economic and financial results of a long-range $35-billion-a-year defense budget have been an inconvenient question, which has simply been swept under the rug.

PRESIDENT SHOULD ORDER A STUDY OF ARMAMENT PROFITS

I maintain, Mr. President, that the Chief Executive of this Nation has the same obligation to inquire into the profits being reaped from the production of essential defense material, which he felt to inquire into the benefits being bestowed upon war veterans. I urge him to appoint, for this purpose, the same kind of commission as the Bradley Commission, which he established for the latter inquiry.

If it is a proper subject of presidential inquiry to determine whether public funds are being profligately spent on benefits for war veterans, surely it is an equally proper subject to determine whether public funds are going with too great a profligacy and generosity to those who manufacture weapons for our soldiers and sailors of today to use in maneuvers, and perhaps even in actual combat.

It is appropriate for us, today, to look briefly at the prosperity being enjoyed by so many huge corporations now devoting substantial portions of their production to filling Government orders.

The greatest supplier of the Government in connection with defense programs has been General Motors, which in the 5 years between July 1, 1950, and June 30, 1955, has had prime contracts of a net value totaling $6,874,000,000—I repeat, almost $7 billion. At the end of the Second World War, General Motors stock sold for around $35. By 1954, it had risen to $99, was split 3 shares for 1, and again reached a high of $54 last year, when General Motors was the first corporation in history to earn $1 billion net, after taxes. General Electric, with $4 billion in military prime contracts over the same 5 years, has seen its shares rise from a level of $37–$50 in 1945 to the equivalent of $170—$57 after a 3-for-1 split.

Similarly, the shares of great suppliers of petroleum products for the armed services, such as Standard Oil of California and of New Jersey, have also quintupled in value since the end of World War II.

Prominent among the largest defense contractors are, of course, the aircraft companies. A dozen of these have had military contracts ranging from $1 billion to $5 billion in the period 1950–55, and these military purchases represent over 90 percent of all aircraft construction orders. These companies, which work almost entirely for the armed services, are outstanding examples of the trend. Their shares have risen fantastically in value.

ADMINISTRATION TAX POLICIES HELP DEFENSE SUPPLIERS

These vast increases in stock values reflect, of course, increased earnings; and these, in turn, to a large extent reflect tax and other policies of the administration. During World War II, we tried to hold profits from war production to a reasonable level by means of excess profits taxes. These have been abandoned, and further generous tax concessions have been granted to corporations and their owners. In 1945, at the end of World War II, the average value of eight leading aircraft companies had risen only 30 percent over their prewar level. The excess profits tax expired, under the present administration, on December 31, 1953. The average value of the 8 aircraft stocks for 1954 was 371.8 percent of the prewar average; for 1955, it was 564 percent. For the first 4 months of this year, these shares—of companies engaged almost entirely in defense production for the United States Government—have averaged 671 percent of their prewar level, or 5 times their value at the end of World War II.

I shall not multiply the available examples of this well-known trend. But I do not recall that Secretary of Defense Wilson, or Secretary of the Treasury Humphrey, has expressed any grave concern over the possibility that there may be a relationship between the continued magnitude of our defense needs, the absence of controls over armament earnings, and the vast profit to corporate shareholders.

ADMINISTRATION ENDORSES SACRIFICE BY MEN, BUT NOT SACRIFICE BY CORPORATIONS

They may, of course, prefer to ascribe it all to our new "peacetime prosperity." Yet, at the same time, in the last 18 months, the Eisenhower administration has shown great desire for economy and for sacrifice, where service by men rather than by corporations is involved.

First, we have seen an end to the GI bill of rights, which did so much to raise the educational standards of America, and which gave young servicemen some hope of earning a better future by their service to our country.

Second, last summer, Department of Defense demanded, and got, compulsory and enforceable Reserve duty for all servicemen, for several years after the end of their active duty—a forcible intrusion of the military into civilian life heretofore unheard of in this country.

Now, finally, we have the report of the Bradley Commission for a reconsideration of veterans' benefits, in the light of the principle that military service is "an obligation of citizenship."

Is this a characteristic example of the policies of the administration which frequently proclaims that it is "conservative in economic affairs but liberal in human affairs"?

Mr. President, if we face facts about the international situation, we know that military service is here to stay, probably for our lifetime. When we contemplate the incredible complexity of modern defense technology, we realize that large defense budgets also are here to stay.

Ex-servicemen will continue to comprise a large portion of each generation—even though we hope they will not be war veterans. Likewise, defense expenditures will continue to be a large sector of our gross national product, and particularly of the product of the largest industrial corporations.

The President has considered it wise and necessary to have a commission study the programs appropriate for ex-servicemen in our society. I now call upon President Eisenhower to appoint a Presidential commission, similar to the Bradley Commission, to study the role of defense contracts and defense profits in our economy.

EXEMPTION OF SURVIVOR BENEFITS FROM TAX BASE

Mr. MORSE. Mr. President, I ask unanimous consent to speak for approximately 6 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The Senator from Oregon may proceed.

Mr. MORSE. Mr. President, I am making this speech for the attention of the Finance Committee, because I think it is very important that the subject matter which I am about to discuss shall receive the attention of the Finance Committee this week, before it is too late.

Mr. President, on February 2, 1956, on behalf of myself and my colleague, the junior Senator from Oregon, I introduced a bill (S. 3119) to provide that certain survivor benefits received by a child under public retirement systems shall not be taken into account in determining whether that child is a dependent for income-tax purposes. On April 19, again with the support of my colleague, I introduced the same proposal as an amendment to the House bill, H. R. 7225, amending the Social Security Act.

I now understand that H. R. 7225 is to be reported at any moment by the Finance Committee. It is my further understanding that although the committee is recommending certain amendments to H. R. 7225, it has not acted on the amendment proposed by Senator NEUBERGER and myself. Indeed, I was told yesterday by the staff of the Finance Committee that the customary departmental reports on S. 3119, which were requested on February 3 from the Bureau of the Budget and the Treasury Department, have not been received. Apparently the administration does not deem our bill very important or worth while.

Viewed as only a small part of the complex of social security provisions, it perhaps is not very important. Judged, however, from the standpoint of thousands of American families headed by widows, it is both important and eminently worth while. There can be no question about the insecure financial position of such family units. Their average income falls far below families of the same size headed by a man, even when all benefits under public assistance and survivor's insurance programs are added to earned income.

Perhaps my colleagues will be as startled as I was, for example, to learn that although $3,560 is regarded as necessary to afford a widow and two dependent children in Portland, Oreg., a "modest" standard of living, the median average income for all families in the United States headed by women is only $2,293.

And yet, curiously enough, Mr. President, the Internal Revenue Code as presently devised penalizes the very families we seek to protect and cherish. A widowed mother with dependent children, who is forced to supplement OASI payments with earned income, is confronted today with an anomaly in the law which, in effect, taxes the survivor's benefits received by her children. Not only is this inconsistent with the intent of Congress in exempting OASI benefits from taxation; it also has an inverse reaction with relation to wealth.

As the law now reads, if a widow under OASI receives more than $600 a year in earned income, she can claim her children as dependents only if she can demonstrate that she is contributing more than half of their support. Since per child OASI payments now range between $288 and $624 a year, this means that a widow with two children, each of whom is receiving, say, $450, can claim them as dependents for income tax purposes only if she can prove that she contributed to their support more than $450 per child. Her total family income may be only $2,500, and yet under the law she is required to show that she has used at least $1,800 of that amount for support of her children in order to avoid paying taxes on earned income above her standard $600 exemption and 10 percent deduction. The effect of this on her precarious financial condition is readily apparent.

Less immediately apparent, but quite as significant, is the fact that this weakness in the Internal Revenue Code does not impinge with commensurate severity on widows with outside nonearned income. Their higher standard of living makes it possible for them to contribute more than half of the support of their children, and thus gain exemptions for whatever income they might earn.

To correct both of these weaknesses, my colleague and I are therefore suggesting that section 203 (a) of H. R. 7225 be amended to amend the Internal Revenue Code to provide that only those Social Security benefits exceeding $600 per year per child shall be taken into account in determining whether a child receives more than half his support from his mother.

It is my intention, if I am so permitted by the parliamentary situation, to submit this amendment in the debate on H. R. 7225 later this week. I know it will receive the sympathetic support it so clearly deserves.

I was greatly disappointed at the failure of the Finance Committee to see to it that widowed mothers in America are not subjected to this great injustice by requiring them to pay taxes on social security benefits which go to their children. We have been very careful in the Senate, under laws recently passed to see to it that on retirement Senators are protected in receiving much greater retirement benefits than were provided prior to this session. It is about time the Finance Committee of the Senate should give some attention to the deplorable condition in which widowed mothers find themselves. It is an injustice which the Finance Committee should attempt to rectify; and I intend to bring out fully what is being done to these widowed mothers, unless the committee reports to the Senate a bill which contains this amendment.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1957—CONFERENCE REPORT

Mr. HAYDEN. 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. 9390) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1957, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of June 4, 1956, p. 9427, CONGRESSIONAL RECORD.)

The PRESIDENT pro tempore. Is there objection to the present consideration of the report?

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

Mr. HAYDEN. Mr. President, the bill as passed by the Senate provided $433,876,400 for the Department of the Interior, exclusive of the Bureau of Reclamation. The bill as approved by the conference committee provides for $423,394,100.

I shall be glad to answer any questions Senators may ask in regard to any item of the bill.

Mr. STENNIS. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. STENNIS. Mr. President, I should like to ask a few questions concerning the final report on the bill, as I did not have the privilege of being present when the bill was considered on the floor.

First, I wish highly to commend and thank the Senator from Arizona for his very fine and effective work from year to year with reference to forestry programs which mean so much to all areas of the country, and particularly to the area from which I come, in connection with reforestation, proper forest management, and forestry research, in cooperation with the States along those lines.

Time and time again I have realized how very well the Senator from Arizona understands the problems and how effective he is in having the right program properly supplied with the necessary appropriations. At the same time, he is conservative in the figures which apply to the programs.

Mr. HAYDEN. We have tried to provide the money to do the necessary work, which amounts to a capital investment in our national forests. It has been well worthwhile.

Mr. STENNIS. I agree with the Senator's description, because I certainly believe that it is a capital investment and that it will bring returns over many years.

I am interested in the fund for management and protection. I understand that in part the appropriations approved by the Senate figures are preserved in the pending conference report.

Mr. HAYDEN. These are the increases allowed in conference:

Range resource management	$250,000
Wildlife resource management	135,000
Soil and water management	250,000
Sanitation and care of public campgrounds	902,750

That is a very important item.

Forest fire protection	$225,000
Reforestation	620,000
Revegetation	250,000

Unfortunately, we could not get the whole amount in that instance.

Mr. STENNIS. I have the figures with respect to forest research. There is a $650,000 increase for that highly important item, which makes a $1,800,000 increase for forest research over the current year.

Mr. HAYDEN. That is correct.

Mr. STENNIS. Those figures are approximately correct. That is another item which is highly important.

If I may refer to the next page, there is an increase in the item of cooperative forest tree planting, by reason of the conferees agreeing to a Senate amendment. This is another highly important program.

Mr. HAYDEN. Those items were allowed in amounts above the budget estimates.

Mr. STENNIS. I do not know of any program which is more important for the long-range future or which is a better capital investment. The distinguished Senator from Arizona and the Senators who worked with him are to be highly commended. This is a matter of vital concern and importance to my area of the country.

There has been more interest in the past 10 or 15 years in developing good forestry practices and management than has ever existed before. The expansion in forestry education, forestry research, practical forestry management, and other important forestry programs, combined with outstanding leadership, has contributed greatly to the fine progress which has been made.

Almost one-half of all those employed in manufacturing in Mississippi process lumber, furniture, or paper made from pulpwood. We have 2,000 sawmills, 6 pulpmills, and 150 wood-using plants of various kinds providing a market for the tree products of every woodland in Mississippi. Many farmers and others in rural areas find employment in processing, growing and harvesting timber and transporting forests products.

The Mississippi Forestry Commission, in cooperation with the United States Forestry Service, Mississippi State College, the Forestry Industry, private woodland owners, and many other interested groups, are making real progress in bringing our people to recognize the value of forestry potentials.

There is a real challenge in Mississippi in terms of forestry development. Our timber experts tell us that we can grow three times as much timber as we are now growing. We have 16½ million acres of forest land now growing 32 cubic feet per acre for all trees 5 inches in diameter or larger or 110 board feet on all trees of saw-log size. Under an improved and expanded program our forest land can produce 90 cubic feet per acre per year for all trees 5 inches and larger and 300 board feet or more per acre of saw-log size. In Mississippi we are moving in the direction of bringing our forest program to produce more than $1 billion worth of forest products annually.

I am particularly interested in the pressing need for expanding our forest tree planting program. According to data given in the Timber Resources Review, which is a study of the Nation's forestry developed by the forest service in cooperation with other agencies, there are 60,339,000 acres of land in need of reforestation. Of this total, Mississippi has 4,343,000 acres in need of reforestation. The forest tree-planting program assists our farmers in getting healthy tree seedlings at a nominal cost and is one of the soundest programs being conducted by the Department of Agriculture. Agriculture leaders in Mississippi as well as numerous other States have expressed concern over the shortage of nursery stocks. Recent estimates indicated that the fiscal year output of trees from State nurseries will total about 30,656,000 trees. Orders from Mississippi landowners were so great that these nurseries stopped receiving orders when their request exceeded the 40,000 mark last November. In all, Mississippi landowners will plant close to 70 million trees this year.

Looking at this problem from the national level, the total output of seedlings for this fiscal year will be approximately 575 million, and it is expected to reach 600 million in the next fiscal year. The State foresters estimate that these quantities will be much below the demand expected. This is especially true in many of the Southern States, where tree planting is constantly breaking all records, and certainly indicates that our present demand for seedlings is greatly above production under the present program. I am particularly glad that the Senate figure for this program for fiscal year 1957 has been approved.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 9390, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 4, 1956.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 8, 10, 16, 27, 28, and 35 to the bill (H. R. 9390) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1957, and for other purposes," and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: *"Provided,* That all receipts for the fiscal year 1957 from the operation of the McKinley Park Hotel in Mount McKinley National Park, Alaska, may be applied to, or offset against, costs of managing, operating, and maintaining the hotel and related facilities, and any receipts or other revenues in excess of such costs shall be deposited at least annually into the Treasury of the United States as miscellaneous receipts."

Mr. HAYDEN. Mr. President, I move that the Senate concur in the amendment of the House to Senate amendment No. 18.

The motion was agreed to.

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a tabulation showing the appropriations for 1956, the budget estimates for 1957, the House allowances, the Senate allowances, and the conference allowances for each appropriation in the bill.

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

Department of the Interior and related agencies appropriation bill, fiscal year 1957 (H. R. 9390)

Object	Appropriations, 1956	Budget estimates, 1957	House allowance	Senate allowance	Conference allowance
(1)	(2)	(3)	(4)	(5)	(6)
TITLE I—DEPARTMENT OF THE INTERIOR					
OFFICE OF THE SECRETARY					
Research in utilization of saline water	$600,000	$600,000	$550,000	$550,000	$550,000
Office of Oil and Gas Division	440,600	413,800	413,800	413,800	413,800
Office of the Solicitor	2,690,000	2,817,000	2,800,000	2,835,000	2,835,000
Office of Minerals Mobilization	225,000	308,000	300,000	225,000	300,000
Total, Office of the Secretary	3,955,600	4,138,800	4,063,800	4,023,800	4,098,800
BUREAU OF LAND MANAGEMENT					
Management of lands and resources	14,700,000	18,778,000	18,000,000	18,738,600	18,369,300
Construction	4,300,000	4,500,000	4,500,000	4,500,000	4,500,000
Range improvements	(525,587)	(664,750)	(664,750)	(664,750)	
Total, Bureau of Land Management	19,000,000	23,238,600	22,500,000	23,238,600	22,869,300

Department of the Interior and related agencies appropriation bill, fiscal year 1957 (H. R. 9390)—Continued

Object	Appropriations, 1956	Budget estimates, 1957	House allowance	Senate allowance	Conference allowance
(1)	(2)	(3)	(4)	(5)	(6)
TITLE I.—DEPARTMENT OF THE INTERIOR—Continued					
BUREAU OF INDIAN AFFAIRS					
Education and welfare services	$43,635,995	$50,700,000	$50,700,000	$50,720,000	$50,720,000
Resources management	12,882,000	16,100,000	16,000,000	16,200,000	16,200,000
Construction	8,219,003	7,500,000	4,000,000	7,740,000	5,240,000
Road construction and maintenance (liquidation of contract authorization)	7,000,000	11,500,000	11,500,000	11,500,000	11,500,000
General administrative expenses	2,750,000	3,190,000	3,190,000	3,190,000	3,190,000
Distribution of funds of the Creek Indians		200,000	200,000	200,000	200,000
Relocation of the Yankton Sioux Tribe	56,500				
Payment to Cheyenne River Sioux Tribe of Indians	5,160,000				
Total, Bureau of Indian Affairs, exclusive of tribal funds	79,703,498	89,190,000	85,590,000	89,550,000	87,050,000
Tribal funds (not included in totals of this tabulation)	(3,300,000)	(3,000,000)	(3,000,000)	(3,000,000)	
GEOLOGICAL SURVEY					
Surveys, investigations, and research	28,285,000	31,602,000	31,602,000	31,602,000	31,602,000
BUREAU OF MINES					
Conservation and development of mineral resources	14,743,000	17,363,000	15,363,000	17,363,000	15,862,750
Health and safety	5,305,000	5,304,300	5,304,300	5,304,300	5,304,300
General administrative expenses	1,030,000	1,030,000	1,030,000	1,030,000	1,030,000
Drainage of anthracite mines	8,500,000				
Total, Bureau of Mines	29,578,000	23,697,300	21,697,300	23,697,300	22,197,050
NATIONAL PARK SERVICE					
Management and protection	10,443,000	11,480,000	11,480,000	11,562,000	11,562,000
Maintenance and rehabilitation of physical facilities	9,094,000	10,158,000	10,158,000	10,158,000	10,158,000
Construction	8,425,000	13,550,000	15,000,000	15,250,000	15,250,000
Construction (liquidation of contract authorization)	19,654,300	29,800,000	29,800,000	29,800,000	29,800,000
Jones Point Bridge		13,825,000			
General administrative expenses	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Total, National Park Service	48,866,300	80,063,000	67,688,000	68,020,000	68,020,000
FISH AND WILDLIFE SERVICE					
Management of resources	7,008,500	9,696,000	9,696,000	10,373,600	10,373,600
Investigations of resources	5,102,000	5,065,000	5,065,000	5,105,000	5,105,000
Construction	1,750,000	2,200,000	2,200,000	2,471,000	2,471,000
General administrative expenses	810,000	852,500	852,500	852,500	852,500
Administration of Pribilof Islands	(1,829,152)	(2,580,000)	(2,580,000)	(2,580,000)	
Total, Fish and Wildlife Service	14,670,500	17,813,500	17,813,500	18,802,100	18,802,100
OFFICE OF TERRITORIES					
Administration of Territories	2,669,500	2,803,000	2,803,000	2,803,000	2,803,000
Trust Territory of the Pacific Islands	4,500,000	4,800,000	4,800,000	4,800,000	4,800,000
Alaska public works	3,000,000	5,000,000	4,968,000	4,968,000	4,968,000
Construction of roads, Alaska	6,300,000	7,800,000	7,800,000	7,800,000	7,800,000
Operation and maintenance of roads, Alaska	3,500,000	3,625,000	3,625,000	3,625,000	3,625,000
Construction, Alaska Railroad	4,100,000				
Total, Office of Territories	24,069,500	24,028,000	23,996,000	23,996,000	23,996,000
ADMINISTRATION, DEPARTMENT OF THE INTERIOR					
Salaries and expenses	2,165,000	2,222,000	2,222,000	2,222,000	2,222,000
Total, Department of the Interior	250,293,398	295,993,200	277,172,600	285,151,800	280,857,250
TITLE II—RELATED AGENCIES					
Commission of Fine Arts	22,200	31,000	31,000	31,000	31,000
Federal Coal Mine Safety Board of Review	70,000	70,000	70,000	70,000	70,000
Forest Service, Department of Agriculture:					
Salaries and expenses:					
National forest protection and management	37,990,000	41,668,000	41,668,000	46,063,500	44,300,750
Fighting forest fires	10,500,000	5,250,000	5,250,000	5,250,000	5,250,000
Control of forest pests	6,302,500	5,120,000	5,120,000	5,120,000	5,120,000
Forest research	8,209,000	9,350,000	9,350,000	10,650,000	10,000,000
Subtotal	63,001,500	61,388,000	61,388,000	67,083,500	64,670,750
Roads and trails	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000
Acquisition of lands for national forests:					
Weeks Act	190,000			100,000	100,000
Special acts	(10,000)			(10,000)	(10,000)
State and private forestry cooperation	11,382,129	11,385,000	11,385,000	15,165,000	12,190,000
Cooperative range improvements (special account)	(700,000)	(700,000)	(700,000)	(700,000)	
Total, Forest Service	98,573,629	96,773,000	96,773,000	106,348,500	100,960,750
Indian Claims Commission	121,200	124,600	124,600	124,600	124,600
Jamestown-Williamsburg-Yorktown Celebration Commission	100,000	115,000	115,000	115,000	115,000
National Capital Planning Commission:					
Salaries and expenses	149,700	210,000	185,000	210,000	200,000
Land acquisition	500,000	1,500,000	1,250,000	1,500,000	1,250,000
Salaries and expenses, Washington regional mass transportation survey		200,000	200,000	200,000	200,000
Total, National Capital Planning Commission	649,700	1,910,000	1,635,000	1,910,000	1,650,000
Smithsonian Institution:					
Salaries and expenses, Smithsonian Institution	4,166,000	11a 4,425,000	4,400,000	4,425,000	4,425,000
Salaries and expenses, National Gallery of Art	1,436,000	11b 1,505,000	1,495,000	1,505,000	1,505,000
Museum of History and Technology	2,288,000	33,712,000	33,712,000	33,712,000	33,712,000
Total, Smithsonian Institution	7,890,000	39,642,000	39,607,000	39,642,000	39,642,000

Department of the Interior and related agencies appropriation bill, fiscal year 1957 (H. R. 9390)—Continued

Object (1)	Appropriations, 1956 (2)	Budget estimates, 1957 (3)	House allowance (4)	Senate allowance (5)	Conference allowance (6)
TITLE II—RELATED AGENCIES—Continued					
Franklin Delano Roosevelt Memorial Commission		$10,000	$10,000	$10,000	$10,000
Woodrow Wilson Centennial Celebration Commission	$51,500	48,500		48,500	48,500
John Marshall Bicentennial Celebration Commission	82,500				
Theodore Roosevelt Centennial Commission	10,000				
Alexander Hamilton Bicentennial Commission	120,000				
Boston National Historic Sites Commission	40,000				
Total, related agencies	107,730,729	138,724,100	138,365,600	148,299,600	142,651,850
TITLE III—VIRGIN ISLANDS CORPORATION					
Grants	390,000	425,000	425,000	425,000	425,000
Administrative expenses	(160,000)	(160,000)	(160,000)	(160,000)	
Grand total, titles I, II, and III	358,414,127	435,124,300	415,963,200	433,876,400	423,934,100

DISTRICT OF COLUMBIA APPROPRIATIONS, 1957

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of H. R. 10003, Calendar No. 2117, the District of Columbia appropriation bill.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 10003) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1957, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill (H. R. 10003) which had been reported from the Committee on Appropriations with amendments.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

LEGISLATIVE PROGRAM

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

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, that the Committee on Appropriations has reported H. R. 9536, the general Government matters appropriation bill for 1957. That bill was reported to the Senate on May 24.

H. R. 9739, the independent offices appropriation bill for 1957, was reported to the Senate on May 24, the same date.

The distinguished chairman of the two Subcommittees on General Government Matters and Independent Offices is the senior Senator from Washington [Mr. MAGNUSON]. The leadership has consulted with the Senator from Washington, and he informs us that the reports and hearings have been available on those two bills for several days, and that it will be convenient for him to have the Senate consider those bills on tomorrow.

Therefore, I should like to notify all Members of the Senate that it will be my purpose to move the consideration of H. R. 9536, the general Government matters appropriation bill, and H. R. 9739, the independent offices appropriation bills, after the morning business on tomorrow. This is in accordance with the policy of the leadership to give appropriation bills priority.

It is hoped we can dispose of at least four appropriation bills in the Senate this week, which will set somewhat of a record.

I understand that the Public Works appropriation bills probably will be reported by next week.

I see the distinguished chairman of the Committee on Appropriations on the floor. I should like to ask him the status of the bill.

Mr. HAYDEN. The public works section of the bill will be marked up tomorrow. The other section, which has to do with reclamation, will be marked up the next day, Thursday. If we can get that done, I hope that perhaps on Friday afternoon the committee can get together and report the bill. It all depends on whether any controversy develops.

Mr. JOHNSON of Texas. May I make the same inquiry about the Defense Department appropriation bill?

Mr. HAYDEN. I asked the Senator from New Mexico [Mr. CHAVEZ] about that bill this morning. I was informed that nothing remains but testimony with reference to the Air Force. He said he anticipated no difficulty in disposing of that item very promptly. The bill may be ready next week.

Mr. JOHNSON of Texas. The leadership would prefer to give the Senate an afternoon off to permit conferences to be held on the appropriation bills, so that they may be reported. We are very anxious to get those bills behind us.

I want to commend the chairman of the Committee on Appropriations and the other members of the committee for their diligence and promptness.

We cannot do anything about the legislative appropriation bill and the foreign aid bill. That is so in the case of the foreign aid bill because the authorization for that bill has not cleared the House and the foreign aid appropriation bill has not been reported yet; but as to the bills which have passed the House, I am hopeful we shall be able to get them out of the way by late next week or the early part of the following week.

I appreciate the fine cooperation of the Senator from Arizona [Mr. HAYDEN]. No one has had a better record than he has had.

I want the Senate on notice that we shall take up the independent offices and the general Government matters appropriation bills on tomorrow.

Mr. President, I should like to serve notice on the membership of the Senate that it may be possible to move to the consideration tomorrow or the next day of—

Calendar No. 2030, S. 3149, a bill to amend the Civil Aeronautics Act of 1938 in order to permit certain air carriers to grant free or reduced rate transportation to ministers of religion;

Calendar No. 2039, S. 3449, a bill relating to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment;

Calendar No. 2063, S. 3365, a bill to amend section 410 of the Interstate Commerce Act, as amended, to change the requirements for obtaining a freight forwarder permit;

Calendar No. 2084, S. 3857, a bill to clarify section 1103 (d) of title XI (Federal Ship Mortgage Insurance) of the Merchant Marine Act, 1936, as amended;

Calendar No. 2085, H. R. 9824, an act to establish an educational assistance program for children of servicemen who died as a result of a disability or disease incurred in line of duty during World War II or the Korean conflict;

Calendar No. 2086, S. 1614, a bill to amend the act entitled "An act to fix a reasonable definition and standard of identity of certain dry milk solids," title 21, United States Code, section 321c;

Calendar No. 2089, H. R. 2840, to promote the further development of public library service in rural areas;

Calendar No. 2090, S. 3907, to amend section 345 of the Public Health Service Act;

Calendar No. 2091, S. 3620, to encourage expansion of teaching and research in the education of mentally retarded children;

Calendar No. 2092, S. 3958, to assist in increasing the number of adequately trained professional and practical nurses;

Calendar No. 2093, S. 3430, a bill to promote the progress of medicine and to advance the national health and welfare by creating a National Library of Medicine;

Calendar No. 2110, S. 3307, a bill to amend section 9 (d) of the Universal Military Training and Service Act to authorize jurisdiction in Federal courts in certain reemployment cases;

Calendar No. 2111, H. R. 6274, an act to provide that no fee shall be charged a veteran discharged under honorable conditions for furnishing him or his next of kin or legal representative a copy of a certificate showing his service in the Armed Forces;

Calendar No. 2112, H. R. 5516, an act to amend title III of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 to provide that service as an Army field clerk, or as a field clerk, Quartermaster Corps, shall be counted for purposes of retirement under title III of that act, and for other purposes;

Calendar No. 2113, H. R. 8102, an act to provide for the disposition of moneys arising from deductions made from carriers on account of the loss of or damage to military material in transit;

Calendar No. 2114, H. R. 8693, an act to amend the Career Compensation Act of 1949, in relation to the refund of reenlistment bonuses;

And Calendar No. 2115, H. R. 8922, to provide for the relief of certain members of the uniformed services.

I do not give assurance the bills mentioned will be taken up in the order they are listed, and some of them may not be taken up at all, but I should like the RECORD to show, that so far as the leadership is concerned, it is the intention to move that the Senate proceed to the consideration of the measures indicated, after I have an opportunity to consult further with the minority leader. They may all be taken up tomorrow or the next day, particularly if the hearings and reports on the social-security bill are not available.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1957

The Senate resumed the consideration of the bill (H. R. 10003) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1957, and for other purposes.

Mr. STENNIS. Mr. President, I ask unanimous consent that the committee amendments to the District of Columbia appropriation bill be considered and agreed to en bloc, and that the bill as thus amended be considered for the purpose of amendment as original text, provided that no point of order against any amendment shall be deemed to have been waived by the adoption of the agreement.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

The amendments of the Committee on Appropriations agreed to en bloc are as follows:

Under the heading "Federal Payment to District of Columbia," on page 2, line 13, after the word "and", to strike out "$1,613,950" and insert "$1,963,950."

Under the heading "Operating Expenses—Department of General Administration," on page 4, line 14, after the word "Incorporated", to strike out "$3,425,000" and insert "$3,475,000."

Under the subhead "Public Schools," on page 9, line 6, after the word "vehicles," to strike out "$32,130,800" and insert "$32,590,750", and at the beginning of line 7, to insert "amount $500,000 shall be payable from the motor vehicle parking fund and."

Under the subhead "Recreation Department", on page 10, line 7, to strike out "$1,892,000" and insert "$1,903,000."

Under the subhead "Department of Public Health", on page 16, line 3, after the word "Commissioners", to insert "not to exceed $1,200 for fire prevention and protective services rendered to Glenn Dale Hospital under conditions to be determined by the Commissioners", and in line 19, after the word "Home", to strike out "$25,434,000" and insert "$25,503,400."

Under the subhead "Office of Surveyor", on page 20, line 13, after the word "Surveyor", to strike out "$164,000" and insert "$170,000."

Under the subhead "Department of Licenses and Inspections", on page 20, line 23, after the word "measure", to strike out "$1,640,000" and insert "$1,658,000."

Under the subhead "Department of Highways", on page 21, line 13, after the word "vehicles", to strike out "$6.485,000" and insert "$6,535,000", and in the same line, after the word "which", to strike out "$3,934,304" and insert "$3,966,235."

Under the subhead "Department of Vehicles and Traffic", on page 22, line 3, after the word "years", to strike out "$1,291,000" and insert "$1,303,000."

Under the subhead "Department of Sanitary Engineering", on page 23, line 24, after the word "dumps", to strike out "$10,846,000" and insert "$10,896,200."

Under the subhead "National Guard", on page 26, in line 3, to strike out "$128,500" and insert "$136,500."

Under the heading "Capital Outlay—Public Building Construction", on page 29, line 1, after the word "Northeast", to insert "new Health School for Crippled Children in the vicinity of 13th and Allison Streets, Northwest"; in line 7, after the word "equipment", to strike out "$270,400" and insert "$348,900"; in line 14, after the word "expended", to strike out "$5,200,000" and insert "$6,221,700", and in the same line, after the word "which", to strike out "$2,960,700" and insert "$3,160,700."

Under the subhead "Department of Highways", on page 31, line 15, after the word "designations", to strike out "$14,400,000" and insert "$14,528,000", and in the same line, after the word "which", to strike out "$14,000,000" and insert "$14,128,000".

Under the hearding "General Provisions", in section 5, page 38, line 2, after the word "Commissioners", to strike out the colon and "*Provided*, That the total expenditures for this purpose shall not exceed $83,000, excluding the automobile allowances for the deportation of nonresident insane by the Department of Public Health and the transportation of indigent persons and the placing of children by the Department of Public Welfare."

In section 6, page 38, line 13, after the word "exceeded", to strike out "$20,000" and insert "$25,000."

Mr. STENNIS. Mr. President, I have a very few brief remarks to make with regard to the District of Columbia appropriation bill for 1957. The bill carries the unanimous approval of the committee. It is $1,217,450 under the 1957 estimates, $3,263,263 over the 1956 appropriations, and only $1,884,250 over the House recommendations.

The sum total recommended to the Senate is $179,797,800, and of this amount $146,969,850 is for operating expenses and $34,712,200 is for capital outlay items of the District of Columbia government.

Included in the $1.8 million increase is a $1 million capital outlay item for construction of a much needed health school for crippled children, and $459,950 in operating expenses for the public schools, and of which amount $272,250 is provided for 55 additional teaching positions in the elementary schools; $75,000 to conduct, for the first time, a school census.

Mr. President, this will be the first complete school census taken of the school children in the District of Columbia for many years, and the first one under the law relating to that subject. Heretofore, censuses have been taken, but in view of the changes which have taken place, the overcrowded conditions, the outgoings and incomings in various areas of the city, the committee deemed it essential, in order to get the proper basis for a new start, that a new, complete census be taken.

Mr. President, $100,000 is provided for essential repairs and maintenance of the more than 100 school buildings and grounds, and the balance, $12,700, for clerks in elementary school level.

Mr. President, there has been a tremendous change in the public school system of the District within the last few years, and to meet the acute educational problems that exist here, it is imperative to do something about it without delay. Additional teachers is perhaps the greatest single need, and next of importance is the availability of sufficient facilities to cope with the overcrowded situation and to reduce the pupil-teacher ratio.

Within the short time allotted for hearings on this bill, there was not a fair chance to get the necessary facts to make a sound, long-range evaluation and recommendation of the public school system. There was conflicting evidence presented from many sources as to what the school needs were, and ways to remedy them. In any event there must be a reevaluation made of teaching position needs and the kind of teachers required to help alleviate the problems involved in remedial and other type work. Closer attention must be paid to the building program, with due regard to the shifting of pupil population.

Mr. President, the bill as recommended to the Senate provides a total of 130 additional teaching positions in the elementary schools. No teaching positions will be transferred from the junior and senior high schools. Although the number allowed is 50 below the number requested by many persons, it is all that can be absorbed within the existing school facilities, and will materially strengthen the educational program at the elementary level. School officials indicated that 126 of the additional teachers would certainly help reduce the overcrowding situation and would make a start toward reduction of the pupil-teacher ratio.

Due to the complexity of the public school problems in the District, the Appropriations Committee considered it essential to have a comprehensive study and report made by some disinterested individual or group not connected with the District government or the District school system. This will be funded by the committee, and the report will be ready for committee consideration before the hearings are held on the 1958 budget of the District government.

Mr. President, one other matter, believed of importance to the Senate, is that sufficient revenues are available to the District to meet the expenses recommended in the bill. The Federal payment of $20 million to the general fund is the same as the House allowance and budget estimate. However, the recent revenue act authorized an increase of $3 million; but any payment under this authorization will wait consideration in the supplemental bill.

The committee also approved an increase of $350,000 in the Federal payment to the water fund, to cover the estimated cost of a fishway in the Little Falls Dam, a project now under construction across the Potomac River.

That concludes my formal explanation of the bill. I shall be glad to yield for any questions.

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

Mr. STENNIS. I am glad to yield to the Senator from Louisiana.

Mr. LONG. I notice that some progress is being made toward solving the educational problems of the District of Columbia. I understood the Senator from Mississippi to state that he did not believe that the additional 50 teachers requested could be absorbed at this time. Is that because of inadequacy of classroom facilities?

Mr. STENNIS. The House of Representatives recommended that 50 teachers be transferred to the elementary schools from the senior and junior high schools. The facts and testimony which the Senate committee obtained did not, in our opinion, justify transferring those teachers, but clearly demonstrated the absolute necessity for additional teachers. So we recommend 130 additional teachers for the elementary schools, which are as many as we believe can properly be used with the present overcrowded physical facilities resulting, for instance, from the lack of classrooms.

Mr. LONG. Will any progress be made during the next year toward providing adequate classroom facilities for the children of the District of Columbia?

Mr. STENNIS. Some progress will be made, because one additional building is scheduled for completion this fall. But even with that additional building, the facilities will still be far from adequate, in our opinion. That is one reason why we recommend a comprehensive survey of the educational facilities and other educational needs in the District of Columbia following a proper school-children census, because in so limited a time the committee could not obtain all the facts. We have requested the Appropriations Committee to furnish the necessary funds, and the subcommittee has authority to make this evaluation and to make its recommendation not later than January.

Mr. LONG. I know that in some schools, children of, let us say, the fifth and sixth grades are compelled to share the same classroom, and the teacher uses a method which we know was used many year ago, namely, the teacher tries to give instruction to those in the upper grade, while the children in the lower grade are studying; and then she tries to teach those in the lower grade, while the children in the upper grade are studying. That seems to be an inadequate system.

I believe that in the Capital of the Nation we should be able to furnish an example to the rest of the Nation by providing adequate educational facilities for the children.

Mr. STENNIS. I agree with the Senator from Louisiana. I do not believe that there is in the Nation any city in which the school system needs more attention as regards expanding and physical facilities, providing teachers of the right kind, and making other adjustments which must be made in the school system of the District of Columbia before the conditions here will be improved. The impact of integration and the changes of population in various areas of the city have created problems which cannot be solved quickly. A great deal must be done. That is why we have requested the survey—so as to obtain the facts first, and then try to make the proper recommendations.

Mr. LONG. I thank the Senator from Mississippi.

Mr. STENNIS. I thank the Senator from Louisiana for his interest.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. DIRKSEN. Mr. President, I submit the following amendment: On page 7, in line 3, strike out "$1,053,000" and insert in lieu thereof "$1,058,440."

Mr. President, before I address myself to the amendment, I wish to pay a compliment to the distinguished Senator from Mississippi [Mr. STENNIS].

I have some knowledge of District of Columbia affairs, because for 16 years I served on the District of Columbia Committee of the House of Representatives—for most of the time as the ranking Republican member, and subsequently as chairman. Some years ago I found myself serving, in connection with my membership in the Senate, on the Appropriation Committee's subcommittee on appropriations for the District of Columbia. In total, I have given some 22 years of service to affairs for the District of Columbia. I know it is something of a labor of love that never is articulated in the form of votes back home. So it becomes an unselfish labor in the interest of the welfare of the people of the District of Columbia.

Mr. President, no one has addressed himself with greater devotion to the welfare of the people of the District of Columbia than has the Senator from Mississippi [Mr. STENNIS]. So I publicly make acknowledgement now of the very able work he has done. He has been very patient in listening to every witness, both individual witnesses who appeared in their own behalf and those who represented groups, whether in the field of utilities, in the field of schools, in the field of arts, in the field of recreation, or in the field of administration. He has given freely of his time. In that connection, he has taken time personally to inspect a number of schools in the District of Columbia. He has also inspected the operations of the police department and the fire department.

So, Mr. President, as the Senator from Mississippi brings this bill before the Senate, I wish to state that he does so, not only on the basis of knowledge that is gleaned from the testimony, but also on the basis of knowledge obtained as a result of personal experience.

Therefore, Mr. President, I cannot pay too much praise to the Senator from Mississippi or be too complimentary in my references to him. I may say that my friend, the Senator from Mississippi, has been most outstanding in his service, and it has been an unalloyed pleasure to work with him.

Mr. STENNIS. Mr. President, will the Senator from Illinois yield for a moment to me?

Mr. DIRKSEN. I yield.

Mr. STENNIS. I wish to thank the Senator from Illinois for his very generous remarks. It has been a pleasure to work on some of these problems, although it seems that we have just scratched the surface, and have not provided the remedies which are needed.

A great bulwark of strength in our subcommittee has certainly been the Senator from Illinois [Mr. DIRKSEN], who gives so generously of his time, and has so fine a background of knowledge of the problems of the District of Columbia, the operation of facilities in the District of Columbia, and their relative merits. As a result, his services are extremely valuable to the entire subcommittee, and of course are most helpful indeed to me, personally. So I wish to thank him again for his very fine help and assistance.

Mr. DIRKSEN. I appreciate the kindness of my friend from Mississippi.

With reference to the pending amendment, it calls for an increase of $5,440 in the expenditures of the regulatory agencies, but more particularly the Zoning Commission. Congress heretofore made available $140,000 to completely reorganize and revamp the zoning system for the Federal city. Such reorganization was long overdue. The city has grown by leaps and bounds, and it is necessary, of course, in the interest of health, safety,

ventilation, and light, as well as the security of property values, to maintain certain zoning principles.

In the reorganization of the entire zoning scheme, it is necessary to have adequate technicians. The Zoning Commission is completely overwhelmed with work. They start early and work late. The number of appeals is growing. Under the new plan they will specify not only the area, but the width of a lot, as compared with virtually no limitations heretofore. The work will multiply enormously. That will require some coordination between the Zoning Commission and other agencies in the District Government.

It is fair to assume that as soon as the new regulations and maps are made available there will be a host of inquiries from contractors, builders, lot owners, and people who contemplate building homes. Such inquiries must be satisfied, if any kind of construction within the terms of the law is to be pursued. That requires some personnel. The $5,440 which would be made available by this amendment would provide for one technical coordinator. He would give the Zoning Commission a lift, and help it over the hurdles, enabling it to make adequate response to the inquiries which will come.

I trust, therefore, that my distinguished friend from Mississippi will have no objection to the amendment. I am of the opinion that it was probably left out by inadvertence in the House. On that point, I cannot speak with authority. But certainly there was a budget item for the $5,440 covered by this amendment.

Mr. STENNIS. Mr. President, I think there is a great deal of merit in the amendment, and in the very fine logic and statement of facts which the Senator from Illinois has offered in support of it. I think it is justified, and should be adopted. As chairman of the subcommittee, I am very glad to accept the amendment.

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

The amendment was agreed to.

Mr. STENNIS. For the information of the Senate, I ask unanimous consent that the paragraph on page 3 of the committee report under the heading "Revenues, Obligations, and Surplus" be printed in the RECORD at this point as a part of my remarks.

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

REVENUES, OBLIGATIONS, AND SURPLUS

In the bill recommended to the Senate the estimated surplus as of June 30, 1957, is $10,087,496. This sum is distributed as follows: General fund, $7,369,011; highway fund, $1,276,208; water fund, $653,737; sanitary sewage works fund, $65,823; and motor vehicle parking fund, $722,717. The surplus in the general fund is subject to adjustment on the submission of supplementals for 1957. Additional appropriations to meet the anticipated obligations approximate $11,212,000. To offset these additional obligations, the Commissioners propose to request the increase of $3 million in the Federal payment as authorized by the Revenue Act of 1956, approved March 31, 1956, and to increase the realty tax rate from $2.20 to $2.30 per $100 of assessed valuation. This latter item will produce $1,800,000 in revenues during the fiscal year 1957. Based on these proposed actions, the adjusted surplus in the general fund is estimated to be $957,011 instead of $7,369,011, at the end of the fiscal year 1957.

Mr. STENNIS. In further answer to the Senator from Illinois, I ask unanimous consent that a list of the items on page 5, under the heading "Capital Outlay," which are public-school items for construction under the terms of the bill, be printed in the RECORD at this point as a part of my remarks.

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

CAPITAL OUTLAY

Public building construction: The committee has approved for this item the sum of $6,221,700, or an increase of $1,021,700 over the House allowance of $5,200,000. The additional sum will permit the construction of the new Health School for Crippled Children to be located in the vicinity of 13th and Allison Streets NW.

Distribution of the items follows:

Item	Budget estimate	Senate recommendation
Public schools:		
Elementary school, vicinity of 56th and Eads Sts. NE.	$942,050	$932,050
New Health School, 13th and Allison Sts. NW	1,021,700	1,021,700
Young Elementary School addition	230,300	230,300
Eliot Junior High School addition	920,800	900,800
Elementary school, vicinity of 6th and Chesapeake Sts. SE	982,050	972,050
Paul Junior High School addition	181,650	181,650
Senior high school, vicinity Congress Heights area, Southeast	120,000	120,000
Kenilworth Elementary School addition	788,350	788,350
Elementary school, vicinity of Texas and Burns SE	74,800	74,800
Permanent improvements of existing buildings	400,000	400,000
Department of Vehicles and Traffic: Motor vehicle testing station replacement	650,000	600,000
Total, public building construction	6,311,700	6,221,700

Mr. STENNIS. The total in this list for building construction is just under $5 million for schools alone, which shows that there is a substantial program now in progress for the construction of additional school facilities. Nevertheless, in the opinion of the committee, the sum referred to was not sufficent. So that item is also to be included in the survey and study.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. STENNIS. I yield.

Mr. HILL. For 4 years I was chairman of the subcommittee of the Committee on Appropriations handling the District of Columbia appropriation bill. In that position I think I learned something of the difficulties, problems, and burdens connected with the preparation and presentation to the Senate of the District of Columbia appropriation bill.

I have watched with much interest the devoted work of the Senator from Mississippi. He has given much of his time, thought, and attention to this bill. He has done things which I myself would have liked to do, but never seemed to find the time to do. He has visited the schools in the District to see how they operate, what is being done, and what the situation is. He has visited a number of other institutions in the District. I heartily congratulate him for the exceptionally fine work he has done.

Mr. STENNIS. I thank the Senator from Alabama very much. He has been of great help to me. The work which he did as chairman of the subcommittee in past years has been bearing fruit, and has been quite helpful to us. We appreciate it, and thank him for his continued courtesy.

Mr. President, if there is no further debate on the bill, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The bill is open to further amendment.

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

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

The bill (H. R. 10003) was read the third time and passed.

Mr. STENNIS. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. STENNIS, Mr. MCCLELLAN, Mr. JOHNSON of Texas, Mr. BIBLE, Mr. FREAR, Mr. DIRKSEN, Mr. YOUNG, and Mr. BEALL conferees on the part of the Senate.

Mr. STENNIS. Mr. President, I wish especially to thank the clerk of the subcommittee, Mr. Harold Merrick, for his very fine, efficient, competent, and helpful attention and service to the subcommittee in the consideration of the bill and the preparation of the report.

Mr. DIRKSEN. Mr. President, I concur in the sentiment expressed by the distinguished Senator from Mississippi with respect to Mr. Harold Merrick, the clerk of the subcommittee. I know of no one who has more devotedly served the subcommittee. He has always had his affairs in good order, and has rendered excellent service to the Senators who serve on the subcommittee. He is to be warmly congratulated. He is a great help to the people of the District of Columbia in connection with the appropriation bill for the District of Columbia.

Mr. JOHNSON of Texas. Mr. President, I associate myself with the statements of the Senator from Mississippi and the Senator from Illinois. I heartily concur in everything they have said about the fine, efficient service of Mr.

Merrick. He served as clerk of the State, Justice, and Judiciary Subcommittee of the Committee on Appropriations in whose behalf I had the privilege of handling the bill on the floor of the Senate.

I have never known a more faithful public servant.

Mr. HILL. Mr. President, I wish to join the Senator from Mississippi, the Senator from Illinois, and the Senator from Texas, in all they have had to say about Mr. Harold Merrick, the clerk of the Subcommittee on Appropriations for the District of Columbia, and also clerk of the Subcommittee on Appropriations for the Departments of State and Justice, and the Judiciary.

When I was chairman of the subcommittee which handles the District of Columbia appropriation bill, Mr. Harold Merrick was a tower of strength. I do not know of a more loyal or more tireless or more devoted or finer public servant than Mr. Harold Merrick. I am proud and happy today to pay my tribute to him.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1053. An act to authorize the Secretary of the Interior to dispose of certain lands in the State of Montana to the Phillips County Post of the American Legion;

S. 2498. An act to provide that the Secretary of the Interior shall investigate and report to the Congress as to the advisability of establishing Fort Clatsop, Oreg., as a national monument;

S. 3332. An act to amend the Employment Act of 1946, as amended; and

S. 3920. An act to authorize the partition or sale of inherited interests in allotted lands in the Tulalip Reservation, Wash., and for other purposes.

The message also announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 1866. An act for the relief of Mr. and Mrs. Thomas V. Compton;

H. R. 4363. An act authorizing the conveyance of certain property of the United States to the State of New Mexico; and

H. R. 5237. An act for the relief of Mrs. Ella Madden and Clarence E. Madden.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 8123) authorizing the Administrator of General Services to convey certain property of the United States to the city of Roseburg, Oreg.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10660) to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways; to amend the Internal Revenue Code of 1954 to provide additional revenue from the taxes on motor fuel, tires, and trucks and buses; and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BUCKLEY, Mr. FALLON, Mr. DAVIS of Tennessee, Mr. BLATNIK, Mr. DONDERO, Mr. MCGREGOR, and Mr. AUCHINCLOSS on title I; Mr. COOPER, Mr. MILLS, Mr. BOGGS, Mr. REED of New York, and Mr. JENKINS on title II, were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

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

S. 3515. An act to amend the National Housing Act, as amended, to assist in the provisions of housing for essential civilian employees of the Armed Forces;

H. R. 3255. An act to amend the Classification Act of 1949 to preserve in certain cases the rates of basic compensation of officers and employees whose positions are placed in lower grades by virtue of reclassification actions under such act, and for other purposes;

H. R. 8225. An act to authorize the addition of certain lands to the Pipestone National Monument in the State of Minnesota; and

H. R. 9822. An act to provide for the establishment of a trout hatchery on the Davidson River in the Pisgah National Forest in North Carolina.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 5, 1956, he presented to the President of the United States the enrolled bill (S. 3515) to amend the National Housing Act, as amended, to assist in the provisions of housing for essential civilian employees of the Armed Forces.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1957

The Senate resumed the consideration of H. R. 9720, making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1957.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

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

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

Aiken	Fulbright	Morse
Allott	George	Mundt
Barrett	Gore	Murray
Beall	Hayden	Neuberger
Bender	Hennings	O'Mahoney
Bennett	Hill	Payne
Bible	Holland	Potter
Bricker	Jackson	Purtell
Bridges	Jenner	Robertson
Bush	Johnson, Tex.	Russell
Butler	Johnston, S. C.	Saltonstall
Byrd	Kennedy	Schoeppel
Carlson	Kerr	Smathers
Case, N. J.	Knowland	Smith, Maine
Case, S. Dak.	Laird	Smith, N. J.
Chavez	Langer	Sparkman
Clements	Lehman	Stennis
Cotton	Long	Symington
Curtis	Magnuson	Thye
Dirksen	Malone	Watkins
Douglas	Martin, Iowa	Welker
Duff	Martin, Pa.	Wiley
Dworshak	McCarthy	Williams
Eastland	McClellan	Wofford
Ellender	McNamara	Young
Flanders	Millikin	
Frear	Monroney	

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. DANIEL], the Senator from North Carolina [Mr. ERVIN], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Montana [Mr. MANSFIELD], the Senator from Rhode Island [Mr. PASTORE], and the Senator from North Carolina [Mr. SCOTT] are absent on official business.

The Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from Tennessee [Mr. KEFAUVER] and the Senator from West Virginia [Mr. NEELY] are necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Arizona [Mr. GOLDWATER], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Nebraska [Mr. HRUSKA], and the Senator from California [Mr. KUCHEL] are necessarily absent.

The Senator from New York [Mr. IVES] is absent because of illness.

The PRESIDING OFFICER. A quorum is present.

Mr. HILL. Mr. President, the Committee on Appropriations has recommended a total of $2,372,023,281 in the pending bill, H. R. 9720, making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1957. This recommendation from the committee is $75,041,500 over the House allowance, and $3,137,681 over the budget estimates.

We considered budget estimates totaling $2,363,885,400. Of this amount, in excess of $2.1 billion was requested for grants and contributions, or 89.33 percent of the total. These grant programs embrace the unemployment compensation programs in the Department of Labor; and in the Department of Health, Education, and Welfare, programs for aid to the blind, for vocational education, for payments to agricultural colleges, for payments to school districts for maintenance and operation in the federally impacted areas, for vocational rehabilitation, for general health grants to States, for hospital construction, for grants to individuals, institutions, and colleges for medical research, for payments to States for public assistance, for maternal and child welfare, and for others.

The estimate for grants to States for public assistance was $1,315 million, or 68.27 percent of the request from HEW, and 55.62 percent of all budget estimates in the bill. Under the law the Federal Government has contracted to pay a certain pro rata share of benefits paid by the States for old-age assistance, for aid to dependent children, for aid to the blind, and for aid to the permanently and totally disabled, and the Congress must make available the sums required. Likewise in other programs, unemployment compensation for veterans and for Federal employees, for payments to school districts for maintenance and operation, the Federal responsibility is clearcut to appropriate such sums as are required.

I point out these facts for the information of the Senate so that Senators may know that the laws the Congress has heretofore enacted require definite sums for the Federal contribution, and the extent of our consideration in the committee is as to whether or not the executive agencies have made a proper estimate for the ensuing year.

I call particular attention to several of the committee's changes in the bill.

For the vocational-education program we have added $175,000, to bring the appropriation to the full amount authorized, $29,442,081. In addition, we have added a proviso which would make it possible to use all of these funds in the programs. Heretofore between 4 and 5 hundred thousand dollars have been unused in the programs because the funds could not be reallocated, and if a State had no use for the allocation or any portion of it, the funds reverted to the Treasury.

For the vocational-rehabilitation program we have restored a cut of $2 million for grants to States, and have added $200,000 for additional work in training and traineeships for some special work in a prosthetics education program.

For the general health grant to States, in the item "assistance to States, general," we have added $2,275,000, to make available for this purpose a total of $12 million for the coming year. I call attention to the fact that this grant has been gradually decreased over the past several years. In 1952, the general health grant was $13.5 million; in 1953 it was $13 million; in 1954 it was $10,135,000; in 1955, it was $9,725,000; in the current year it is $9,725,000, plus $4.5 million available only for work on the polio-vaccination program; and the estimate for 1957 was $9,725,000. We feel there is more than adequate justification for the recommended increase.

For grants for hospital construction, the committee recommends the full budget estimate, $130 million, but for which we have a total authorization of $210 million. Evidence showed that a total of $350 million, as the Federal share, could be used in fiscal year 1957.

With respect to funds for grants for hospital construction, there is one facet of the program to which I should like to call attention. Under the Hill-Burton program provision was made to make the appropriations available for a 2-year period, existing law being that funds, unless expressly otherwise provided, were available only for obligation for the year for which appropriated. In the authorizing statute we elected to make the grant funds available for an additional year.

But in the appropriation bill each year has appeared the clause "to remain available until expended," which customarily continues the availability of funds without fiscal-year limitation both for the purpose of obligation and expenditure. But the Public Health Service has seemed to think that the clause mentioned in this item does not continue the availability of hospital construction-grant funds beyond the 2 years stipulated in the authorizing statute. And the House this year in its report on the pending bill made reference to the funds being available for the 2-year period.

When this matter was called to my attention it seemed to me that the appropriation language "to remain available until expended" should make these funds available without fiscal-year limitation, just as it operates when added to any appropriation account, an account which under the law may be available only for a single year.

I directed the staff of the committee to discuss this matter with the General Accounting Office, and we have been informed today that they concur in my view that the words "to remain available until expended" make these funds available for both obligation and expenditure without fiscal-year limitation.

Mr. HAYDEN. Let me ask the Senator a question. Does this mean that the 1955 funds appropriated for part G projects, and which the Public Health Service estimates to be approximately $3.5 million, which would have expired under the interpretation of the Department, will continue available for obligation?

Mr. HILL. That is correct. The funds which would have reverted to the Treasury under the Department's interpretation, about $3.5 million, according to their testimony, but perhaps $5 million or more under present indications, will continue to be available without fiscal-year limitation for obligation and expenditure, thus making available for part G projects in fiscal year 1957 $21 million from the 1956 appropriation, $21 million from this appropriation bill, and some $5 million from the 1955 appropriation, for a total of perhaps $47 million.

For the National Institutes of Health, the committee recommends a total of $184,437,000, an increase of $48,912,000 over the House allowance. Of the total amount recommended, approximately 75 percent—74.65 percent, to be exact—is provided for grants to colleges, research institutions, and to individuals for medical research and for training.

Some may think the amount recommended for medical research is too large, just as was thought by some persons last year when the committee recommended $112 million, or $23 million more than the House allowance. But although our figure last year was not supported by the National Institutes of Health, within 2 or 3 months the Institutes recommended not $112 million, but $126 million, for the research work.

Last year we encountered strong opposition from, of all people, officials of the National Institutes of Health, from officials of the Public Health Service, and from the Department of Health, Education, and Welfare. As a result of that we were not particularly effective in holding the Senate increases in conference, winning approval of only about $8.5 million. But within a few short weeks these same officials were preparing estimates for $126 million, after having objected strenuously to our recommendations for $112 million. The evidence is replete that had the Senate amounts been made available, full and profitable use of such sums could have been made.

While the committee recommendations this year may be viewed in the same light as were our increases of last year, we are hopeful that the availability of these funds will advance our medical research in the coming year to the end that deaths from that insidious disease cancer may be lessened, and that deaths from that No. 1 killer, heart disease, may show a precipitate decline, and that the suffering and misery from mental illnesses and many other diseases may be lessened.

I should point out, too, the action of the committee with respect to an item in the Bureau of Labor Standards, Department of Labor. There was made available in the current year $40,000 to enable the Bureau to do certain work in the field of workmen's compensation. A like amount was requested for the coming year, and allowed by the House. But after the House action, Members of the Senate began to receive protestations from the States, urging that the funds be disallowed, and that the Federal Government leave to the States the work on workmen's compensation standards. The committee so recommended, and our reasons are given on page 2 of the report.

Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc and that the bill as thus amended be considered, for the purpose of amendment, as original text; provided, however, that no point of order against any amendment shall be deemed to have been waived by the adoption of the committee amendments.

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

The amendments of the Committee on Appropriations agreed to en bloc are as follows:

Under the heading, "Title I—Department of Labor—Office of the Secretary", on page 2, line 14, after the word "only", to strike out "$1,751,000" and insert "$1,767,000."

Under the subhead "Bureau of Labor Standards", on page 3, line 5, after the word "than", to strike out "$155,900" and insert "$167,800", and in line 16, after the word "Standards", to strike out "$911,500" and insert "$960,000."

Under the subhead "Bureau of Employment Security", on page 5, line 4, after the word "expenses", to insert "including purchasing and installing of air-conditioning equipment."

On page 8, line 22, after the word "laws", to strike out "$1,888,000" and insert "$2,125,000."

Under the subhead "Bureau of Labor Statistics", on page 10, line 16, after "(5 U. S. C. 55a)", to strike out "$6,687,000" and insert "$7,000,000."

Under the heading "Title II—Department of Health, Education, and Welfare—Howard University", on page 15, line 15, to strike out "$3,300,000" and insert "$3,410,000."

On page 15, after line 15, to insert: "Plans and specifications: For the preparation of plans and specifications for construction, under the supervision of the General Services Administration, on the grounds of Howard University of a military science-physical education building, and a home economics building, $75,000."

Under the subhead "Office of Education", on page 16, line 11, after "(20 U. S. C. 31)", to strike out "$29,267,081" and insert "$29,442,081"; in line 14, after the word "exceed", to strike out "$29,092,081" and insert "$29,267,081", and in line 15, after the word "year", to insert a colon and *"Provided further,* That the amount of allotment which States and Territories are not prepared to use may be reapportioned among other

States and Territories applying therefor for use in the programs for which the funds were originally apportioned."

On page 17, line 9, after the word "to", to strike out "$925,000" " and insert " "$1,000,000"."

Under the subhead "Office of Vocational Rehabilitation", on page 18, line 15, after the word "amended", to strike out "$35,000,000" and insert "$37,000,000"; in line 16, after the word "which", to strike out "$32,500,000" and insert "$33,500,000", and in line 19, after the word "and", to strike out "$1,000,000" and insert "$2,000,000."

On page 19, line 13, after the word "act", to strike out "$2,750,000" and insert "$2,950,000, of which not less than $200,000 shall be available only for a prosthetics education program."

On page 19, line 21, after the word "films", to strike out "$1,160,000" and insert "$1,260,000."

Under the subhead "Public Health Service", on page 20, line 8, after the word "of", to strike out "$300" and insert "$250"; in line 16, after the word "appointed", to strike out "by the National Institutes of Health", and in line 19, after the word "annum", to insert a colon and *"Provided,* That subsection (g) of section 208 of the Public Health Service Act, as amended, is amended by striking out '$15,000', and inserting in lieu thereof '$20,000';".

On page 21, line 6, after the word "General", to strike out "$14,186,000" and insert "$16,461,000."

On page 21, line 17, after the word "determine", to strike out "$3,640,000" and insert "$4,140,000."

On page 21, line 19, after the word "act", to strike out "$6,375,000" and insert "$6,625,000."

On page 22, line 22, after the word "only", to strike out "$6,000,000" and insert "$6,260,000."

On page 23, line 14, after the word "expended", to strike out "$111,000,000" and insert "$130,000,000", and in line 15, after the word "which", to strike out "$88,800,000" and insert "$107,800,000."

On page 24, line 15, after the word "ammunition", to strike out "$35,661,000" and insert "$35,811,000."

On page 25, line 24, after the figures "$38,125,000", to strike out the colon and *"Provided,* That the Surgeon General is authorized to transfer from this appropriation to other appropriations of the Public Health Service such amounts as he may determine are required in such appropriations for Indian health activities."

On page 27, line 20, after the word "act", to strike out "$34,437,000" and insert "$48,432,000."

On page 27, line 25, to strike out "$23,749,000" and insert "$35,197,000."

On page 28, line 4, after the word "only", to strike out "$25,106,000" and insert "$33,396,000."

On page 28, line 8, after the word "conditions", to strike out "$3,471,000" and insert "$6,026,000."

On page 28, line 11, after the word "diseases", to strike out "$13,845,000" and insert "$15,885,000."

On page 28, line 15, after the word "microbiology", to strike out "$8,799,000" and insert "$13,299,000."

On page 28, line 18, after the word "blindness" to strike out "$14,196,000" and insert "$18,650,000."

On page 28, after line 18, to insert:

"Construction of surgical facilities: For the construction and equipment of additional Clinical Center surgical facilities, National Institutes of Health, including the remodeling of existing surgical facilities, and for planning, architectural, and engineering services, $1,630,000."

Under the subhead "Social Security Administration", on page 30, line 12, after the word "only", to insert a semicolon and "and payments, not to exceed $3,800, to Bureau employees to reimburse such employees for expenses incurred by reason of the failure to relocate the Bureau in the District of Columbia"; in line 22, after the word "amended", to insert a colon and *"Provided further,* That hereafter funds available for administrative expenses of the Bureau shall be available for payment of rent for quarters for district offices in the District of Columbia:", and at the top of page 31, after the amendment just above stated, to insert *"Provided further,* That not to exceed $150,000 shall be available for research and development of automatic or electronic equipment, by contract, which shall be coordinated with similar activities and requirements of other Government agencies: *Provided further,* That any such contract shall contain appropriate provisions relating to the disposition of rights in any inventions made or developed in the course of work under the contract."

On page 32, line 2, strike out "$1,698,000" and insert "$1,748,000."

On page 32, line 9, after the word "distribution", to strike out "$1,822,000" and insert "$1,922,000."

On page 33, line 8, after the word "State", to insert a colon and *"Provided further,* That $1,000,000 of the amount available under section 502 (b) of such act shall be used only for special projects for mentally retarded children."

Under the heading "Title III—National Labor Relations Board", on page 37, line 6, after "(5 U. S. C. 2131)", to strike out "$8,951,500" and insert "$9,101,500."

Under the heading "Title IV—National Mediation Board", on page 37, line 24, after "(5 U. S. C. 55a)", to strike out "$435,000" and insert "$460,000."

Under the heading "Title V—Railroad Retirement Board", on page 38, line 25, after "(68 Stat. 1114)", to strike out "$6,493,000" and insert "$7,000,000."

Under the heading "Title VI—Federal Mediation and Conciliation Service", on page 39, line 21, to strike out "$3,295,000" and insert "$3,390,000."

Mr. THYE. Mr. President, I offer an amendment to increase the total amount for the Department of Health, Education, and Welfare by $500,000. I had intended to offer an amendment to increase the amount by $1,500,000; but after discussing the matter with the chairman of the committee, the majority leader, the minority leader, and other Senators on both sides of the aisle, my judgment is that I must reduce the amount from $1,500,000 to $500,000. Therefore, I offer my modified amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota will be stated for the information of the Senate.

The CHIEF CLERK. On page 18, at the beginning of line 4, it is proposed to strike out "$4,500,000" and to insert in lieu thereof "$5,000,000."

Mr. HILL. Mr. President, as chairman of the subcommittee and as the Senator in charge of the bill, I shall be very happy to accept the amendment and take it to conference.

Mr. THYE. I thank the distinguished chairman for accepting the amendment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as part of my remarks, a statement I have prepared concerning the amendment.

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

STATEMENT BY SENATOR THYE

My proposed amendment would increase the funds available to the Office of Education by $500,000. Adoption of the amendment would do no more than provide the full $6 million requested by the President for the service and research functions of this office.

The House allowed the sum of $4.5 million in the bill which we have before us. This bill provides for increases to strengthen the educational services and the statistical reporting services of the Office of Education. However, after allowing for these increases, the bill would provide only $530,000 for research projects. A budget request for research projects was made in the amount of $1,910,000. It is the deletion of funds for these research projects in education which greatly disturbs me.

A few weeks ago I introduced in the Senate a resolution to establish a Joint Senate-House Committee on Scientific Education. Many of my distinguished colleagues have joined in cosponsoring that resolution. It is for the very same reasons I submitted in my resolution that I rise today to protest the deletion of funds for educational research projects.

I have recognized for some time the dilemma we are about to find ourselves in if current trends are allowed to continue.

We have seen the United States assume a position of world leadership largely upon the strength of scientific and technological progress which has been made during the past 10 years.

We are all conscious of this leadership. We follow closely the work of the Atomic Energy Commission in the development of atomic and nuclear energy for peacetime commercial use. We appropriate a budget of approximately $33½ billion to the Defense Department to develop the latest weapons for our modern day. We have recently read of the cooperation between the Atomic Energy Commission and the Rural Electrification Administration in the authorization of two pilot nuclear reactor plants for rural cooperatives. One of these plants will be located at Elk River, Minn.

But underneath these headlines and behind the scenes another development is taking place which presents us with the dilemma I have mentioned.

At the same time that today's progress is being made tomorrow's future is left in doubt because of a dwindling of manpower in the basic science fields. We are not promoting a program which will insure future manpower to assure continued leadership when today's leaders will pass from the scene.

Less and less students of high school age are taking the fundamental courses of mathematics, chemistry, and physics. Less and less teachers are training themselves to teach the basic sciences. Many high school graduates who have a potential in science and technology are not being encouraged to continue their education. Industry is finding it increasingly difficult to find top grade scientists and technically trained people.

These are the reasons why I appeal to the Senate to restore the funds which have been cut out of this bill.

Nowhere did the House deny the need for the funds. Nowhere did the House deny the facts which I have pointed out. In fact, the only apparent reason why the funds were cut is found in the House report which states that there is doubt that the agency could provide for expansion of its activities to use the $1.5 million in 1 year. As a matter of fact, the House report states that the entire budget was soundly conceived.

We all recognize that we can't train the needed manpower overnight or in 1 year. This type of training is a long-range proposition. What the Office of Education is asking for in this request is money to be used in a determination as to how to motivate more able students to enter scientific and technical fields and to continue them in school until they have successfully completed their training. This is one of the fundamental tasks of educational research today. We can be sure that the Office of Education will be criticized if it does not do this job and yet the bill before us does not provide the necessary funds with which to do it.

I remind my colleagues that 2 years ago, in the 83d Congress, we enacted Public Law 531 which specifically provided authority for the Office of Education to contract for cooperative research. The basic purpose of this type of research is to increase the effectiveness of education. We gave the Office of Education statutory authority to contract with our colleges and universities in any cooperative research endeavor that would shed light on our educational problems.

As yet the program has been inoperative for the reason that we have failed to give the Office the funds for this purpose. Two years have passed and still we are asked to hesitate to give the Office of Education funds to undertake cooperative research which we authorized them to conduct. Much could have been accomplished during this 2-year period.

The very existence of this authority to contract for cooperative research completely refutes the only argument advanced for not granting the full budget request; namely, that the Office of Education could not expand its activities in an orderly manner in 1 year. Under cooperative research procedures, all the Office of Education has to do is contract with a college or university or a State department of education to supplement the research being done by personnel in the Office of Education itself. One of the important advantages of the cooperative research approach is that the Office of Education does not have to expand substantially every time it engages in a project to help solve our educational problems.

So that the Office of Education can move forward with the job which it must do, and so that we can begin to meet our future manpower needs in this phase of education, I ask the Senate to go beyond the action of the House and adopt this amendment.

Mr. BUSH subsequently said: Mr. President, I was not present when the Thye amendment was under discussion. I have prepared a statement which I wish to offer in support of that amendment. I therefore ask unanimous consent that the statement be printed in the RECORD at the appropriate place in connection with the debate on the Thye amendment.

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

STATEMENT BY SENATOR BUSH

I should like to indicate my wholehearted support for the Thye amendment before modification. In doing so I would like to commend the Appropriations Committee and its chairman for the strong support they have given to a number of important programs in the health and welfare field.

But I am constrained by conscience, Mr. President, to question the wisdom of this committee in declining to provide the full $6 million requested by President Eisenhower for salaries and expenses of the United States Office of Education. In a day and age when world and domestic considerations make our educational system a keystone of the national welfare, it seems incredible to me that we should offer less to support the services of the Office of Education than, for example, we have for years provided for the protection and preservation of migratory birds, the wisdom of which I do not question.

And frankly, gentlemen, I find it impossible to follow the logic whereby the Federal Government, by providing mushrooming grants for research in science, medicine, defense, agriculture, and other areas, increases an already extraordinary demand for trained people, while refusing to take the most rudimentary steps to begin increasing research dealing with problems basic to the supply of such persons. I am, as this body well recognizes, delighted that the Appropriations Committee has seen fit to lend its support to the important program of medical research; but we are treated here to the situation of trying not only to build Rome in a day but trying to do it without a thought to the manpower which will be needed to do the building. You simply can't go on increasing the demand for trained manpower without concerning yourself with the source of supply—our national schools and colleges.

Are we at a stage in our lives when our rightful concern for our own heart, liver, and lungs warps our perspective so that we are prompted to appropriate $185 million for medical research alone and less than $1 million for research concerning the education of our Nation's youth? This is not a case of millions for defense and not a cent for tribute; but some might say of such action that it is a case of millions for our aches and pains and not a cent for the golden treasury of the future.

Mr. President, what we decide here today could have a profound impact upon the education and upbringing of generations of our young people. If we fail to take this modest step to support research in this all-important field, we shall stand accused of delaying attention to the needs of children. It may not appear as dramatic as delay in providing Salk vaccine by a year, but the research is aimed at reducing the crippling effect of ineffective or insufficient education on the development of many children.

Mr. President, I would like to say just this much more: In every walk of life, this Nation has come to appreciate the importance of research; in science, in agriculture, in industry, in medicine, we have seen near-miracles result from careful and extensive research. The American people, now aware of and aroused by the need for vast improvement of our educational system, will want to know why this body has refused to employ such an obviously promising weapon in the war upon ignorance. Shall we tell them that we cannot provide even the meager foundations of educational research asked by the President? Shall we tell them we can't afford to, when the Federal Government is spending hundreds of millions of dollars on other nondefense research and when, in the same breath, we vote a hearty "yea" to additional tens of millions of dollars for medical research? Shall we tell the people that we don't need such research; that we already know all we need to know about mental retardation, juvenile delinquency, the development of special abilities, school and college dropout problems, and many other problems with which the people are now struggling? Or shall we tell them that research on educational problems is someone else's job to do?

The answer, simply enough, is that we cannot offer any such feeble answers to a pressing social question like this one. No, we must be counted either for or against undertaking a program of educational research, under a law which we ourselves passed 2 years ago, and for doing what lay citizens and educators have endorsed as necessary to educational progress. A vote for this amendment will be an endorsement of the wishes of the people and a step—however modest—in the direction of strengthening American education.

Mr. POTTER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared on the same subject, and also an article entitled "Teachers Chided on Mathematics," written by Benjamin Fine, and published in the New York Times of June 4, 1956.

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

STATEMENT BY SENATOR POTTER

As this body is well aware, I have long been vitally concerned about the shortages of trained personnel in many specialized fields of great importance to the national welfare and, indeed, the national security. This Nation gravely needs scientists, teachers, engineers, and doctors in steadily increasing numbers—to name just a few. Now this increasing demand, as you know, is caused by a variety of factors—an evergrowing economy, rapid technological and social advances, and an increasingly important competition for leadership with certain other nations of the world.

I want to point out that the Federal Government is also contributing greatly to this demand for personnel with advanced training. The demands of such activities as national defense and atomic energy are obvious. But let us look at this very appropriations bill: an increase of 80 percent in the medical research budget of the National Institutes of Health is going to mean a great increase in the numbers of trained personnel required to carry out the work of the Institutes. Now, if all these doctors and researchers for the Institutes' research are to be found in the next year, it will heighten existing shortages in this field.

I am not questioning the wisdom of this increase in medical research. My record of support for this work is clear on that point. But what I do want to question is the wisdom of eternally adding to the demand for trained personnel while continuing to slight the wellsprings of our trained manpower.

We have too long delayed in undertaking a long-range approach to the improvement of the Nation's schools and colleges. It is high time we began to study the major problems in education through systematic and extensive research. For unless we can find better and more efficient methods for meeting the demands of the future, we are going to find ourselves in a situation of ever greater shortages of qualified persons. If we persist in neglecting educational research and related activities. I can picture a day when we are not in a position to appropriate larger sums for medical research, simply because the personnel are not available to do the work.

No major business enterprise would long survive if it refused to appropriate some portion of its budget to research. The small sum requested by President Eisenhower for educational research is only one-third of one-tenth of one percent of our national expenditure for education. We as a Nation can hardly expect to stay in the business of education which today is increasingly competitive in the demands for improved procedures and results, by investing a sum so small as is provided in this bill, toward the vitally important need for research on educational problems. But at least this is a start.

We do the Nation an injustice and discredit ourselves if we fail to adopt the proposed amendment, and thereby delay our chances for future educational advancement.

[From the New York Times of June 4, 1956]

TEACHERS CHIDED ON MATHEMATICS—STUDY FINDS THEM DEFICIENT, CURRICULUM OUTMODED AND PUPILS HOSTILE OR BORED

(By Benjamin Fine)

The teaching of mathematics is in a deplorable state, according to a year-long survey sponsored by the Carnegie Corporation.

The survey found that a large number of mathematics teachers not only did not know how to teach the subject effectively, but also were barely able to keep ahead of their students.

As a result, it was noted that mathematics was one of the poorest taught subjects on the elementary and secondary levels and that the students voted mathematics as their most hated course.

The survey, conducted by the Educational Testing Service of Princeton, made a firsthand study of 60 classrooms in 5 States. Thirty-six of these were at the elementary level, and 24 at the secondary.

The study was under the direction of six educators, headed by Prof. Samuel S. Wilks of the Princeton University mathematics department. The Carnegie Corp. gave $21,000 for the project.

Among the findings were these:

Of the 60 mathematics teachers reached in the study, only 10 were competent; the other 50 were confused and unable to teach the subject.

The mathematics curriculum is outmoded and must be brought up to date if mathematics is to take its rightful place in the public schools.

Most students are not only indifferent, they are downright hostile to the teaching of the subject.

Most of the teachers do not like mathematics and teach it only under compulsion or under protest.

These conclusions are particularly serious, the survey suggests, because of the need for trained engineers, scientists, and technicians in the atomic era. Mathematics is the basis of engineering.

The study notes that most students "back away" from mathematics at an early year. Even superior or gifted students are indifferent. It has the dubious honor of being the least popular subject in the curriculum.

The study lays much of the fault at the feet of the teacher. A sampling of 211 prospective elementary schoolteachers showed that 150 had a longstanding hatred of arithmetic.

The survey found that half of a random sampling of 370 candidates for elementary school positions failed to solve a simple problem in fractions.

"It seems pretty clear that many elementary schoolteachers have a hard time keeping even half a jump ahead of their pupils," the report stated.

The survey continues: "Future teachers pass through the elementary schools learning to detest mathematics. They drop it in high school as early as possible. They avoid it in teachers colleges because it is not required. They return to the elementary school to teach a new generation to detest it."

Toughening up requirements for professional certification would be only half a solution, the surveys says.

The Princeton survey proposes the creation of a remedial mathematics course for teachers of mathematics, designed to unravel the teacher's numerical neurosis.

NOT THE ENTIRE SOLUTION

But, the survey concedes, not all the trouble can be eliminated by retaining teachers.

"When our observer visited 60 classrooms to verify at first hand what the books and the experts were saying about the deplorable state of mathematics teaching," the survey says, "he found 10 in which the teaching was reasonably effective.

"In the other 50 the instruction was so confused that learning of any kind seemed to be largely accidental and unillumined by any learning theory whatever."

The survey is quick to add that the teachers themselves could not be censured for the conditions under which they work. Most of them were struggling with classes of 35 to 40 pupils who sometimes spread over 2 different grade levels and almost always ranged widely from the bright but bored to the dull and bewildered.

The curriculum is taken to task, too. The survey notes that it has changed very little during the past century.

"The high-school curriculum today shows few, if any, signs of the important developments that have taken place in mathematical science since the 17th century," the report says.

The results have been devastating. An engineering school reports that 72 percent of its students entering last September were found so inadequate mathematically that they had to take a review of high-school mathematics before they could qualify for the regular freshman course. Similar complaints are frequently heard.

"Many things will have to be done and discovered before the general population can achieve literacy in mathematics comparable to its literacy in the mother tongue," the survey says.

The importance of research is stressed. However, the survey agrees that "the suggestion that the way out of the mathematical mess is through educational research is likely to try the patience of those who want immediate action."

The "big need," then, becomes a comprehensive study of the whole problem of how to improve the teaching of mathematics.

It will take a generation or two to make a sizable dent in the problems of mathematical education, the survey warns. But, it maintains, the issues should be examined immediately.

Mr. SMITH of New Jersey. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared concerning the amendment offered by the Senator from Minnesota [Mr. THYE].

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

STATEMENT BY SENATOR SMITH OF NEW JERSEY

In connection with the amendment proposed by the Senator from Minnesota [Mr. THYE] I wish to make a brief statement. It has been called to my attention that in the report of the Committee for the White House Conference on Education there were several references to the Office of Education and its budget. I would like to read a few of these:

1. "There is a general feeling that the United States Office of Education has never received enough support to perform all [its] services fully. This Committee believes that a far stronger United States Office of Education is needed if necessary research on schools is to become available" (p. 20).

2. "The * * * research services of the Office of Education should be expanded" (p. 22).

3. "It was recommended 'that the plans of the United States Office of Education for research in school-building needs be supported by adequate appropriations of funds'" (p. 29).

4. "State boards of education and the United States Office of Education should seek to stimulate local studies, and to organize and conduct studies at the State and National levels" (p. 45).

5. "More research should be directed to getting and keeping enough good teachers. Sufficient funds should be provided for the United States Office of Education, and that agency should assume primary responsibility (a) in conducting research directly; (b) in contracting with agencies, professional organizations, and others qualified to do effective research; and (c) in stimulating, encouraging, and coordinating a continuous program of study at all levels of government" (p. 46).

6. "We recommend that the funds available for the support of the United States Office of Education be sufficient to enable it to perform its functions adequately. The United States Office of Education has important functions to perform in the development of American education. It is the only official Government agency available for providing comprehensive nationwide information concerning the schools. * * * Inadequacies apparently result partly from a lack of funds and staff in the United States Office of Education necessary to carry on the needed research activities. We believe that the United States Office of Education can make important contributions to the development of American education through leadership and research" (pp. 60–61).

7. "The United States Office of Education should be adequately staffed to perform the functions it is now performing in making reports on the progress of education throughout the Nation, in carrying on essential research activities, and for providing promptly needed statistical information."

8. "Consideration should be given to the strengthening of the position of the Office of Education in keeping with the importance of education to the Nation."

It is difficult to see how we can keep faith with the broad cross-section of Americans who made these recommendations, unless we restore at least a portion of the full amount requested by President Eisenhower for the United States Office of Education.

Mr. MORSE. Mr. President, I have some questions to ask in regard to various sections of the bill before I discuss a proposed amendment, but first I wish to commend the distinguished Senator from Alabama [Mr. HILL] on his devotion to the general public welfare as demonstrated by his unceasing work as chairman of the Labor and Health, Education, and Welfare and Related Agencies Subcommittee of the Senate Appropriations Committee. The Senator's efforts in this respect are evidenced by his success in having brought about an increase of $2 million for the item of "Grants to States and Other Agencies" in the appropriations for the Office of Vocational Rehabilitation.

We find this item on page 18. I invite the attention of the Senate to the subject matter, starting on page 18, under the "Office of Vocational Rehabilitation."

The importance of the vocational rehabilitation program is so well understood and its relationship to human values and to the welfare to our Nation as a whole are so well known that little would be served by reemphasizing these points at this time. other than to say that I think we, the Congress, and for that matter all healthy Americans, have for too long a time overlooked the sad plight of our unfortunate fellow Americans who have suffered some degree of disability.

To appreciate the importance of the subject matter to which I am addressing myself, all we have to do is to look at

the alarming number of disabled or partially disabled fellow Americans. If we consider the question from the standpoint of economic loss, we must agree that the loss is tremendous, because a great many of such persons, if rehabilitated, could be brought back to productive pursuits.

I desire to discuss the situation from the standpoint of human loss. I have done a considerable amount of work in this field as a Senator, so far as personal investigations and surveys of what is taking place in some of our vocational rehabilitation centers are concerned. All we have to do, I think, is to go through a hospital which cares for disabled persons—and there is a great pilot plant within a stone's throw of the Capitol. I should like to suggest to my colleagues in the Senate, busy as they are, that some day they take a couple of hours off, go to the Anderson Clinic in Arlington, Va., and see there some of our fellow Americans who find themselves bedridden and, in my judgment, also find themselves too much forgotten by healthy Americans.

Mr. President, is it not a rather sad thing that too frequently so many of us never think about the other fellow who is in a more unfortunate position than we are, until misfortune strikes down either us or someone dear to us? I want to have the Senate look upon the question as a common social problem and also a common moral obligation which belongs to each one of us.

Congress makes the appropriations for so many things of so much less consequence than appropriations whose objective is to better the lot of our unfortunate fellow citizens, whether such appropriations are for vocational rehabilitation or for some other features of the bill. I intend to say something about those matters in a few moments, as I get to the provisions where they are found, and I am not interested in a rapid passage of the bill this afternoon. I think there ought to be some discussion of the obligation of the American people, acting through their representatives in Congress, to provide more adequate amounts of money for research, in connection, for example, with great causes of death and disability such as cancer and cardiac disease, in both of which there has been a terrible increase.

Important as is the increase provided in the bill over what has been provided in the past, I do not believe it is sufficient, Mr. President. The American people have the right to have a larger percentage of public funds, taxpayer dollars, go into great medical research centers for intensified research in those fields.

Money for care of those who are already afflicted is important, too. I shall make a plea later this afternoon for more funds for research, because the health problem will not be solved until we know more about the causes of disease. I have talked to doctors. I have read their reports. I shall quote from one later this afternoon.

Important and valuable as is the work which has been done by the committee, I still say the appropriations for medical research provided in certain sections of the bill are inadequate.

Mr. President, as I speak and look around the Chamber, at the men and women sitting here this afternoon, I am reminded that the chances are better than even that 1 out of 7 will die from cancer. And that is typical of our whole population. Then I ask what we are doing as a Government in the matter of research in the field of cancer. The only answer to that question should be, How much can be soundly spent for cancer research? That is the amount we should appropriate. The American people are entitled to know that. Give me the amount which can be soundly spent on scientific cancer research, and that is the amount the Congress should appropriate in 1956 for the American people.

In the case of research in heart disease, give me the answer to the question how much can be soundly spent, and that is the amount the American people can afford to spend in 1956, because the American people cannot afford to spend less. Mr. President, that is true even if the matter be looked at only from the materialistic standpoint of economic loss, although I hope we shall never reach the time in the Senate of the United States when we appropriate money for purposes involving great human values, such as these subject matters involve, on the basis of materialism or materialistic considerations. I still hope that here in the Senate of the United States we shall always be motivated by a dedication to great moral values.

The bill which the eminent Senator from Alabama is handling is pregnant with moral value. The Senator from Alabama, time and time again, as he has stood on the floor of the Senate, fighting for greater governmental support for programs which seek to bring some relief and help to the stricken in our country, to the less fortunate members of our population, has performed a fine public service, a public service which has not been surpassed by anyone in the Congress, in my judgment, for the past quarter of a century. That is the record of the Senator from Alabama.

I want him to understand, as I raise certain questions, as to appropriations in the bill, that I am not raising the questions because of my disappointment in or as criticism of the great job which he and his committee have done. I have a hunch, an intuition, I may say, that the committee felt it had gone as far as it could go if it could hope to have accepted the amounts recommended in its report.

That is why I think some of us who are not on the committee ought to give the committee greater assurance by raising questions as to whether they have gone far enough. I do not believe they have gone far enough, particularly in the matter of medical research, because time is wasting, and we cannot justify the wasting of the time. If you think so, Mr. President, come with me as I take you through great hospital centers. Take a look at the human suffering and economic loss our failure to provide adequate money for medical research has cost. Then I think I shall have made my point clear, because I do not think one can believe it until he sees it.

A few years ago I spent a great deal of time at the great health centers in Bethesda, Md., where I had an opportunity to see the great job being done, to listen to doctors, and to hear what more could be done if we provided the funds with which to do it.

So I am making my plea today for more funds because I do not think too much can be spent, and the spending is sound from the standpoint of governmental responsibility for health.

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

Mr. MORSE. I yield.

Mr. HILL. First, I wish to thank the Senator for his very kind remarks about the Senator from Alabama. Secondly, I should like to point out that the basis for arriving at the funds recommended by the committee was not what the Senator from Oregon may have thought. The amounts were not limited by what the subcommittee or the full committee thought would be acceptable to the Senate and to the Congress as a whole; the amounts were arrived at after hearing testimony from leading and distinguished scientists and doctors in the fields of heart disease, cancer, mental illness, and other fields, and after they told us how much they thought was needed and could be properly expended.

The amount provided was by far the largest amount ever recommended or carried in a bill. If the Senator has an opportunity to check, he will notice that the fund for cancer research is twice what was provided for the current fiscal year.

The committee heard from Dr. Sidney Farber, of Boston, Mass., as to the work which had been done in trying to find an answer to the problem of leukemia, particularly leukemia in children.

The committee had before it Dr. Wendell Stanley, a Nobel prize winner, and now at the University of California. We had Dr. Harry Weaver, of the American Cancer Society, and other distinguished medical men. We asked them, "What do you need? How much do you think you can do? How much money can you profitably expend?" Let me say that in each case we accepted their figures.

Mr. MORSE. That is the next question I wished to ask.

Mr. HILL. We did not cut their figures. Instead, we accepted them.

To show how far we went in this case, let me say that, as the Senator from Oregon knows, under the law, each of our National Institutes of Health has an advisory council. For instance, the National Cancer Institute has an advisory council. On that advisory council are many distinguished doctors and scientists, who are devoting their lives to the cause of trying to find a cure for cancer or the means of preventing cancer. The council made out their estimates of what was needed and what they thought could profitably be spent. Those figures were submitted. Afterward they submitted some revisions of the figures, saying that since they had arrived at the first figures, they had secured information which led them to believe they could make proper use of even larger sums of money. In each

instance, our committee voted them the larger sums.

So I say that the appropriations we now recommend to the Senate are based on what the leading doctors and scientists in these various fields of health have recommended to our committee, saying, "This is the amount we feel we can profitably spend."

Mr. MORSE. Let me ask the Senator from Alabama whether these recommendations are based on both those of the so-called practitioners of medicine and those of the representatives of public institutes of medicine?

Mr. HILL. The answer is that they are based on the recommendations of both. When the Senator from Oregon uses the word "public" in that connection, I assume he has in mind the officials of the National Institutes of Health. Of course, these figures go far beyond those suggested by the National Institutes of Health, because the Institutes are restricted by the Bureau of the Budget.

Mr. MORSE. That is what I wished to bring out.

Mr. HILL. These figures are practically $58 million above the budget estimates.

Mr. MORSE. That is what I wished to bring out, namely, that today the committee is bringing before us recommendations which, insofar as the Federal Institutes of Health are concerned, are in excess of the amounts the spokesmen for those institutes recommended. As the Senator from Alabama has said, the institutes are restricted or limited necessarily by the President's budget message, which calls for considerably less than the amounts of money the Senator's committee has recommended. I understand that the Senator's committee has recommended the larger amounts because, upon investigation, the committee thought the amounts provided should be substantially larger.

Mr. HILL. Yes; we thought the amounts should be substantially increased. In the case of each institute, we allowed the maximum amount which any witness on behalf of the Institute requested or in any way believed could profitably be spent. In fact, I will say that our committee went beyond the Institutes' recommendations. For instance, in connection with tuberculosis, we found that Dr. Sams, now in California, and formerly in the United States Army, and formerly the public health officer for Japan, when Japan was occupied by our forces, and Dr. Selikoff felt that with the expenditure of approximately $1,200,000, there could be developed in the United States a vaccine for tuberculosis, known as BCG, one which has been studied and worked on for years in Britain. In fact, the British Medical Journal for February 25 contains a report on the 5-year trial of the vaccine in Britain. On the basis of the testimony of Dr. Sams and Dr. Selikoff and what we found had been done in Britain, we recommended the appropriation of funds to carry on in the United States such research work on this and other vaccines.

As the Senator from Oregon well knows, we have vaccines for many other diseases. So why should not we have a vaccine for tuberculosis? Therefore, our committee recommended an appropriation of funds for that purpose, although no reference whatever was made to the matter, insofar as the Institutes of Health were concerned.

Mr. MORSE. I should like to comment on a report, which reached my desk a few minutes ago, dated June 4, 1956. The report is on the medical sciences, and reads in part as follows:

Senate Appropriations Committee late Friday approved bill that gives an unprecedented 80 percent increase to National Institutes of Health for research, bulk to go for grants in aid. Compared with $102.1 million available this year, committee voted for $184.4 million. This is $48.9 million more than total allowed by the House and $57.9 million above sum requested by the White House. Almost double the 1956 funds are allotments for cancer ($48.4 million), mental health ($35.2 million), neurology and blindness ($18.6 million), and heart ($33.4 million). The $6 million earmarked for dental health activities in Public Health Service, including research, is nearly 3 times the 1956 budget.

Is that an accurate report of the contents of the bill?

Mr. HILL. Those are accurate figures.

Mr. MORSE. It is to that subject matter I am addressing myself, and it is because of those increases that I made the statements of commendation of the Senator from Alabama and his committee.

Mr. HILL. I just said those figures are accurate. I should say the figures are stated in round numbers, and are substantially accurate.

Mr. MORSE. Yes, in round numbers they present the picture before us.

Mr. HILL. Yes, in round numbers they show what the committee has done; that is correct.

Mr. MORSE. This particular report does not deal with research in the Veterans' Administration medical centers, does it?

Mr. HILL. That research comes under the appropriations for the Veterans' Administration, which are contained in the independent offices appropriation bill. The Senator from Washington [Mr. MAGNUSON] is chairman of the subcommittee handling that bill, and he will inform the Senator from Oregon about those appropriations.

Mr. MORSE. So those of us who are disturbed about the reports we have received as to the inadequacy of funds for research work in veterans' hospitals should reserve our comments on that matter until the time when the Senator from Washington brings up the appropriations affecting the veterans' hospitals. Is that correct?

Mr. MAGNUSON. Mr. President, I merely rise to say that the Senator from Alabama and myself, who have for a long time been interested in this particular phase of the appropriations, have tried to correlate the direct appropriations to the National Institutes of Health and the appropriations for the Veterans' Administration. The latter are handled by the subcommittee of which I am chairman.

I think the Senator from Oregon makes a very good point. Funds for research are carried in the pending bill, but they should be correlated with the funds for research in the Veterans' Administration hospitals. The appropriations for the Veterans' Administration run close to $5 billion, for many purposes. The amount provided for research has, in my opinion, been inadequate. Last year I tried to have it increased. I did not receive much support from the committee, although the Senator from Alabama supported me. Two years prior to that we had very little success.

If the Senator from Alabama and the Senator from Oregon will permit me to do so, I should like to state that the Veterans' Administration has the greatest potential research facilities to be found in any of our public institutions. In its hospitals there are thousands of beds. Research can be done very effectively in the Veterans' Administration hospitals, and all of that work should be correlated with the work done in the National Institutes of Health.

When we were considering the budget in that connection, we were acting on the advice of such eminent men as Dr. Stanley, Dr. White, Dr. Heller, of the Cancer Institute, Dr. Little, Dr. Rhodes, and others. In addition, there are advisory committees composed of lay members. The Cancer Institute has a committee of six lay members. These offices rotate. The committee members come to Washington from time to time. We were taking the advice of these workers. They agreed that the Veterans' Administration facilities could be used as a proving ground for more research, which would be correlated with the work of the advisory committees and the National Institutes of Health.

Consider cancer alone. During the coming year it will cost us $243 million to provide bed space in veterans' hospitals for veterans who are cancer patients. We are devoting very little money to cancer research. We suggest that an expenditure of $5 million or $10 million might reduce the cost, and that it would be an economy in the long run. The National Institutes of Health wish to conduct projects in Veterans' Administration hospitals, where this vital research work can be done.

I commend the Senator from Oregon. This has been a long fight. The Senator from Alabama [Mr. HILL] has been in it for a long time. I started very early as a Member of the House, when he was also a Member of the House. The first institute established was the Cancer Institute. From that beginning has grown one of the greatest medical institutes in the world, at Bethesda, Md.

I think it would be interesting to Senators to know that at the time the Cancer Institute was established—and at that time the Senator from Vermont [Mr. AIKEN] was in the Senate—we could obtain only $1 million. In those days Congress would not appropriate money for land. A very generous woman by the name of Mrs. Wilson owned an estate in Bethesda. Her husband had died of cancer. She donated the first bit of land, and we started the Cancer Institute.

It would do all of us good to go there and see what is being done. Sometimes we are criticized for the amounts which

we appropriate for these purposes. To be brutally frank, we have been criticized by Senators who, a few months later, found themselves stricken with the same disease we were trying to eradicate. Sometimes it is very difficult for us to show results. They are very intangible.

An amazing thing has happened this year. We have been obtaining definite results in connection with cancer, heart disease, mental illness, muscular dystrophy, and other diseases which plague the people of the United States. Such progress has been made possible because of research.

In connection with Veterans' Administration hospitals we have been gradually eliminating tuberculosis wards, as will be seen tomorrow when the appropriation bill for the Veterans' Administration is before the Senate. Tuberculosis is passing out of existence because of this research program.

If we could persuade sufferers from venereal diseases to come forward for treatment, they could be cured almost immediately. We are still plagued with three great killers, namely, heart disease, cancer, and mental illnesses, which cause many complications. But we are making progress.

The testimony on this subject furnishes the most interesting reading. It shows that in the field of biochemistry it has been possible to isolate certain drugs. Even since the budget hearings, certain new drugs have been isolated. Seven teams of top scientists and medical men are traveling all over the United States demonstrating the use of the newer drugs. There are 2,700 human volunteers. The drugs have worked perfectly on mice and other animals.

In the field of hormones, in connection with cancer research, it has been found that certain parts of the body are more susceptible than others. Great strides have been made.

The critics usually ask, "What are we getting for our dollar?" We cannot always point out the results. For the first time these research activities are being correlated. When the Senator from Alabama and I started years ago there was a small laboratory in Chicago. Dr. Little was working in Maine. The Mayo Bros. Institute was conducting certain work. However, these research activities were not correlated.

We are making definite progress. Certain drugs have been discovered which, before many months have passed, may prove very useful in the treatment of leukemia.

I wish to compliment the Senator from Alabama [Mr. HILL] and the Senator from Maine [Mrs. SMITH], who have done yeoman work.

Mr. MORSE. I shall discuss later the work of the Senator from Maine.

Mr. MAGNUSON. The Senator from Minnesota [Mr. THYE] has been very helpful.

Sometimes we have been reluctant to come to the Senate asking for money. It is pretty difficult to answer the question, "What are we getting for these expenditures?" All of us feel very proud that, after all these years, we now can show some results.

Mr. President, that is all I have to say. I felt so keenly on the subject that I could not resist this opportunity for commenting.

Speaking of results, I will say to the Senator from Oregon and the Senator from Alabama that sometimes they are intangible. Another cold, hard fact is that because of the medical-research program, in which the Government has played a most important part through these expenditures, in the period of 16 years from 1937 to 1954, life expectancy has increased 9 years. I know of no one anywhere in the world who would not give a few paltry dollars for 9 years more of life.

Mr. MORSE. I thank the Senator from Washington. I shall have something to say in a moment regarding his record.

Mr. THYE. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. THYE. I have been following the discussion relative to the funds which have been appropriated for the various items which come under the National Institutes of Health. I think it would be enlightening to those who read the RECORD if there were inserted in the RECORD at this point a tabulation showing the appropriations made in 1950, 1951, 1952, 1953, 1954, 1955, and 1956, and the amount recommended in the bill for 1957. Those figures show a constant increase over the years. With respect to this year, we have followed the recommendation of the National Cancer and Heart Institutes.

I know it will be enlightening to anyone who reads the RECORD.

Mr. MORSE. I should like to have it in the RECORD, particularly because it bears upon one major point I wish to emphasize in these few remarks this afternoon, namely, the inadequacy of the appropriations in the past and the fact that now at last we are taking some forward steps in an effort to provide the kind of support the American people are entitled to in improving their health conditions.

Mr. THYE. Mr. President, therefore, I ask unanimous consent that the tabulation be printed in the body of the RECORD, as a part of my remarks.

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

National Institutes of Health appropriations, 1950–57

	1950	1951	1952	1953	1954	1955	1956	Estimates, 1957	House allowance, 1957	Senate allowance, 1957
Operating expenses, NIH	$12,075,000	$15,750,000	$15,756,500	$16,598,750	$4,675,000	$5,674,000	$5,929,000	$11,922,000	$11,922,000	$11,922,000
National Cancer Institute	18,900,000	20,686,000	19,656,750	17,887,000	20,237,000	21,737,000	24,978,000	32,437,000	34,437,000	48,432,000
Mental health activities	[1] 8,666,000	10,000,000	10,561,737	10,895,000	12,095,000	14,147,500	[2] 18,001,000	21,749,000	23,749,000	35,197,000
National Heart Institute	10,725,000	14,750,000	10,082,650	12,000,000	15,168,000	16,668,000	18,898,000	22,106,000	25,106,000	33,396,000
Dental health activities	1,780,000	2,090,000	1,617,654	1,650,000	1,740,000	1,990,000	2,176,000	2,971,000	3,471,000	6,026,000
Arthritis and metabolic disease activities	[3]	[4]	[4]	[5] 4,568,900	7,000,000	8,270,000	10,840,000	13,345,000	13,845,000	15,885,000
Microbiology activities	[3]	[4]	[4]	[5] 5,475,200	5,738,000	6,180,000	7,775,000	9,799,000	8,799,000	13,299,000
Neurology and blindness activities		[4]	[4]	[5] 1,537,300	4,500,000	7,600,500	9,861,000	12,196,000	14,196,000	18,650,000
Total	52,146,000	63,276,000	57,675,291	59,030,750	71,153,000	81,268,000	98,458,000	126,525,000	135,525,000	184,437,000

[1] Excludes $2,946,000 for support of narcotic hospitals at Lexington and Fort Worth which was subsequently transferred.
[2] Includes $250,000 supplemental.
[3] The operating expense, NIH appropriation included funds in 1950 for arthritis and microbiology and are not identifiable in this year.
[4] The operating expense, NIH appropriation included funds in 1951 and 1952 for arthritis, microbiology, and neurology and are not identifiable in these years.
[5] The identifiable programs included in operating expense, NIH appropriation.

Mr. MORSE. Mr. President, I should like the attention particularly of the Senator from Maine [Mrs. SMITH] and the Senator from Washington [Mr. MAGNUSON], who have spoken earlier about the work the committee has done in this field in trying to obtain justice and equitable and needed appropriations for the health needs of the American people in the field of medical research and in the field of public hospital care. I would not be duly appreciative in my remarks if I did not recognize the work the Senator from Maine and the Senator from Washington have done.

A problem such as this requires leadership in the Senate. Unless such leadership is provided in committee by those who are willing to exercise leadership, very little progress can be made. Certainly without such leadership having been provided, we would not have made the progress we have made so far.

What we are now doing represents a very great step forward as compared to the somewhat dragging-of-heels attitude, which has characterized this effort in the past. I am talking about the work the Senator from Maine [Mrs. SMITH] has done, because I happen to know—and she does not know that I know it—of some positions she has taken within the committee this year, when an argument of false economy crept into the committee's deliberations on the part of some persons who questioned whether we were not moving too fast, and when the old bugaboo was raised as to whether we would not be moving in the direction of socialized medicine if we were to appropriate taxpayer dollars for research in an attempt to find the answer to such great menacing threats to the health of our people as cancer and cardiac diseases.

Therefore I wish to pay this tribute to the Senator from Maine, and also ask unanimous consent to have printed in the RECORD at this point some editorials published in Maine newspapers.

The first one is entitled "How About One Billion for Health?" published in the Bangor Daily News of July 12, 1955; the second one is entitled "Our No. 1 Evasion," published in the New York Post of December 18, 1955; and the third editorial is entitled "Let Us Raise Our Sights," published in the Bangor Daily News of November 19, 1955.

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

[From the Bangor Daily News of July 12, 1955]

HOW ABOUT ONE BILLION FOR HEALTH?

There are occasions when we feel Congress is too generous about spending the taxpayers' money. But today we'd like to point out an instance in which we think the Federal legislators are being downright niggardly. We refer to funds for medical research on major killing diseases. Congress hasn't yet decided on a final figure, but the largest amount we have seen proposed is $24 million.

Why not $1 billion? This may sound startling, at first. Yet, what better investment could be made for the welfare of the Nation? Let us suppose the sum found the answer to dreaded cancer, for instance. Suppose it gave us new information on heart ailments and their treatment. Suppose it speeded up improvement of the Salk polio vaccine. Wouldn't research funds help the battle against cerebral palsy? Wouldn't it hasten the development of marvelous new atomic weapons for the war against disease?

It occurs to us that we Americans may have lost our perspective as to the relative importance of things. A Federal highway program running into many billions undoubtedly will be put on the books within a short time. We are spending billions upon billions for national defense. Other billions have been poured overseas in the form of foreign aid. Yet, we discuss medical research in terms of only millions.

The suggestion of allotting 1 billion Federal dollars for vital medical research is in nowise linked to the philosophy of socialized medicine. The latter is something we oppose. We suggest the research funds be distributed as grants to appropriate college and medical research laboratories. The project should be carefully organized, just as our generals and admirals would plan war against an aggressor.

It need be no more socialism than was the Government's spectacular success in developing atomic energy. This was a wartime emergency, and the immediate goal was to make atomic bombs, but it spelled the dawn of the atomic age—an age which we hope will be peaceful and prosperous. The Federal atomic know-how is now being gradually passed along to private enterprise for peaceful use of atomic energy.

We startled and frightened the world with the atomic bomb. Would we not win the gratitude of the world if by a billion-dollar research program we were able to give the human race the answers to the diseases that kill and cripple?

We'd like to see the billion-for-medical-research idea catch on in Washington. If you like the idea let President Eisenhower and the Maine delegation in Congress know how you feel. Write direct or care of Bangor Daily News, Bangor.

[From the New York Post of December 18, 1955]

OUR NO. 1 EVASION

The delusion that New York State sets the pace for all other States perists. Are we victims of our own propaganda about the hicks being in the sticks? Or of the long-range effects of Tom Dewey's publicity machine? What, for example, have we been doing about mental health?

In terms of the State's annual operating budget, this is problem No. 1. It is costing more than any other single function of State Government. How does New York rate with other States in trying to get to the root of the problem? Admittedly we have more medical schools and celebrated psychiatric research centers than anywhere else. Yet, as an authoritative voice has just reminded us, the State of Kansas, the land of the Menningers, has the top mental health program in the Nation. Illinois, Ohio, Michigan, Indiana, even Florida are not far behind. New York isn't leading any one but the footdraggers.

The bleak news was presented to the Joint Legislative Committee on Problems of the Aging by Mike Gorman, Director of the National Mental Health Committee.

New York spends only $16.50 per year on research for every mental hospital inmate. But we spend $1,364 per patient for bed, board, window bars, and keepers.

"New York must start betting on brains rather than bricks," Gorman pleaded.

A congress of State governors has recommended that at least 10 percent of each State's mental health budget be set aside for research and training. On this point, New York's budget is woefully out of joint. Out of $160 million this year, the State is marking only about $2 million for research on deep-seated causes and cures of mental illness.

Gorman says the choice is simple and grim. We can keep on doing what we're doing until we face another bond issue of several hundred million dollars for more mental institutions for more people. Or we can "invest $10,445,000 a year in buying new knowledge and on training new people to apply it to patients * * * [to] reverse the trend and start reducing the patient population."

Take the Kansas example. Kansas spent millions for psychiatric personnel training over the last few years. In Kansas today there is 1 doctor for every 67 mental patients, as against the New York ration of 1 doctor for every 191. The daily expenditure per patient in Kansas is $4.66, as against $3.70 in New York. The result? In the past 4 years, despite increased admissions, Kansas mental hospitals have reduced their patient population by about 400 people; there are vacant beds in the State system.

Governor Harriman must certainly be aware that Republican Governor Fred Hall of Kansas and his legislative colleagues have spent an immoderate amount of money, by Albany standards, to achieve this spectacular result. Even Ohio's conservative Governor Lausche and his legislature have launched what Gorman cites as one of the largest training programs in the world—more than $10 million in the next 2 years for training and recruiting psychiatric personnel alone. This is to say nothing of Governor Mennen Williams of Michigan, who managed an immoderate appropriation of almost $5 million just for research and training—a program which makes our budget look like something for a backward area.

The choice now is whether to continue to make a token effort—or really give Mental Hygiene Commissioner Hoch the funds for an all-out war.

[From the Bangor Daily News of November 19, 1955]

LET'S RAISE OUR SIGHTS

Last July we suggested that Congress appropriate $1 billion for health having in mind greatly expanded activity in the field of medical research. The idea brought favorable responses from several sources. And now we have come across recent reports by three health groups which make us think that we're on the right track for sure.

Here, in part, is what the National Health Education Committee says about our research needs:

"While we have made great strides in certain directions, we need to spend much more to find the answers to the life-and-death questions which still remain: heart disease, cancer, mental illness, arthritis, palsy, epilepsy, sclerosis. More funds—both public and private—are necessary if we are to find these answers, which are long overdue.

"President Eisenhower's illness revealed how meager is our knowledge of America's prime killer, heart disease. Yet we spent in 1954 only some $16 million in research on the heart—while we spent four times that amount on ballpoint pens."

Now see what the American Public Health Association says in an article dealing with the Albert Lasker awards for research achievements:

"If present conditions continue to prevail 24 million Americans now alive may be expected to die of cancer. In the face of this situation we are spending 25 million a year on research—which is 15 million less than we spend on lipsticks.

"* * * Mental illness is another piece of unfinished business. * * * The cost of this human tragedy is staggering—2.8 billion a year in care, lost wages, and other sundry items. We have been content to bear this burden while spending but 10 million on research."

There are pages more in a similar vein, showing by facts and figures that we are niggardly when it comes to investing in medical research. The third organization, the American Foundation, makes a special plea for basic medical research in such fields as biology and chemistry. It, too, stresses the need for more funds.

One health organization, in commenting on our original editorial, raised the point that medical research isn't prepared to absorb $1 billion in a hurry. If this is so, why not then have Congress earmark $1 billion for research grants? Let the President appoint a representative committee of research leaders to work out a program and dispense the funds. The important thing is to set our sights higher and get busy.

We know that a single billion-dollar appropriation isn't going to win the war against disease, any more than a single billion can win a modern war between humans. But it would be a starting point. It would put the problem in proper perspective. There's something wrong in our thinking when Americans spend more on lipstick than on cancer research, more on ballpoint pens than on heart studies.

We are flatly opposed to socialized medicine, but we do feel that medical research is a field in which the Federal Government is best fitted to carry the money burden. It could be done without adding a cent to the budget if Congress would eliminate the Federal frills and waste brought to light by the Hoover Commission.

What are we waiting for?

Mr. MORSE. Mr. President, the editorials speak for themselves. However, in essence the editorials clearly demonstrate what we would find to be the enthusiastic reaction of the American people if we presented to them the quotation: "How much should we spend of your taxpayer dollars for medical research?" I reassert that the American people would answer: "The very last dollar that can be spent profitably; the very last dollar that can be spent efficiently."

On this issue there is no division among our people so far as public opinion is concerned. There is no partisan division. There is no ideological division. The American people are rightly alarmed

about what they are finding out concerning the threat of cancer and the threat of cardiac diseases and the growing threat of mental diseases. They recognize it to be a governmental obligation to do what the Government can do for the people by providing adequate funds for research in these fields.

There are other Senators who have been very helpful, but the ones I have mentioned, I know from my own knowledge, have done yeoman service for all of us on the Committee on Appropriations in behalf of more adequate research funds. That is why we have this progressive appropriation bill before us today. The only question I raise is whether we are going far enough. It is very reassuring to hear the Senator from Alabama say that in the pending appropriation bill the committee has provided the top dollar which was recommended by the leaders in the field.

I am glad of that. However, I say to the Senator from Alabama that I, too, have talked to some medical authorities, and they have pointed out that one of the reasons why we are not going faster is a tremendous shortage of doctors.

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

Mr. MORSE. I yield.

Mr. HILL. The Senator is absolutely correct. We are providing the top dollar for this research work. We are also providing a great deal of money in the bill for traineeships, for training men for research in the various fields.

Mr. MAGNUSON. If the Senator from Oregon will yield to me on that point, I should like to say that later on, after we furnished support for the National Science Foundation, that work also was correlated, and researchers are located in various medical institutions, both private and public, and fellowships also are provided.

I see on the floor the Senator from Michigan [Mr. POTTER], who also worked zealously in trying to correlate this work with the work that is done in veterans' hospitals. Although we should not spend too much time telling each other what a fine job we have been doing, it is nevertheless a fact that sometimes we approach these problems with a great deal of reluctance and trepidation. Nevertheless, all of a sudden, we see some light all around.

Mr. HILL. Light is breaking through the clouds.

Mr. MAGNUSON. Light is breaking through the clouds; yes. A great job has been done by our two committees. At least we did what we thought should be done.

Mr. MORSE. I intended to say something about the work of the Senator from from Michigan [Mr. POTTER] in connection with this appropriation bill, particularly with respect to the Veterans' Administration. I will say it now, because I think the matter will come up tomorrow, and it is perfectly proper to correlate the Hill appropriation bill with the Magnuson appropriation bill.

The Senator from Washington has already said something about the need for greater medical research within our veterans' hospitals. I wish to say to the veterans that some of their representatives seem to be of the opinion that research in veterans' hospitals is not of great importance to the care of the veterans. They are dead wrong about that, Mr. President. Some of them also seem to be of the opinion that perhaps research in veterans' hospitals will make guinea pigs out of veterans who are hospitalized in those hospitals. When they say that, they merely show that they do not know what research is.

When we talk about funds for research, we are not talking about experimentation or about experimenting upon the veterans who are patients in veterans' hospitals. We are talking about placing in veterans' hospitals, to work with the doctors in such hospitals, research experts who can be of assistance to the doctors in giving the veterans better care.

If in my remarks today there is one point I wish to emphasize more than any other, let it be that our veterans' hospitals are tending too much to be domiciliary hospitals and are becoming too much homes for veterans instead of true medical hospitals, in which veterans are supposed to get medical care.

I have worked for and voted for domiciliary institutions for veterans wherever they can be shown to be needed, and I shall continue to do so. However, I am inclined to believe, from the study I have made on the subject to date, that there has been a decline in the standards of veterans' hospitals in recent years from the standpoint of medical care. One of the reasons, in my judgment, is that research work in the hospitals has been neglected. The trend ought to be in the other direction. We need more money for medical research within the veterans' hospitals if we are to give to veterans, to whom we owe so much, the very best medical care they can have.

We must dispel the notion, which seems to be developing in the minds of some of the rank and file veterans' organizations, that augmented funds for medical research in veterans' hospitals means that veterans will become some kind of guinea pigs for treatment and experimentation. That is not so. I am asking for the kind of reseach which is provided at Bethesda and at Walter Reed and at the National Health Institutes and at other great hospitals. Without a strong research center in a hospital, the patients do not begin to get the kind of medical care to which they are entitled.

I say to the Veterans' Administration from the floor of the Senate today, "You should fight harder than you have been fighting for more funds for research in the veterans' hospitals and build up the research sections of those hospitals, if you want the veterans to have the kind of care which they are entitled to receive."

I had intended to make these comments tomorrow, but I am making them today because I happen to know that the Senator from Michigan [Mr. POTTER] and the Senator from Washington [Mr. MAGNUSON] fully entertain the same views and see the direct relationship between mental research and mental care for our veterans, and they see the importance of stemming the tide of turning our veterans hospitals into what may be called rest homes or domiciliary homes or convalescent homes, rather than hospitals.

I ask the Senator from Michigan, if I have in anyway misrepresented his point of view or have overemphasized it, to correct my remarks. But I am sure I have not, because I know the fine service he has rendered, the valuable contributions he has made and the earnest attention he has given to this important subject. I hope the point of view I have expressed this afternoon may be translated into action by the Senate for an increase in appropriations this year for medical research in the hospitals of the country.

Mr. POTTER. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. POTTER. I wish to thank the distinguished Senator for his kind and warm remarks, and I concur in his position 100 percent. If the Senator could have heard the testimony which the senior Senator from Washington [Mr. MAGNUSON] and I heard concerning the alarming rate at which the veterans have been afflicted by mental disturbances of one kind or another, I know he would agree with us that as a result of the research carried on in the past 2 or 3 years gains have been made, but there is a great field of endeavor which must be undertaken and which should be worked over in a dynamic sort of fashion. It cannot be a patchwork program. If we look at it only from a mercenary standpoint, the dollar value of the rehabilitation of the veteran, enabling him to become a self-sustaining taxpayer, is of great importance, to say nothing of the humanitarian aspects of rehabilitation. That is one category among mental diseases in veterans hospitals.

I was most interested in the observation made by the distinguished Senator, which is so true, that veterans' hospitals are tending to concentrate on custodial care of veterans, without getting at the real core of rehabilitation and making it possible for veterans to return to their home communities.

Mr. MORSE. Mr. President, the only reason why I am taking the time of the Senate to participate in this debate is that it has been my observation that too frequently nonmembers of committees do not give to members of committees the support to which they are entitled, and too frequently bills go through the Senate without being properly pointed up. I think the members of committees should be aware of the fact that other Members of the Senate who are not serving on the committees with them are watching them.

Just as I made some observations about my keen disappointment regarding what the Finance Committee was doing, so I think that if other committees are not doing what we think they should do, we should make our views a matter of record; and when a committee has done such a grand job as the Hill committee has done and as the Magnuson committee is doing, we should rise on the floor of the Senate and say we have been fol-

lowing their work, and if there is some hesitancy on their part, about an appropriation, we might say, "This is smaller in amount than, on the merits, it should be."

I have a few more points, and I shall be through, but, first, I yield to the Senator from South Carolina [Mr. JOHNSTON].

Mr. JOHNSTON of South Carolina. Mr. President, first, let me say that I agree with everything which has been said on the floor with regard to our hospitals for veterans and the need for this particular appropriation.

I wish to commend the Senator from Michigan [Mr. POTTER], the Senator from Oregon [Mr. MORSE], the Senator from Washington [Mr. MAGNUSON], and the senior Senator from Alabama [Mr. HILL]. They have always been at the plow, so to speak, trying to do something in the field of health. May they continue to work in that field.

Mr. MORSE. Mr. President, recurring to my colloquy with the Senator from Alabama, I wish to say to him that it was my intention, based upon conversations I have had with medical authorities, to suggest increases in some of the appropriations, particularly in connection with the Heart Institute, the cancer work, and work in mental health. Perhaps most important of all is the field of mental health, because of the need for more adequate support for mental health facilities.

I wish we could take the American people by the hand and lead them through the mental hospitals of America. If I could get every taxpayer to spend 3 hours, or half a day, in observing conditions in mental hospitals in my judgment, the public response would be such that they would say to us in the Senate, "Listen, you fellows. Get busy and start spending money to meet this mental health problem, or do not come home."

In view of the appropriations we have made in the past, we are lucky that the people do not know the true facts about the mental health situation. If the people knew how close we still are to the medieval ages in the matter of mental health, they would demand that the funds in the appropriation bill this year be increased even more than they have been. I agree that we can go only so far at a time. The Senator from Alabama has done much this afternoon to remove one of the great fears I have about this bill, namely, are we denying the people who have the facilities and the competency to spend the money, adequate amounts to spend this next year in the various health fields. I am directing my attention particularly to the field of mental health.

I should like to make an inquiry of the Senator from Alabama. If I should offer an amendment which I intended originally to offer, increasing the amount for mental health by at least $750,000, would I be confronted with the answer, "Where would we get the personnel, and where would we get the facilities?"

Mr. HILL. I may say that very definitely the Senator would be confronted with that answer. I would say that the amount recommended by the committee, $35,197,000, for mental health, is the top figure, the maximum figure, which the doctors, the scientists, and those who are working and laboring in research in the field of mental health believe can be invested at this time.

The mental-health appropriation in 1950 was $8,656,000. Last year the appropriation was $18,001,000. This year we have brought it up to $35,197,000.

The committee had before it some very able and dedicated men in the field of mental health. One of them was Mr. Mike Gorman, executive director of the National Mental Health Committee and author of that great eye-opening, provocative book entitled "Every Other Bed."

Another witness was Dr. Kline, head of one of the great hospitals of New York State. There appeared other witnesses of that character and type. The figures now reported were the maximum figures which they submitted to us. These were the amounts they thought could be used profitably at this time.

I appreciate what the Senator from Oregon has said, as I appreciate also the interest he has shown in this subject, not only this afternoon but throughout the years. The light is beginning to break in the field of mental health. For too long persons suffering from mental illness were thrown into institutions which were called insane asylums. The doors of those places were closed too often even to the members of the patients' own families, and the patients became the forgotten people. That is not true today. Our doctors, our chemists, our scientists are all working diligently to find cures. Many new drugs have been discovered. One of them is known as reserpine, and comes from India. Other drugs come from France and Belgium. We know them by the name of tranquilizing drugs.

By the use of these drugs, it is now possible to discharge from 5 to 7 percent more persons than were being discharged before these drugs became available. There are some instances of patients who were classified as violent, and who had been in institutions for as long as 30 years, having been restored, through the use of these drugs, to a condition which will enable their being released from the institutions. So, although there is yet much to be done in the field of mental health, progress is very definitely being made.

A very interesting incident which came to our attention was an experiment carried on in the excellent medical school at Tulane University, under the direction of Dr. Heath. Many persons, as we know, suffer from a mental disease known as schizophrenia. Dr. Heath took the blood of a schizophrenic and injected it into some normal persons, and those persons developed symptoms of schizophrenia. This is strong evidence of the fact that much of what we refer to as mental illness comes from what might be called physical disability.

Today, more and more research doctors and scientists are engaged in the field of chemistry of the body, the field of metabolism. Much of the work which is now in progress is connected with a program which has been launched in the field of chemotherapy and is concerned with research in the field of cancer. Last year Dr. Cornelius P. Rhoads, who is head of the research division of the Sloan-Kettering Institute, came before our committee and brought with him some white mice. The mice had cancer. At the institute the mice were caused to develop cancer. This year the institute sent the committee a picture of one of the mice, together with the names of certain chemicals or drugs which were used on the mice, and with which the cancer was cured.

So it can be seen that progress is being made in the field of cancer research. But much remains to be done, as the Senator from Oregon has suggested. Nevertheless, I repeat—and I feel certain the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. POTTER], and the Senator from Maine [Mrs. SMITH] will confirm what I say—that in each one of these categories of disease, we have provided in the bill all the funds the doctors, the scientists, and the research workers have told us can be profitably used at this time. We have given them every dollar they have asked for.

Mr. LEHMAN. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from New York.

Mr. LEHMAN. I congratulate the distinguished Senator from Alabama, who is chairman of the subcommittee, and his associates, for the amounts which have been recommended for the National Institutes of Health and other activities. I was deeply interested in what my colleague from Oregon said about the mental health activities, because during the many years I was Lieutenant Governor and Governor of my State, I think there was no other single subject to which I gave so much of my time, attention, and thought as that of mental illness.

In the State of New York alone more than 110,000 persons are receiving treatment in the State mental hospitals. They are in addition to those who may be receiving treatment in private clinics and under private care.

I believe New York State spends today about $150 million for the custodial and medical care of the persons in the State mental hospitals. The item for the care of the mentally ill is the largest item in the entire State budget, with the exception of the items of State aid for schools and State aid for other activities.

I do not agree with my colleague when he says it is fortunate that the people of the United States cannot go through the hospitals to see for themselves the terrible, tragic plight of the mentally ill. I think it would be most salutary if they did go through them. I recall very vividly the first time it was my duty to visit the State mental institutions. That was 25 years ago. Since then, happily, conditions have greatly improved. But what I saw then came as a shock to me. I can barely describe the force of the shock. I can only say that I was sick for a week after I visited the first hospital which I had the duty to inspect. I think that the more people who knew the unfortunate and tragic plight of

those in the mental hospitals, the better off we would be.

I cannot tell the Senator from Alabama, the Senator from Washington, and the other Senators how delighted I am at the more adequate appropriations which have been recommended by the committee.

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

Mr. LEHMAN. I yield.

Mr. HILL. I appreciate deeply what has been said about the Senator from Alabama; but we have had wonderful teamwork in procuring these funds for research. The Senator from Washington [Mr. MAGNUSON], the Senator from Mississippi [Mr. STENNIS], the Senator from Maine [Mrs. SMITH], the Senator from Michigan [Mr. POTTER], and the Senator from Minnesota [Mr. THYE], who formerly was the chairman of the subcommitee, have been a tower of strength. No committee could have been more devoted and indefatigable in its work than the members of this subcommittee, who have been helping to wage the battle for many years. All of them have been working, pulling, and fighting together for the necessary funds.

Mr. LEHMAN. I am aware of the work all my colleagues on the committee have done in connection with this appropriation. I do not think I can more adequately express my satisfaction, my approval, and my deep gratification at the amount of the appropriations which are recommended in this bill than by saying that I have served on the Committee on Labor and Public Welfare under the chairmanship of my distinguished colleague, the senior Senator from Alabama [Mr. HILL], for the past 7 years, and I fully appreciate his ability.

I had not dared to hope, a few years ago, in spite of all the testimony which was presented to our committee, that we would be able in this year, 1956, to obtain from Congress the appropriations which are here recommended. It is a fine piece of work. It marks great progress. I think we can all be truly gratified with the progress which has been made.

I cannot express more strongly my sense of appreciation and gratitude on behalf of the people of my State and the people of the Nation generally for the increased appropriations which will make it possible to carry on the work of the National Institutes of Health in even a more comprehensive and better way than it has been carried on in the past. I again congratulate the members of the subcommittee.

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

Mr. MORSE. I yield to the Senator from Washington.

Mr. MAGNUSON. I should like to add, if I might, a word to the comments just made by the Senator from New York [Mr. LEHMAN]. Mental illnesses in veterans' hospitals and elsewhere have increased at an alarming rate. A few days ago General Hershey testified that of the thirty-some percent of our youngsters rejected in the draft, some 37 percent of those rejected were turned down because of mental illness.

Mr. MORSE. In addition to what the Senator from New York has stated, I wish to say that I share his delight over the increases in the appropriations, and I share his commendation of the committee. I also wish to say that I still should like to be able to see the taxpayers of America actually spend from 3 to 4 hours in visiting mental hospitals, because, although the progress on which the Senator from New York has commented is a far cry from the progress we must make, we shall not be able to make it until we get the necessary appropriations with which to build the facilities and train the personnel to do the much better job which needs to be done. I am merely repeating the comments and attitudes of leading mental hygienists and psychiatrists, who say they will be able to do much better just as fast as they can get increased personnel and money to carry on their work.

My point in suggesting that the taxpayers go through the mental hospitals was that after they had done so they would make it perfectly clear to the Senate that we had better supply the additional appropriations for the personnel.

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

Mr. MORSE. I yield to the Senator from New York.

Mr. LEHMAN. I merely desire to correct the impression the Senator from Oregon must have inadvertently obtained. I understood the Senator from Oregon to say he was glad the people of the Nation could not go through the hospitals, because the shock would be too great.

Mr. MORSE. No. I urged that they should go through them.

Mr. MAGNUSON. Mr. President, if the Senator will yield. I should like to refer to something the distinguished Senator from New York spoke of earlier. I think he might be interested in knowing that as a result of the drug research we have had, and which we hope can be greatly increased, in New York State there has been a 19-percent increase in discharges from State mental hospitals, and it is anticipated that there will be another substantial drop in admissions, merely as the result of the use of the two drugs which have been developed in the little research which had been done, money for which was grudgingly provided by the Congress last year. There has been a 19 percent increase in discharges.

Mr. MORSE. I wish to call the attention of the Senator from Alabama to two other matters. A few minutes ago we started a colloquy on the question of personnel. The Senator from Alabama made the point, and I am sure I paraphrase him correctly, that the appropriation bill provides for the maximum amount of money the experts testified could be spent with available personnel. Will the Senator from Alabama tell the Senator from Oregon what the appropriation bill provides with reference to training, and the increase in personnel which apparently is so much needed?

Mr. HILL. For all the different categories of disease, the bill not only carries funds for research work—some of which is to be carried on by the Institutes at Bethesda; the greater part of which is to be carried on in medical schools and universities—but the bill also carries funds in each one of those categories for traineeships, that is, to provide for the training and preparation of young doctors and scientists for research work.

Mr. MORSE. That is what I desire to stress, Mr. President. I shall be brief. I speak now to the medical profession of the country, because I think the medical profession owes it to itself to correct what I am satisfied is a misapprehension of its own attitude on the question of increasing personnel for training in the medical sciences. I think the medical profession is responsible for the misapprehension. It must take a much more objective and forthright stand than it has taken up to date. The matter of increasing medical personnel and scientific personnel and nursing personnel affects vitally America's health problem. If we should get into a war tomorrow, the scarcity of doctors would be simply alarming.

I do not believe in make-work programs, whether they be in the field of labor relations or any other field; and I do not believe in make-work programs in the medical field. I do not believe there can be a denial of the fact that there are a great many young people in this country with particular aptitudes and capacities to work in the field of science and in medicine who would enter those fields if they could get some encouragement to enter them, and if they could get some financial support to enter them. There is no creeping socialism involved in appropriations for the public good, seeking to enlarge the base of personnel so essential for more of the type of work in the whole field of health, which the Senator from Alabama has sought today in the pending appropriation bill.

We ought to face the fact that no doctor in America ever began to pay anywhere near the cost of his medical education. You and I pay for it largely, Mr. President, through taxes. We know medical students have to pay a great amount out of their own pockets for medical training, but I have seen an analysis of the problem of cost. If there are taken into consideration the facilities which are utilized in the training of a doctor and which are made available for his training, the schools which charge the highest tuition rates do not begin to charge enough to pay for the training.

The result has been that the American medical profession has been subsidized to a remarkable degree in the training of doctors in the first instance. I am for that. I am for an increase of the subsidy, for that matter. In doing that, we would not weaken the private practice of medicine, but would strengthen it. In my judgment, we shall strengthen the private practice of medicine when we provide greater facilities for the training of a larger number of doctors.

Let me say to the medical profession from the floor of the United States Senate, that I think one of the greatest

threats to the private practice of medicine today is the failure of the medical profession itself to increase the number of doctors and to enlarge the number of medical facilities in America, because if the American people ever reach the conclusion that there is not the fullest of cooperation from the medical profession in supplying the number of doctors needed to meet the health requirements of the country, then for the first time will the private practice of medicine be threatened.

Those of us who are fighting for a larger appropriation for the training of more personnel in the sciences are the ones who are fighting in real fact, for the preservation of the private practice of medicine, in coordination and cooperation with great public health services, such as the medical health institutions which the Senator from Alabama is supporting in the appropriation bill pending before the Senate today.

In my judgment—and if the Senator from Alabama thinks I am wrong, I want him to say so—what this appropriation means, although it has made great strides over last year's appropriation, is that we are appropriating the amount which can be spent in line with existing personnel; but, in my judgment, we should be spending much more on cancer research, much more on cardiac disease research, much more on mental disease research. The reason why we are not spending much more, if I understand the Senator from Alabama correctly, is that we do not have the personnel which would justify the larger appropriations. If that be true, I wish to say that come 1957 the Congress of the United States ought to ask the question, in considering appropriations, "What has happened during the past year to justify an increase in the number of trained personnel, so that we can appropriate more money in order to advance research more rapidly?"

Does the Senator from Alabama follow my argument?

Mr. HILL. Mr. President, I follow the argument of the Senator from Oregon. I must say that he is absolutely correct in stating that a limit on what can be done today in research results to a very large extent from the lack of trained personnel.

Mr. MORSE. Yes. For instance, let us consider the medical schools. We find that we are confronted with a vicious circle, for one of our problems is to obtain a sufficient number of doctors in the medical schools to do the teaching in order that there may be an increased number of medical students.

Mr. HILL. Mr. President, will the Senator from Oregon yield?

The PRESIDING OFFICER (Mr. LAIRD in the chair). Does the Senator from Oregon yield to the Senator from Alabama?

Mr. MORSE. I yield.

Mr. HILL. We have spoken of the crying need for more research and more work in the field of mental health and more care and more attention to the mentally ill. Currently, we are turning out 1 psychiatrist a year for every 350,000 persons. Of course that indicates the woeful shortage. We need many, many more.

Mr. MORSE. That is a dramatic illustration of my point. With the terrific problem of mental health which exists, we are turning out 1 psychiatrist a year for every 350,000 persons. That cannot be justified in a country such as ours. The number of personnel must be increased, so a better job can be done. That is why I say, as I have said many times during the past 12 years, that rapid increases should be made in the number of students trained in the medical schools, in order to increase the number of doctors, because the existing shortage of doctors is alarming. Therefore, I shall continue to do all I can to help the medical profession increase its own number, so it can avoid the criticism which is bound to occur if the medical personnel and medical facilities of the country are not increased.

Mr. LEHMAN. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. LEHMAN. What I have in mind is very much in line with what the Senator from Oregon has stressed. A few minutes ago I praised the committee for recommending appropriations which represent a very substantial increase over the amounts voted last year for these purposes.

There is one item on which I differ, and regarding which I have grave reservations, and must express disappointment over the recommended appropriation. I refer to one of the recommended appropriations for the Office of Vocational Rehabilitation. The item to which I refer appears on page 38 of the report, under the heading "Training and Traineeships."

Last year, $2,075,000 was appropriated for this item. This year, it is recommended that the item be increased to $2,950,000, or an increase of $875,000. Percentagewise, that would seem to be a very substantial increase.

I think the Senator from Alabama [Mr. HILL], the distinguished chairman of the Committee on Labor and Public Welfare, will remember that on many occasions in the past I have questioned the Secretary of Health, Education, and Welfare about this item, whenever the Secretary appeared before us, and I have expressed the belief that the amount allowed has been totally inadequate.

Today, there are in the United States 2 million physically handicapped persons. The number is increasing each year by 250,000. However, in the face of that situation, we are rehabilitating less than 60,000 physically handicapped persons a year. In other words—and I intend to stress this matter when I speak on the subject of social security, too—we have not made any dent whatsoever in the backlog of more than 2 million physically handicapped persons; and at the present time we are taking care, through rehabilitation, of less than 25 percent of the annual increase of 250,000. Those figures are very, very conservative.

At the hearings which the Committee on Labor and Public Welfare has been holding over the years, it has been testified that for every dollar the Federal Government spends on the rehabilitation of the physically handicapped, the Government recoups $5 in the form of taxes and other contributions made by the men and women who have been rehabilitated and who, because of rehabilitation, again become self-supporting and contributing members of society.

I have never understood the logic of being so niggardly in our appropriations for the rehabilitation of the physically handicapped. In all the discussions we have had, I have been met by the same argument as the one to which the Senator from Oregon has referred, namely, that it is impossible to obtain sufficient personnel to train the physically handicapped. Of course, without trained personnel, very little headway can be made in rehabilitating the physically handicapped.

I wonder whether the Senator from Alabama feels that an increase in this appropriation, by means of the adoption of an amendment calling for, let us say, an increase of $1 million in the item for training and traineeships, would be perfectly practical and advisable. Small appropriations for the purpose do not make sense to me, when we are told that for every dollar spent to rehabilitate the physically handicapped men and women, the Government gets back $5 through tax receipts and in other ways. Yet we refuse to provide more than a niggardly amount for training and traineeships, which constitute the key to this situation, as I believe the Senator from Alabama will agree.

Mr. HILL. Mr. President, I have deep sympathy with all that the Senator from New York has said, and I wish to see this program move forward just as expeditiously as possible.

Last year the appropriation for this item was $2,075,000.

Mr. LEHMAN. I realize that.

Mr. HILL. And this year the committee has recommended an appropriation of $2,950,000, or an increase of almost $900,000. Then we went further, and earmarked $200,000 for a prosthetics-education program.

The committee considered this item very carefully. The committee also voted to add $2 million to the grants to the States.

As chairman of the committee, and in view of the consideration the committee gave to this item, I do not believe I would be in a position at this time to accept the amendment suggested by the Senator from New York, because the committee did consider this item; it provided for appropriations amounting to $875,000 more than those made last year, and it earmarked $200,000 for a prosthetics-education program.

Mr. LEHMAN. Mr. President, will the Senator from Oregon yield further to me?

Mr. MORSE. I yield.

Mr. LEHMAN. Mr. President, will not the senior Senator from Alabama agree with me that there was much testimony from highly responsible medical persons, lay persons, social workers, and others, that for every dollar invested by the Government in the rehabilitation of the

physically handicapped, the Government would recoup several times that amount?

Mr. HILL. The testimony before the legislative committee, to which the Senator referred, as well as the testimony before the Appropriations Committee, showed that this program is a good investment, that it pays off well. We considered the testimony of the representatives of the Office of Vocational Rehabilitation. I do not think we have a finer, more devoted public servant than Miss Mary Switzer, Director of the Office of Vocational Rehabilitation. We considered the testimony of the other witnesses, and after considering it we provided $875,000 more than was provided for last year. It was the consensus of the committee that that was the sum which was justified for this year.

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

Mr. MORSE. I yield.

Mr. LEHMAN. Will not the Senator from Alabama agree with me that the question of providing trained personnel—and they can be trained only if they receive training through traineeships—is the key to this situation?

Mr. HILL. There must be trainers and teachers to do the job. As the Senator knows, in years past we have had testimony from Dr. Howard Rusk, of New York, on the subject of training these workers. We had excellent testimony on this subject this year from Miss Mary Switzer. I know that members of the committee are most sympathetic toward this program. I do not know of anyone in the United States who has a deeper interest in this subject than has the distinguished Senator from Michigan [Mr. POTTER]. After consideration in a most sympathetic way, the committee arrived at the figure of $875,000. As the agent of the committee, I do not believe that I am in a position to accept an amendment calling for additional funds at this time.

Mr. LEHMAN. Of course, I do not wish to press an amendment which does not meet with the approval of the distinguished chairman of the subcommittee. I understand that, while he is entirely in sympathy with the point of view I have expressed, he does not feel that he can take the amendment to conference, as I had hoped he would do.

Mr. HILL. The distinguished Senator from New York and I serve on the legislative committee together. He knows how sympathetic both of us feel toward the program of rehabilitation.

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

Mr. MORSE. I yield.

Mr. BENDER. I commend the Senator from Oregon for raising this issue; also I commend the Senator from New York [Mr. LEHMAN] and the chairman of the subcommittee [Mr. HILL]. We are all very much concerned over this program.

Is it not a fact that the administration asked for the maximum amount for this purpose, and that the amount has been reduced? If we had followed the administration's recommendation, there would be no cut in this item.

Mr. MORSE. My understanding is just the opposite.

Mr. HILL. We did not cut the administration's figure for this program. The truth is that the budget estimate—the administration figure—was $2,750,000. The pending bill, as recommended by the Senator Committee on Appropriations and the subcommittee, provides $2,950,000. So the item is $200,000 more than the recommendation of the administration.

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

Mr. MORSE. I yield.

Mr. MAGNUSON. The Senator from Alabama, the Senator from Michigan, and I felt that perhaps the amount should be more, but there was a question as to how many trainees could be obtained. The question of trainees was raised by the Senator from New York and the Senator from Oregon. Those in charge of the program will take another look at the situation. I believe the members of the subcommittee resolved in their own minds that if more personnel could be obtained, we would allow more money in a supplemental bill. However, because of the difficulty in obtaining personnel, it was felt that there would be difficulty in using more than the amount recommended.

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

Mr. MORSE. I yield.

Mr LEHMAN. I know the great sympathy the Senator from Washington has for this program. I know that it is his own personal desire, as it is the desire of the Senator from Ohio [Mr. BENDER], the Senator from Michigan [Mr. POTTER], and myself, to allow larger appropriations for the program.

So far as concerns the testimony of those who say they will study the subject further and see whether or not more trainees can be obtained, I have heard that argument in the legislative committee for 7 years. Undoubtedly that argument was made long before I came to the Senate.

Mr. MAGNUSON. It was not a question of further study. The question involved the search for more personnel.

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

Mr. MORSE. I yield.

Mr. BENDER. I commend my colleague from Washington and all the other Senators who have spoken on this subject.

I think I am correct in saying that the administration initiated the request for additional appropriations, and it asked for what it thought it could get. The fact is that the administration has evidenced an interest and a concern in the entire program. I appreciate the contributions of Senators to this discussion. The need for this program is most urgent.

Mr. MORSE. Mr. President, I am speaking about a problem with which we have been dealing in the Senate for the entire period of 12 years during which I have been a Member of this body. This is an annual problem. We have been seeking for 12 years to increase the appropriation year by year. I am about to ask the Senator from Alabama a few questions about certain action we took several years ago in connection with another subject.

Mr. POTTER rose.

Mr. MORSE. First I yield to the distinguished Senator from Michigan.

Mr. POTTER. I thank the Senator from Oregon.

In response to the inquiry made by the Senator from New York, I think there has been a great increase in interest in physical medicine over the past 3 or 4 years. I thoroughly agree that one of the great needs has been to bring trained people into the field of physical medicine. It is difficult to attach a dollar sign to this program and to say whether or not a certain number of trainees can be absorbed at this time with the facilities which are presently available. Senators have knowledge of my interest in this particular field. I should like to see as many trainees as can possibly be trained, as many as can possibly be accommodated with the available facilities.

However, the evidence before the committee was such that we felt that the funds we recommended were sufficient at this particular phase. We wish to push these programs as fast as we can. Yet they must be built on a gradual basis, because there are so many tangential factors. The program must be built up as an entirety. I assure the Senator from New York that irrespective of partisanship, the committee is most sympathetic toward his own viewpoint. Our physical medicine program should have the personnel which it needs.

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

Mr. MORSE. I yield.

Mr. LEHMAN. I appreciate what the Senator from Michigan has said. I am depending somewhat on my memory as to the testimony which was given last year. If my recollection is not playing me false, it was testified, I believe, by Dr. Rusk that in the entire country there were only 72 experts trained in the art of rehabilitation, and that 36 of them were in the city of New York.

Mr. POTTER. I think the Senator is absolutely correct.

Mr. LEHMAN. No matter how many arguments are made, I do not believe that in this great country of 165 million people, most of whom are literate, educated, and interested, we cannot increase beyond the figure of 72 the number who can be trained as experts in rehabilitation. Such an argument does not make sense.

The reason I am emphasizing this point is this: I do not know whether I shall be here next year. If I am not, I hope someone else will continue the fight which many of my colleagues and I have been waging, to bring about an increase in the training program in connection with rehabilitation. That is the key to the entire problem.

I express to the Senator from Alabama and to the committee, my very sincere thanks for having restored the item of $100,000 for salaries and expenses in the Children's Bureau. I believe it will go a long way toward helping to control the great problem of juvenile delinquency.

Mr. HILL. The distinguished Senator from New York appeared before the subcommittee and made a very strong

statement in behalf of this item. The committee agreed with the Senator from New York, and we were delighted to restore the item of an additional $100,000 in the appropriation.

Mr. MORSE. Mr. President, it will take me only 4 or 5 minutes to complete the legislative history on this particular point that I wish to get into the RECORD. I am making this legislative history on behalf of the two Senators from Virginia [Mr. BYRD and Mr. ROBERTSON] as well as myself.

The Senate will recall that a few years ago we included in an appropriation bill some funds for the establishment of a rehabilitation pilot plant in Arlington, Va. It is known as the Anderson Clinic. It is a clinic which is community-supported in the sense that many groups in the community have donated their services and many hours of labor toward building up this rehabilitation clinic. It is a clinic which follows the rehabilitation point of view of a great rehabilitator in the American medical profession, Dr. Engh, who holds to the point of view that when a disabled patient enters the hospital for treatment, he should leave the hospital rehabilitated. In other words, under one roof, so to speak, there should be provided medical care and a retraining of muscles and a retraining of the rest of the body of a person who has been crippled or who has suffered a great injury, and he should be physically rehabilitated for a gainful occupation. Dr. Engh contends that muscular training should go on at the same time the patient is being medically cured; and that whether his new job is to be that of watch repairing or furniture repairing or upholstery, all the rehabilitation should take place under one roof.

To that end, the service clubs in Alexandria and Arlington and church groups and labor groups have donated their services for some time in building up this great pilot plant, to determine what can be done in the field of vocational rehabilitation under the so-called one-roof approach.

I should also like to stress, as I have in the past, the Federal interest that is involved. Let us consider for example, civil service employees of the Federal Government who have suffered a great injury; and, to use a hypothetical case, let us suppose that this afternoon a civil service employee in the Department of Justice falls down an open elevator shaft and is badly crippled as a result. Under this proposed program, the Anderson Clinic can serve as a rehabilitation center for that civil service employee.

Therefore there is that Federal interest and, in my opinion, a Federal responsibility to make sure that that kind of rehabilitation center shall be operated.

With what I have said thus far as a review of our debates of the past, I wish to read a very brief statement and then ask for comments by the Senator from Alabama on the statement, for the purpose of legislative history. My concern, as the Senator will see, is over the word "initial" in past legislation. It raises a question as to whether the initial appropriations are to be looked upon as temporary appropriations, or whether we shall continue to support this pilot plant so long as it can demonstrate, as it has demonstrated in the past, a very sound use for every Federal dollar which goes into it.

The restoration of $2 million to the original budget request of $37 million for "Grants to States and Other Agencies" will enable the Federal Government and local people to carry on the work of the pilot demonstration and rehabilitation center in the metropolitan Washington area which the Senator from Alabama and I, as well as the Senators from Virgina, have followed so closely in recent years.

The House recommendation of $35 million would have been short $2 million and, as indicated in the memorandum of appeal filed by the Office of Vocational Rehabilitation, would have excluded an item of $200,000 requested by that agency for support of the national pilot demonstration center authorized by section 4 (b) of the Vocational Rehabilitation Act.

It is encouraging to me to read the testimony of Miss Mary Switzer, Director of the Office of Vocational Rehabilitation, on this point. On March 12, 1956, Miss Switzer testified before the Senator's subcommittee and when she was asked by the Senator from Alabama for a report on the status of the national pilot demonstration project, in Arlington, Va., the following colloquy occurred:

Senator HILL. Could you tell us the status of that project now?

Miss SWITZER. Well, that project is going forward. Of course, I should say that the $2 million has in it an amount, as nearly as we can estimate, that would be necessary to carry this project forward as we spoke of it last year.

The building is progressing. The organization of the staff is proceeding. Dr. Engh has, I think, now, all of the key members of the rehabilitation staff team on board and he is hoping to get the rounded-out program under way by late spring. He did not use as much money this year as he thought he was going to, but he was made a grant of about $200,000, and we have tentatively thought that perhaps that level of support, perhaps a little more, if things move along, would be about what he would want next year, to carry forward on the plans we have all agreed to. Of course, that money would be in the $2 million requested for special research projects and, if $1 million is cut it wouldn't be possible to do anything at all, I think, to carry on what we have given him. It wouldn't be possible to go forward. It is very important from that end that it be restored.

Senator HILL. Of course, that project is just an example of the number of other projects throughout the country.

Miss SWITZER. Yes; and this project we hope will have far-reaching results as a demonstration project, and eventually as a training center for much-needed personnel.

Based upon the testimony given by Miss Switzer on March 12, does the Senator from Alabama feel that there is any danger that the Arlington pilot demonstration project would be dropped by the Federal Government in the near future?

Mr. HILL. Mr. President, I would say to the Senator from Oregon absolutely not. In a case like this, when the Federal Government invests large sums of money, when the Federal Government has received such complete cooperation, when there has been an investment of such large sums of money on the part of the people of the community, when we have the benefit of the skilled guidance and direction which has been supplied by Dr. Engh, and when the project has been so worthwhile and so beneficial, and doing all that we hoped it would do, I would say there is no likelihood of such a worthwhile project being dropped on short notice.

Mr. MORSE. I was certain that that would be the position of the Senator from Alabama, but I thought it was very important to have this legislative history made. I have one more point.

Section 4 (b) of the Vocational Rehabilitation Act refers to the fact that "sums made available for such a pilot demonstration center in the Washington area may be used during such initial period as the Secretary may deem for such services as hospitalization, domiciliary care, and rehabilitation training and other services essential to the program, as in the discretion of the Secretary deemed desirable."

Does the Senator from Alabama regard the word "initial" as used in the language just quoted as being susceptible to the interpretation that the pilot demonstration center for the metropolitan Washington area could be abandoned within a few years insofar as future Federal appropriations are concerned?

Mr. HILL. I would say to the distinguished Senator from Oregon, no, indeed. The word "initial" as used in connection with a pilot demonstration center of this type would be construed, it seems to me, in connection with the context in which it appears. In the language just quoted, reference is made to a pilot demonstration center. The program of such a center is necessarily of long-range variety. It takes years to build up a full program in a facility of this type. In my opinion, it would be most unreasonable if the Federal Government were to withdraw assistance to this project within a short span of years after the Government, local organizations, and individuals have devoted so much money and such great efforts toward bringing this center into the fine operating unit that it is today.

I would say further to my distinguished friend from Oregon that, as chairman of the Subcommittee on Labor, Health, Education, and Welfare of the Committee on Appropriations, I would bend every effort to increase and extend the facilities of this pilot demonstration project. An effort to cut it off summarily from Federal assistance would meet strong objections on my part, and I am sure that there are many other Senators who would join in such objection.

Mr. MORSE. I thank the Senator very much. I was sure his position was as he has stated it, but I thought, for the purpose of clarification, in behalf of the two Senators from Virginia, we should make this legislative history today.

In yielding the floor, Mr. President, I wish to say, without one syllable of flattery in my language, that I think the entire Senate is greatly indebted to the Senator from Alabama and to the members of the subcommittee for what I think is one of the most progressive steps

of statesmanship, so far as appropriations are concerned, that I have ever seen taken by the Senate of the United States in my 12 years as a Member of this body.

Mr. President. when we pass this appropriation bill we shall be carrying out what, after all, is the most important function of the United States Senate, namely, in fulfilling our oath of office, to do those things which will promote human values, because this great political society of ours was organized and designed to protect and to promote such values. That is what we mean, Mr. President, when we talk about this country of ours, under the Constitution, as a country with a government of the people. If it is to be a government of the people, the elected representatives of the people must always do those things which are necessary to protect the human values we find symbolized by the people. When we do a task such as this, I think we participate in a rich spiritual experience, because here today we are answering to the American people as we should answer to them in carrying out our responsibilities of promoting the general welfare by appropriating the largest sum of money which has ever been appropriated by the Senate of the United States in the field of human endeavor where we seek to extend a helping hand to those in our citizenry who are less fortunately situated. We should keep in mind that only by the grace of God are we able to sit here today in our state of health, and that we owe a responsibility to those who are not so fortunate, and should be willing and glad to live up to what I call the great moral obligation of the elected representatives of a free people to do for the public welfare what the facts show need to be done.

Under the leadership of the Senator from Alabama, Mr. President, I think the Senate of the United States has risen to great spiritual heights.

AMENDMENT OF INTERNAL REVENUE CODES OF 1939 AND 1954—CONFERENCE REPORT

Mr. KERR. 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. 6143) to amend the Internal Revenue Code of 1939 to provide that for taxable years beginning after May 31, 1950, certain amounts received in consideration of the transfer of patent rights shall be considered capital gain regardless of the basis upon which such amounts are paid. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6143) to amend the Internal Revenue Code of 1939 to provide that for taxable years beginning after May 31, 1950, certain amounts received in consideration of the transfer of patent rights shall be considered capital gain regardless of the basis upon which such amounts are paid, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 3.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: On page 2 of the Senate engrossed amendments, beginning with "For" in line 5, strike out all through line 12, and in lieu thereof insert the following: "In applying section 291 (a) (relating to additions to the tax for failure to file a return) in any case to which paragraph (b) of this section applies, the term 'reasonable cause' shall include the filing of a timely incomplete return under circumstances which led the taxpayer to believe that no tax was due on amounts received under a settlement with the United States.

"(b) The amendment made by this section shall apply with respect to taxable years ending after December 31, 1948, notwithstanding the operation of any law or rule of law (other than section 3760 of the Internal Revenue Code of 1939 or section 7121 of the Internal Revenue Code of 1954, relating to closing agreements, and other than section 3761 of the Internal Revenue Code of 1939 or section 7122 of the Internal Revenue Code of 1954, relating to compromises). Notwithstanding the preceding sentence, no claim for credit or refund of any overpayment resulting from the amendment made by this section shall be allowed or made after the period of limitation applicable to such overpayment, except that such period shall not expire before the expiration of one year after the date of the enactment of this Act."

And the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendments of the Senate numbered 2, and agree to the same with amendments as follows: On page 3 of the Senate engrossed amendments, beginning with line 12, strike out all through line 24 and in lieu thereof insert the following:

"(2) If any portion of a distribution of property by a corporation to its shareholders, with respect to its stock, is a dividend solely by reason of the last sentence of subsection (a), then—

"(A) paragraph (1) shall not apply to such distribution, but

"(B) such distribution shall be considered to be a distribution which is not a dividend (whether or not otherwise a dividend) to the extent that the fair market value of such property exceeds the Subchapter A net income referred to in the last sentence of subsection (a), adjusted as provided in such sentence.

In applying this paragraph, distributions described in subparagraphs (A), (B), and (C) of paragraph (3) shall be taken into account before other distributions."

On page 4 of the Senate engrossed amendments, in line 12, strike out "1939." and in lieu thereof insert the following: "1939, except that it shall not apply to any taxable year of a shareholder which was a corporation and which filed a return for such year reporting dividends in accordance with publicly announced litigation policies of the Secretary or his delegate which had not been revoked at the time such return was filed."

And the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 4. Trademark and trade name expenditures.

"(a) Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is hereby amended by inserting after section 176 thereof the following new section:

"'SEC. 177. Trademark and trade name expenditures.

"'(a) Election to amortize: Any trademark or trade name expenditure paid or incurred during a taxable year beginning after December 31, 1955, may, at the election of the taxpayer (made in accordance with regulations prescribed by the Secretary or his delegate), be treated as a deferred expense. In computing taxable income, all expenditures paid or incurred during the taxable year which are so treated shall be allowed as a deduction ratably over such period of not less than 60 months (beginning with the first month in such taxable year) as may be selected by the taxpayer in making such election. The expenditures so treated are expenditures properly chargeable to capital account for purposes of section 1016 (a) (1) (relating to adjustments to basis of property).

"'(b) TRADEMARK AND TRADE NAME EXPENDITURES DEFINED.—For purposes of subsection (a), the term "trademark or trade name expenditure" means any expenditure which—

"'(1) is directly connected with the acquisition, protection, expansion, registration (Federal, State, or foreign), or defense of a trademark or trade name;

"'(2) is chargeable to capital account; and

"'(3) is not part of the consideration paid for a trademark, trade name, or business.

"'(c) TIME FOR AND SCOPE OF ELECTION.—The election provided by subsection (a) shall be made within the time prescribed by law (including extensions thereof) for filing the return for the taxable year during which the expenditure is paid or incurred. The period selected by the taxpayer under subsection (a) with respect to the expenditures paid or incurred during the taxable year which are treated as deferred expenses shall be adhered to in computing his taxable income for the taxable year for which the election is made and all subsequent years.

"'(d) Cross reference:

"'For adjustments to basis of property for amounts allowed as deductions for expenditures treated as deferred expenses under this section, see section 1016 (a) (16).'

"(b) The table of sections of part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is hereby amended by inserting at the end thereof

"'SEC. 177. Trademark and trade name expenditures.'

"(c) Subsection (a) of section 1016 of the Internal Revenue Code of 1954 (relating to adjustments to basis) is hereby amended by striking out the period at the end of paragraph (15) and inserting in lieu thereof a semicolon, and by adding at the end of such subsection the following new paragraph:

"'(16) for amounts allowed as deductions for expenditures treated as deferred expenses under section 177 (relating to trademark and trade name expenditures) and resulting in a reduction of the taxpayer's taxes under this subtitle, but not less than the amounts allowable under such section for the taxable year and prior years.'"

And the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted

by the Senate amendment insert the following:

"SEC. 5. Livestock sold on account of drought.

"(a) Section 1033 of the Internal Revenue Code of 1954 (relating to involuntary conversions) is hereby amended by redesignating subsection (f) thereof as subsection (g) and by inserting after subsection (e) of such section the following new subsection:

"'(f) Livestock sold on acount of drought: For purposes of this subtitle, the sale or exchange of livestock (other than poultry) held by a taxpayer for draft, breeding, or dairy purposes in excess of the number the taxpayer would sell if he followed his usual business practices shall be treated as an involuntary conversion to which this section applies if such livestock are sold or exchanged by the taxpayer solely on acount of drought.'

"(b) The amendment made by this section shall apply with respect to taxable years ending after December 31, 1955, but only in the case of sales and exchanges of livestock after December 31, 1955."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

HARRY F. BYRD,
By R. S. K.,
ROBT. S. KERR,
J. ALLEN FREAR, JR.,
E. D. MILLIKIN,
EDWARD MARTIN,
Managers on the Part of the Senate.

JERE COOPER,
W. D. MILLS,
NOBLE J. GREGORY,
DANIEL A. REED,
THOMAS JENKINS,
Managers on the Part of the House.

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

Mr. POTTER. Mr. President, reserving the right to object, I assume the Senator from Oklahoma has conferred with the minority leader?

Mr. KERR. That is correct.

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

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

Mr. KERR. Mr. President, I should like to call up for the consideration of the Senate the conference report on H. R. 6143.

The conferees accepted with clarifying and technical changes all of the Senate amendments to the bill except amendment No. 3, which would have eliminated the transportation excise tax on amounts paid for the transportation of poultry from the farm to a local processing plant. This amendment was not accepted by the conferees because of difficulties in applying the exemption and because the conference was informed by the Department of Agriculture that the amendment would disrupt traditional practices of marketing poultry.

The first Senate amendment relates to limiting the surtax on amounts received on unpaid claims from the United States. The conferees made certain clarifying changes to this amendment to better carry out its purpose.

The second Senate amendment provides that corporate distributions of property shall not be taxed as dividends to the extent that the distributions exceed the earnings and profits of the distributing corporation. The conferees made a clarifying change consistent with the purposes of the amendment to take care of certain problems affecting personal holding companies and further provided that the amendment was not to affect taxpayers who filed their returns in accordance with publicly announced policies of the Internal Revenue Service.

The third Senate amendment, as previously explained, was not adopted by the conferees.

The fourth Senate amendment permits taxpayers to amortize over a period of at least 5 years expenditures connected with trade names and trademarks. The conferees made various technical and clarifying changes in this amendment in order to conform it with similar provisions in the Internal Revenue Code by adding specific provisions relating to basis and the starting time of the amortization period.

The fifth Senate amendment would permit farmers selling livestock on account of drought conditions to defer reporting gain if the amounts received are reinvested in similar livestock at a later time and such sales occurred in areas determined by the President and the Department of Agriculture to be entitled to emergency drought relief. The conferees amended this provision to eliminate the area determination required by the President and the Department of Agriculture in order that farmers not living in emergency relief areas could come within the provisions of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1957

The Senate resumed the consideration of the bill (H. R. 9720) making appropriations for the Departments of Labor, Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1957.

Mrs. SMITH of Maine. Mr. President, I wish to express my commendation for the chairman of the Appropriations Subcommittee on Health, Education, and Welfare and Labor, the distinguished senior Senator from Alabama, for the magnificent job he has done in handling the appropriations bill now before the Senate. Perhaps the most evident proof of the tremendous amount of work he put into this bill is gained in a glance at the bound hearings, the thickness of which I believe is one of the greatest of all appropriations hearings.

How he presided so intelligently, patiently, understandingly, efficiently, and effectively for many weeks is indicated in the printed record of the hearings. But that does not tell the entire story. It would not be possible to express in words the true character of his performance as chairman of the subcommittee. I think I can speak with greater conviction than anyone else on this point, since I attended practically all of the hearings and was second only to him in attendance.

His performance is best summed up by saying that the senior Senator from Alabama has truly done his country a wonderful service on the objective of improving the welfare, the health, the education, and the working conditions, not only of the Nation, but individually of the 167 million Americans.

Republican leadership on the subcommittee has been admirably provided by the senior Senator from Minnesota, who for many years has been acknowledged because of his great work to be an informed authority and an unexcelled advocate in the fields of health, welfare, education, and labor. It has been a real honor and distinct privilege to serve under him on this important subcommittee and to follow his leadership.

Praise is also due Mr. Herman E. Downey, who so effectively handled the staff work for the subcommittee. In his quiet manner, he kept the subcommittee well informed and the hearings well organized. Without him the subcommittee surely could not have accomplished what it has.

Mr. President, this year has been my most active year on the Subcommittee on Health and Labor. The increase in my active participation on the subcommittee has meant that I had less time for other subcommittees and committees. Such a shift in the allocation of my committee and subcommittee time has been prompted by my desire and drive for an expansion and extension of medical research.

Last fall I proposed a 5-year medical research program that would increase funds for medical research by $200 million a year. I called it a billion-dollar medical research proposal since the aggregate increase would be $1 billion for the 5-year period.

I proposed a threefold increase and expansion. Leadership on two parts of my proposed program had already been taken by the senior Senator from Alabama and others in the introduction of S. 849 for the construction of laboratories and other medical research facilities and S. 1323 for aid to our medical schools.

I incorporated those two bills with my revisions into an omnibus bill S. 2925 that I introduced—changing the provisions of S. 849 to make the program proposed under it a 5-year program instead of the 3-year program, and increasing the amount to $150 million for the 5-year program instead of the $90 million for the 3-year program in S. 849—and changing the provisions of S. 1323 to increase the authorized funds of that program by $20 million a year from the annual amount of $50 million proposed by S. 1323 to the annual amount of $70 million proposed by my S. 2925.

I have been hoping that the House would act to amend S. 849 to include my proposed upward revision of it by increasing the program from 3 years to 5 years. When S. 1323 comes before the Senate I hope it can be amended to increase the authorized funds as I have proposed on the basis of the estimate made by the National Fund for Medical

Education of which Herbert Hoover is honorary president.

There is nothing basically new in what I offered in these respects and I certainly claim no originality or leadership but rather acknowledge that that is due the senior Senator from Alabama and others. There were only two distinctions. One was that I proposed an increase and an expansion in programs already proposed. The other was that I proposed an integrated omnibus approach instead of the piecemeal, bill-by-bill approach.

The third part of my threefold medical research proposal was to increase the appropriations for the National Institutes of Health from the 1956 amount of $102 million to an amount of $200 million for the next 5 years.

On this objective I want to express my deep gratitude to the subcommittee and the full Appropriations Committee for approving an amount that gratifyingly approaches my target of an annual budget of $200 million for the National Institutes of Health since the amount in this bill is $184,437,000—an increase of 80 percent over last year's budget for medical research by the National Institutes of Health.

This action represents a growing realism and perspective on medical research. In fact, it represents a farsightedness on the importance of medical research and of the great dividends that it returns in the lives saved—yes; and in terms of economy, in the dollars of savings returned for each dollar invested in medical research.

To anyone who might feel that too much money is being appropriated in this bill for medical research, I want to address these remarks. First, let me say that my interest in economy and saving has been indelibly registered in my voting in the Senate over the years. Every year that the Council of State Chambers of Commerce has rated Members of Congress on their actual voting records on spending versus economy, it has voted me as one of the top champions of economy in the Senate.

I have looked at medical research first from the humanitarian standpoint and in my emphasis on saving lives—whether in medical research, in highway safety, in the prevention of war, or in other endeavors. But I have also looked at medical research from the standpoint of economic justification—from the standpoint of saving dollars and human resources and of preventing the economic losses which illness and death cause.

To put it to the acid economic test, let us ask the question whether the proposed spending for medical research would be a sound investment for a banker. I think the statistical proof in answer to that question will be found completely convincing.

Over the past decade alone, medical research has added 5 full years to the life expectancy of the average American. Let me repeat that statement, because that fact alone justifies increased spending for medical research. Over the past decade alone, medical research has added 5 full years to the life expectancy of the average American.

This increase, which encompasses a reduction in deaths for all causes of about 10 percent, occurred between 1944 and 1952. We all know something of the wonders of penicillin, streptomycin, isoniazid, cortisone, and a host of other battlers against disease. I am confident that the results of these miraculous products of medical research have been personally witnessed by each Member of this body with their families or friends.

Along with new surgical techniques and blood plasma, the new drugs have brought about these percentage reductions in the death rates of some of the major killers and cripplers: Influenza, 77 percent; appendicitis, 69 percent; acute rheumatic fever, 66 percent; syphilis, 56 percent; tuberculosis, 50 percent; pneumonia, 50 percent; and kidney diseases, 43 percent.

Now let us translate these figures into terms which a hard-headed businessman can appreciate. During the 8 years I have mentioned, a total of 845,000 American lives were saved. These 845,000 people, who would have died if research knowledge had remained constant, earned and added approximately $1½ billion to the national income in 1953 alone.

And from these earnings in 1952, the Federal Treasury received approximately $234 million additional in income and excise taxes. Please note that this increase in tax receipts was more than 7 times the $33 million spent on research in 1952 by all the major institutes of the United States Public Health Service.

Putting it very simply, medical research has returned $7 in Federal taxes for every dollar spent by the United States Public Health Service; in other words, a return of $7 for every dollar invested. I ask where an investment will be found that will pay such a return.

It has been officially established that 4 diseases alone—heart, cancer, tuberculosis, and arthritis—have resulted in an annual loss of 370 million man-days of work and that the annual cost to the Nation from all illnesses is roughly equivalent to the total income-tax revenue, or $30 billion a year. In comparison, the $184 million provided for medical research in the bill would seem to be a very modest investment.

Moreover, it would seem to be modest when compared with the $1,700,000,000 which was appropriated for research on military weapons alone in 1954. This is approximately 10 times as much as is provided for medical research in this bill to save lives rather than to create destructive power.

I could speak at great length giving many impressive comparisons and convincing facts, but I believe I have given enough to convince the most skeptical, and I do not wish unduly to delay Senate action on the bill now before us.

Let me conclude my remarks with these pointed and terse observations. When Americans last year spent $10 billion for cocktails and liquor; $5 billion for tobacco; $264 million for chewing gum; $40 million for lipstick; when one of the Armed Forces built up a 25-year supply of hamburgers, and another spent hundreds of millions of dollars on a fighter plane that could not fly—when these things have happened, then I say we can afford to appropriate funds to give our children and our children's children the best in medicine.

Surely this is a wise investment in the future of America—a wise investment that American taxpayers will gladly and unstintingly make and give.

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

Mrs. SMITH of Maine. I yield to the Senator from Minnesota.

Mr. THYE. I commend the distinguished Senator from Maine for her remarks relative to the appropriation bill. I know of no Senator other than the chairman of the subcommittee, the distinguished Senator from Alabama [Mr. HILL], who spent so much time in the committee hearings as did the Senator from Maine. Unfortunately, it was not possible for me to attend all the hearings on the bill, because I was dividing my time between the hearings on military appropriations and the hearings on Health, Education, and Welfare appropriations. But when I was present at the hearings on the appropriations for the Department of Health, Education, and Welfare, the Senator from Maine was always there, as was the chairman.

Mr. President, I commend the Senator from Maine for her statement that this appropriation is an investment rather than an expenditure. It is an investment in research for health, and for education, and will result in substantial returns for every dollar spent.

I was disappointed today when it became obvious that my amendment to increase the appropriation by $1,500,000 would be defeated. Therefore, I modified the amendment to provide for an increase of $500,000. I feel that the Department of Health, Education, and Welfare has never been provided with sufficient funds to enable it to do the type of research necessary to carry on progressively aid to education, so that our youth may become qualified to assume the great responsibilities which they must assume as they enter upon adult years. We are living in a mechanical age, an age requiring highly scientific and specialized qualifications in everyday life.

Again I offer my commendation to the Senator from Maine for her services on the Committee on Appropriations, as I offer them also to the Senator from Alabama, the chairman of the subcommittee, who is also chairman of the Committee on Labor and Public Welfare, which deals with the legislative questions in this field.

Mr. President, it has been a real pleasure to have listened to the remarks of the Senator from Maine [Mrs. SMITH].

Mr. HILL. Mr. President, will the Senator from Maine yield?

Mrs. SMITH of Maine. If my distinguished colleague from Alabama will permit me to thank the Senator from Minnesota for his very generous remarks concerning me, I shall be glad to yield to the chairman of the subcommittee.

Mr. HILL. I wish to thank the distinguished Senator from Maine for her very kind and generous words about the Senator from Alabama. It has not only been a pleasure, but it has been an inspiration, to serve on the committee with her. She was at the meetings of the

committee day after day. She was always there taking an active part in the hearings, and vigorously participating in the work of the committee, and making many fine contributions to the deliberations of the committee.

Mr. President, it is said that where there is no vision, the people perish. I only wish we had more people with the vision of the Senator from Maine. She demonstrated it time and time again in our work on the bill. She was tremendously helpful in every way. I warmly and heartily thank her and commend her.

I also wish to pay tribute to my predecessor as chairman of the subcommittee, the distinguished Senator from Minnesota [Mr. THYE]. He said he had not been able to attend as many meetings of the committee as he would have liked to attend, because of conflicting meetings of other committees. The Senator from Minnesota has labored so long and so valiantly in the vineyard and in the great work of the committee that, whether he is able to attend meetings when hearings are held or not, he has such a wonderful store of information and he has so much knowledge of the matters which confront us that he is tremendously helpful in the work of the committee. I want to commend him heartily.

Mrs. SMITH of Maine. Mr. President, I should like to thank my distinguished colleague, the chairman of the subcommittee. The reason why there is before the Senate such a fine bill, which provides for constructive progress in the matter of medical research, is that the cooperative spirit evident here this afternoon has been seen every day in the committee.

Mr. NEUBERGER obtained the floor.

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

The PRESIDING OFFICER. For what purpose does the Senator from Michigan arise?

Mr. POTTER. I should like to send an amendment to the desk.

Mr. NEUBERGER. I yield to the Senator from Michigan for that purpose.

Mr. POTTER. I send an amendment to the desk, and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 17, line 10, it is proposed to strike out the "$1,000,000" and insert in lieu thereof "$1,100,000."

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

Mr. POTTER. I yield.

Mr. HILL. I may say I have discussed the amendment with the Senator from Michigan. It does not add $1 to the appropriation. It does make it possible to have a better inspection and a little closer watch on the expenditure of many millions of dollars which will go into the construction of new schools in federally impacted areas.

Therefore, I shall be happy to accept the amendment and take it to conference.

Mr. POTTER. I thank the distinguished chairman of the subcommittee for his usual courtesy.

Mr. President, I ask unanimous consent that a statement I have prepared in connection with the amendment be printed at this point in the RECORD.

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

STATEMENT BY SENATOR POTTER

I offer an amendment under the head "Assistance for School Construction."

This amendment does not constitute an additional appropriation of funds. It is merely an increase in an authorization to use funds previously appropriated. The item concerns the technical services which are provided by the Housing and Home Finance Administrator in connection with the design and construction of school buildings in federally impacted areas.

I believe that the committee amendment on this item did not fully take account of the present situation. I am advised that these are the facts:

1. The 1957 authorization request in the budget was a reduction of more than 50 percent from the current year, on the assumption that workload would be less in similar measure.

2. In fact, the construction inspection workload has increased by almost one-third over expectations as a result of factors beyond the control of the Agency.

3. If the budget estimate is not restored, the Agency would not be in the position to maintain an adequate staff of field engineers to perform an effective job of project supervision. Engineering inspection at the project site would have to be cut from the present average of about 1 per construction month to an average of about 1 every 2 to 3 months.

It seems to me that everyone concerned will suffer if adequate inspection and engineering services are not provided. The local school authorities and the Office of Education would get very little effective technical assistance and the risk of defective or inferior construction would be materially increased. There would be less effective enforcement of prevailing wage requirements; there would be delays in payments to local contractors as Government engineers come to the project site at greater intervals to inspect and certify work in place.

Mr. POTTER. Mr. President, before I relinquish the floor, and if the distinguished Senator from Alabama will bear with me, I, as a junior member of the subcommittee, should also like to pay tribute to the Senator for the work of the chairman of the subcommittee, the Senator from Alabama [Mr. HILL].

He has a profound knowledge of many of the health problems which come before the committee. He has more than a layman's knowledge; he has almost a professional knowledge of many health problems with which the committee is confronted.

Likewise, I should like to pay my respects to the distinguished ranking minority member of the subcommittee the Senator from Minnesota [Mr. THYE], who has worked for many years on the problems involved in the bill. The Senator from Maine [Mrs. SMITH] has had the main responsibility for our side of the aisle in carrying on the work of the committee. If I recall correctly, it was the senior Senator from Maine who offered the amendment in the subcommittee to increase the funds for the Institutes of Health. Her leadership has been a great inspiration to the other members of the committee. She also has a deep knowledge in this field.

It was with a great sense of pride that I, as a junior member of the subcommittee, learned that the committee is a thoughtful one, which considers the problem before it not on a partisan basis, but having in mind the best interests and the welfare of the country.

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

Mr. POTTER. I yield.

Mr. HILL. I thank the Senator for his kind remarks about the Senator from Alabama. I wish also to say, as one who has the privilege of being chairman of the subcommittee, that the distinguished Senator from Michigan has been one of the most faithful and devoted members of the subcommittee. He has always tried to do his part of the work of the subcommittee, and has made very splendid contributions to it. If this team has been in any way a winning team, much of the credit for what it has done must go to the distinguished Senator from Michigan.

Mr. POTTER. I thank my distinguished friend, and I thank the Senator from Oregon for yielding to me.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan [Mr. POTTER] on page 17, line 10.

The amendment was agreed to.

Mr. NEUBERGER. Mr. President, there are several questions which I believe are important to the future of appropriations in the vital field of health. I am not going to take the time of the Senate to add to the encomiums which have been paid to the Senator from Maine [Mrs. SMITH], the Senator from Alabama [Mr. HILL], and other Senators.

I should like to say that perhaps the last grim and terrible riddle of our time, next to the permanent elimination of war, is the cure of diseases which have thus far failed to submit to successful medical care. It is an anomaly that man can master the waters of the sea, master the air, and master almost all of his environment, and yet there are diseases which, when persons are stricken by them, result in their being virtually, if not literally, under the sentence of death.

I was impressed, in listening to the eloquent and able remarks of the Senator from Maine, when she pointed out how we had made gains in life expectancy for the average person. Compared to that achievement, it seems to me that other things, such as may be done by this Congress, are trifling indeed. If something can be done to add to the comfort of people in their later years, in their ability to live longer, nothing else has much relevancy compared to that almost cosmic achievement.

This is what I should like to ask the distinguished chairman of the subcommittee. The most terrible disease of our time, insofar as it strikes large numbers of people, is cancer and the allied diseases, such as leukemia, which the chairman of the subcommittee has mentioned.

The committee has provided a substantial gain in the appropriation for the National Cancer Institute in the field of cancer research. I regret that the advances are not as great as those proposed by the Senator from Maine [Mrs.

SMITH], but certainly they are increases which must be respected and admired, because the sum of $48,432,000 is virtually twice that provided in the 1956 appropriation. Certainly very few committees have voted to double a fund from one fiscal year to the next.

All of us recall that in the field of atomic energy, for decades men spoke of the time when the atom would be cracked, or expressed the hope that it might be cracked; and that subject was discussed by great scientists such as Dr. Einstein and his associates, in Europe, and great scientists in the United States. Then, suddenly, President Roosevelt, pressed by the urgency of war, set aside $2 billion, I believe, which was assigned to the Manhattan project; and the atom was cracked, and there has come about the most terrible weapon mankind has ever developed and also some new methods of treating disease. Is it not possible that in the future, instead of providing $48 million for cancer research, if we were to provide hundreds of millions of dollars for cancer research, with the control and cure of cancer as a goal, we might thus bring nearer the time when this terrible disease will be conquered?

Mr. HILL. Of course money is a very important factor; but in and of itself, money will not do the job, as the Senator from Oregon knows. In addition, there must be sufficient personnel and there must be devotion and talent and genius and hard work.

We arrived at the figure $48,432,000 on the basis of testimony from what we believed to be the best brains in this field. There appeared before us Dr. Harry Weaver, of the American Cancer Society, and Dr. Sidney Farber, a member of the National Advisory Council of the Cancer Institute, and one who has devoted his life in Boston, Mass., to endeavoring to find the answer to leukemia. We also had before us Dr. Wendell Stanley, of the University of California. I may say that in 1946 he won a Nobel prize in chemistry. We had the benefit of the testimony of those men and other men of that type. We said to them, "Give us the story; tell us what you can do; tell us what you need; tell us how far we can go and what can be done." We accepted, and we have recommended, the amounts they proposed; and the pending bill contains the top amounts they believed could be used at this time in the fight on cancer.

I wish to say that we are making progress. I do not wish to be too optimistic; but the evidence before our committee shows that we are making progress in this battle.

Earlier in my remarks I referred to the fact that a year ago Dr. Cornelius P. Rhoads, who is the head of the Sloan-Kettering Cancer Institute of New York, and also the head of the Memorial Hospital in New York, testified before us, and showed us some white mice in which cancer had been induced. This year we were shown photographs of a mouse which had had cancer, but from which, through the use of chemicals and chemical compounds, the cancer had been eradicated. Of course, as the Senator from Oregon knows, the fact that a mouse is cured of cancer does not necessarily mean that similar treatment with chemical compounds will achieve the same results in human beings.

But a year ago we provided the necessary funds and setup, under the chairmanship of Dr. Sidney Farber, a committee on chemotherapy, or on the use of chemicals or drugs in the field of chemistry, and having particularly to do with studies of the chemistry of the human body. That committee is carrying forward its work at this time. We asked the members of the committee how much money they needed. The amounts voted by the committee represent the top figures they recommended to us.

Mr. NEUBERGER. In other words, those eminent medical scientists and physical scientists did not believe that additional funds would bring any nearer the time when this grim disease will be controlled?

Mr. HILL. That is certainly the deduction I drew.

Mr. NEUBERGER. I should like to ask a further question. Of course, I know the chairman of the committee is much more experienced and wise in this respect than I am. Although looking toward the situation in the next fiscal year, would not it be advisable for the committee, together with the scientists who advise it and who are allied with it, to consider in the next fiscal year the fact that even the gains, particularly in the field of cancer, which have been made as a result of the appropriations made thus far, are but a beginning in the march toward an ultimate goal?

Mr. HILL. Yes, this represents an onward march.

To illustrate what I have in mind, let me say that the funds recommended in this bill for appropriation for this item—namely, $48,432,000—are twice the amount appropriated for the present fiscal year in connection with the fight we are waging against the insidious disease of cancer. These funds represent another great, forward step in this battle. When the researchers, scientists, doctors, and technicians testify before our committee next year, we shall be prepared to go along with them in continuing this forward march and in increasing it and expanding and expediting it wherever possible.

Mr. NEUBERGER. I thank the Senator from Alabama.

Mr. President, before I yield the floor, I would like to mention that at the present time Mrs. Neuberger and I are the immediate next-door neighbors of the Surgeon General of the United States. In the words of the fable, I am sure that the ears of the Senator from Alabama and other Senators would burn if they could have heard the Surgeon General talk, the other day, upon his return from Europe, about the work being done there in this most important field.

Cancer inspires such justifiable fear among the people, that I believe that any funds, no matter how large, appropriated by the Government for work in the field of cancer research, would be supported by the American people. No matter what sacrifices would be required of the people as a result of the making of such appropriations, they would be supported by the taxpayers of the United States, if someone such as the chairman of the committee, the Senator from Alabama [Mr. HILL], were to certify to them that he was informed by our medical and physical scientists that such funds could be used to good advantage.

Mr. HILL. Mr. President, let me say to the distinguished Senator from Oregon that according to the testimony before our committee, unless we can do something more about cancer than we have been able to do thus far, 40 million Americans now living will have cancer; and out of those 40 million, approximately 25 percent will be able to undergo successful treatment, either by surgery or by radiation. In the case of another 25 percent having cancer of that type, successful treatment of that sort will be impossible, because in their case the disease will have advanced too far. Of course, the insidious thing about cancer is that all too often, pain is not felt until it is too late to provide successful treatment. The remaining 50 percent will have some form of cancer which, today, we do not know how to treat.

As I have pointed out, the funds recommended for this purpose by the committee are twice as large as the funds appropriated for this item for the present fiscal year.

We are advancing; we are marching forward; we are definitely making progress.

I wish to thank the distinguished Senator from Oregon for his great interest in this matter and for the very fine support he gives the committee and gives to the cause of waging the battle not only against cancer, but also against all the other terrible diseases which cause so much misery and suffering and so often result in death.

Mr. NEUBERGER. I have learned a great deal today from the chairman of the committee. I doubt if there can be any greater challenge in our time than that to which he and his committee have responded.

Mr. HILL. I thank the Senator.

Mr. MONRONEY. Mr. President, I should like to join my colleagues in paying tribute to the distinguished chairman of the subcommittee and his fellow members, the Senator from Maine [Mrs. SMITH], the senior Senator from Minnesota [Mr. THYE], and others, in giving recognition to the great humanitarian program exemplified by the expansion in health activities, not only in connection with research, but in connection with Indian health, and many other features of the bill. I am certain that the increase in expenditures will result in new gains on new fronts, in connection with diseases with respect to which a cure was believed impossible.

With specific reference to the attention which the Senator from Alabama has given to the problem of education, is it not a fact that in increasing by more than $3 million the appropriations of last year for the development of vocational education we are bringing the appropriations up to the limit of the authorizations for the great vocational education program?

Mr. HILL. The Senator is correct. The Senator will recall that he appeared

before our subcommittee at the time we were holding hearings, and made a strong and eloquent plea to the subcommittee, recommending the full appropriation authorized by law. The committee has done the very thing which the Senator from Oklahoma so strongly urged it to do.

Mr. MONRONEY. Has not the committee also provided, by reallocation of the unused portions of funds allocated to the States, for an additional half million dollars, approximately, which otherwise could not have been utilized, and now will be reapportioned to the States desiring to make the maximum use of this great program?

Mr. HILL. The Senator is correct. That, in effect, will be the result of the committee's recommendation if the provision now written into the bill becomes law.

Mr. MONRONEY. Those of us who know the Senator best know of the leadership which he has always given to this fine program, which is giving emphasis and accent to farm leadership, through Future-Farmer Clubs, vocational business education clubs, and other activities which create a reservoir of great skills which otherwise might not have been created had it not been for the great program of vocational education.

The distinguished Senator also has the privilege of heading the Senate Committee on Labor and Public Welfare. I should like to ask him a question. If next year efforts are made to increase the authorizations for vocational education, will the Senator look with favor upon an expansion of that program?

Mr. HILL. Let me say to my distinguished friend from Oklahoma that I share his deep interest in the cause of vocational education. In connection with any movement for the expansion of vocational education programs, I assure the Senator that he will find most sympathetic response from the Senator from Alabama.

Mr. MONRONEY. We must consider increased authorizations to meet the needs of school districts which wish to expand their programs in this field. These districts in turn usually pay for two-thirds of the cost of the program, the Federal Government paying only a third or a fourth of the cost. Thus, I hope consideration will be given, as the new authorization legislation is prepared, to adding to the vocational agricultural program and the other vocational programs a new program of basic science instruction in high schools.

Otherwise, these schools could not offer instruction in the basic sciences. I am sure the distinguished Senator realizes that not only in defense work, in aviation, in engineering, in nuclear science, in physics, and in medicine, but in connecton with almost every other branch of science, there are ever-increasing needs for more and more scientists. Our schools, particularly the smaller ones, are unable to provide laboratories, classrooms, and, above all, science teachers to give the foundation courses upon which the higher branches of science must rest.

It is the good fortune of the Senate that the distinguished Senator from Alabama is chairman of the Senate Committee on Labor and Public Welfare.

I wonder if, in his other capacity, he would give consideration to adding basic science to the vocational education program.

Mr. HILL. There is no more devoted or tireless friend of vocational education than the Senator from Oklahoma. He is always on the battleline fighting for vocational education. Not only do I believe that such consideration can be given in connection with basic sciences, but I think it should be given.

Mr. MONRONEY. I thank the distinguished Senator for his kind words, and also for the assurance that a study will be made in connection with the bill which my colleague [Mr. KERR] and I have introduced.

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

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

The bill (H. R. 9720) was read the third time and passed.

Mr. HILL. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HILL, Mr. CHAVEZ, Mr. RUSSELL, Mr. MAGNUSON, Mr. STENNIS, Mr. CLEMENTS, Mr. THYE, Mr. MUNDT, Mrs. SMITH of Maine, Mr. DWORSHAK, and Mr. POTTER conferees on the part of the Senate.

ORDER FOR RECESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 12 o'clock noon tomorrow.

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

CONSTRUCTION OF MODERN GREAT LAKES BULK CARGO VESSELS—UNANIMOUS-CONSENT AGREEMENT

Mr. JOHNSON of Texas. Mr. President, for myself and the distinguished minority leader, and with the approval of the distinguished Senator from Delaware [Mr. WILLIAMS] and the distinguished Senator from Michigan [Mr. POTTER], I submit a proposed unanimous-consent agreement, which I ask to have read.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be read for the information of the Senate.

The Chief Clerk read as follows:

Ordered, That, effective on Wednesday, June 6, 1956, at the conclusion of routine morning business, the Senate proceed to the consideration of the bill (S. 3108) to encourage the construction of modern Great Lakes bulk-cargo vessels, and that debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. JOHNSON of Texas. Mr. President, if the proposed unanimous-consent agreement shall be agreed to by the Senate, then after the Great Lakes bulk-cargo vessels bill has been disposed of, it is planned to call up H. R. 9536, the general Government matters appropriation bill, and H. R. 9739, the independent offices appropriation bill.

When those bills have been disposed of, it is hoped that the Senate will have available the report and the hearings on the social-security bill, which will be made the unfinished business.

The distinguished Senator from Virginia [Mr. BYRD], chairman of the Committee on Finance, will make the opening statement on the social-security bill on Thursday next.

I call this to the attention of all Senators so that they may adjust their plans accordingly.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? The Chair hears none, and the agreement is entered.

ADDRESS BY FORMER SENATOR STROM THURMOND BEFORE SOUTH CAROLINA JUNIOR STATE CHAMBER OF COMMERCE

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the body of the RECORD a speech made by Senator Strom Thurmond at Myrtle Beach, S. C., before the annual convention of the junior State chamber of commerce on May 20.

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

WHAT PRICE FRIENDS?

(Address by Strom Thurmond to the annual convention of the junior State chamber of commerce, at Myrtle Beach, S. C., May 20, 1956)

President Risher, distinguished guests, members of the junior chamber of commerce, and other friends, it is a pleasure to have the opportunity to speak to this fine group at your annual convention. It is rare that we find a dynamic community program under way which is not being spearheaded by young men like yourselves. Certainly the Jaycees of South Carolina have distinguished themselves as young men who know how to get a job done. The excellent result of these endeavors has been the molding of South Carolina into a better State in which to live.

Even while my duties for the past 2 years have kept me in Washington, I have made it a point to spend as much time as possible among the people of our State. I have been

constantly impressed with the programs supported by the Jaycees. I have witnessed your safety checks on vehicles. I have followed with great interest your efforts to raise the salaries of the teachers of this State. In addition, your programs on mental health, the Voice of Democracy, Our Stake in Better Government, the Teenage Road-E-O, sports, the securing of tourist trade, and the encouragement of industry, have certainly brought lasting results to the people of South Carolina.

It has also been my pleasure to have received many communications from some of your project chairmen, club presidents, State officials, and other leaders, who sought my assistance in your civic endeavors. I hope that you will continue to call upon me for whatever service and encouragement I might render.

While some conventions turn out to be gruelling work, I trust that yours here has been a festive one as well as one of accomplishment. I have already been hearing of the shrewd political maneuvering that characterizes your election of State officers, and I feel sure that this is a healthy situation and one from which you all should benefit.

As you know, I am unopposed in the approaching primary election, and the situation reminds me of a story about two colored women. One of these women was telling her friend that her daughter was going to have a baby, and of course her friend was quite thrilled to learn of this news. The proud mother than added, "And she's married too, and that do make it nice." [Laughter.] Well, I kinda feel like that colored woman—here I am with no opposition, and "that do make it nice."

In a more serious vein, I am deeply humble that the people of South Carolina have seen fit to allow me to become the United States Senator-nominate for the Democratic Party without opposition. As I have said in the past, I will do all within my power to fulfill this responsibility.

I would like to talk with you for a few minutes today about a matter that may at first seem distant to your problems here in South Carolina. Yet I think that you will soon realize, as I have, that this problem is indeed very close to home.

The matter of which I speak is that of foreign aid, and I ask you the question, "What price friends?"

Since the end of World War II this country has poured out $51.3 billion of the American taxpayers' money in foreign aid to nations in every corner of the world.

While we all can recognize the great good that has come from the Marshall plan in the precarious years that followed the close of World War II in 1945, I would remind you that this is 1956—11 years later.

But where are we going today? The Congress is now faced with, and being urged by the administration to pass, a $4.9 billion foreign aid bill for this year alone.

I pose the question again—What price friends? Surely, if we do not know in the beginning that we could not buy friends with dollars, we should certainly know by now.

Only last month we all felt the impact of the heavy tax load imposed upon us as we filed our income tax returns. A reduction in foreign aid would enable us to cut taxes, which are now taking a third of our total income. It would enable us to begin paying our national debt, which is larger than the combined debts of all the nations in the world.

However, before we start using this money, let's examine just where this huge program of support for other countries has brought us today, how many friends we have won and what it has done to strengthen our position in the free world.

We may ask ourselves what has been the result of foreign aid in our close ally Britain, the struggling nation of France, the neutral power of India, Tito's Yugoslavia or a small Asian nation like Ceylon.

First, a close look at the situation in Britain will reveal that one of the worst things that happened to that nation was the $4 billion loan made in 1946, which helped put their Socialist government in office, and later aid helped keep them in office.

Most Britons will tell you that they would have gotten rid of their Socialist government—which brought them to the brink of ruin—much sooner than they finally did without our interference.

The case of France is far more striking. Since the close of World War II this country has given France about $10 billion in economic and military aid. But 26 percent of the people of France, with an average of $1 billion a year in help from the American taxpayers during the past 10 years, voted in favor of the Communists in recent elections.

You might now justifiably ask the question I have been asking—What price friends? What kind of ally is this to depend upon when a half-million American boys are in Europe prepared to give their lives to halt a sweep from the Russians in the east? Truly, we can say that France was a better ally before she received a dime in American foreign aid.

Take the situation in India. Since 1950 this country has shelled out $500 million in aid to this important, and newly independent nation. Now, how do the Indians feel about the United States?

They favor turning Formosa over to the Communists; they are supporting Red China in her fight to gain admission to the United Nations; they have recently entertained the Russian leaders and placed them on exhibition before the world as lovers of peace and nonviolence; they oppose nearly every defense measure employed by this country to keep the Red menace in check.

Recent visitors to India report that there is agitation within that nation for more trade with the Soviets. The press and people ignore American benefactions or take them for granted.

After all our aid to India, after the American taxpayers have dug deep into their pockets—our prestige in India has now fallen to a new low.

A more striking result of the problem surrounding foreign aid was very pointedly made recently when a newspaper of great influence in Ceylon was quoted as saying, "If the United States withdrew its offer of aid that would be the price Ceylon would cheerfully pay to maintain her independence."

This comment is a typical one, for the people of Ceylon—and those of other countries to which we extend this aid—cannot believe that we extend support without harboring motives of gaining control and influence in their governments. This very simple trend of thinking has resulted in suspicion on the part of the people of most all nations we have assisted.

A further look into this basic problem which has manifested itself in Ceylon is revealed even more by another quote from the Ceylon paper, which read: "If any country in the world offers Ceylon aid without strings she will gladly and gratefully accept, as Nehru's India has done, but she cannot be bought, sold, or bartered. After all, we have survived without American aid all these years, and our self-respect cannot be bought with dollars."

More and more we find that nations are responding to American aid as the Ceylon newspaper does, namely, that when a country accepts foreign aid from the United States it feels that it is doing this country a favor.

If some of the countries receiving American aid are so blinded with pride that they don't know the difference between Communist oppression and American generosity, then the time has come to stop injuring their pride with gifts of American dollars.

Moving on to our examination of the results of foreign aid in some countries, let us take a look at Yugoslavia.

This nation, once under the influence of Russia, has in the past few years received millions of dollars in aid from America. Even when this aid was given, Tito was operating almost the same kind of Communist state that this country so strongly opposes in the nation of Russia.

Today, after those millions have been turned over to Yugoslavia, we can only hope, at best, that Tito's country would take a neutral stand if the situation came to a showdown.

In fact, we will be fortunate if the same guns, ammunitions and supplies we have furnished a great number of these nations will not be used against us. What assurance have we that this will not be the case?

Surely, after 10 years of this sort of thing, we must now admit that our charity has not made us the most popular Nation in the world. From practical experience we all realize that in many cases the debtor has no love for the creditor, or vice versa.

While it would be wrong to state that this $50.3 billion in foreign aid has not done this Nation some good, it would be equally wrong to assume that the free world expects this country to indefinitely continue this giveaway program. Indeed, it now seems that we have very much overdone ourselves.

Still, with our NATO program and other vital programs not yet completed it seems that a certain amount of foreign aid not only should, but must, be continued.

However, we now find ourselves in the undesirable position of increasing this foreign aid rather than drastically reducing it.

Congress is now being asked to approve an increase in foreign aid. The administration proposes appropriations of $4.9 billion next year compared with $2.7 billion this year. This means that the administration is committed to continue this foreign-aid program at a high level of spending.

We ask again, What Price Friends? It is time we realize we cannot win friends with an aid program that is bringing uncertain returns. More important, it is time that we realize we had best be giving more attention to our economy at home.

Certainly, with a national debt of $280 billion, with appropriations greatly exceeding revenues, with our people paying almost one-third of their incomes in taxes, with the need for new roads, new schools, and new hospitals, and with many other economic and social problems facing us, the time has now come for the United States to bring to an end this long overextended program. No one can argue that the best assurance we have for preservation of freedom in this world is the maintenance of a strong America, and if this strength is to be sustained and maintained, then we must reduce our foreign-aid program and attend to some of these demanding problems which face us on the home front.

Furthermore, if given the chance, private investment could replace foreign aid in many nations.

Some feel that the greatest hindrance to foreign investment is fear of confiscation. I do not agree. I think the greatest hindrance is foreign aid. Private capital does not go to a country whose economy is choked with sterile capital that yields no profit.

The largest receiver of Federal handouts since World War II has been Western Europe, and it has been the smallest receiver of new investment funds from private sources.

Western Europe received close to 70 percent of the $51 billion foreign-aid program. But the ratio of American private investment there runs only about 14 percent. Two and four-tenths percent of the foreign-aid program went to Latin America, but it received 35 percent of United States private investment. Only an invisible amount of aid went

to Canada, but 34 percent of our foreign investment has gone there.

If investment capital is to be stimulated, foreign aid must be cut off. Private investment has been encouraged everywhere through the faith that we may have a lasting peace.

The changeover from the charity dollar to the investment dollar would have a stimulating effect, and inspire the nations we have been trying to help with confidence and new hope.

Aside from this, it would release thousands of foreign aiders and bureaucrats, which, in itself, would be a worthwhile accomplishment.

In summary of my comments on foreign aid, let me say that I favor a reduction in the size of this program now, not tomorrow, next year, or in 1960—but now.

America should continue to help faithful and loyal allies in Europe and Asia. Unless it is essential to our national security, however, there is no obligation that requires the American people to be taxed to maintain the peoples of other nations, friendly or not.

As your United States Senator during the last year, I voted for every amendment to reduce our foreign-aid program, and after these amendments were defeated on the floor of the Senate, I voted against the entire foreign-aid bill.

When I return to Washington, it shall be my purpose to continue to fight to curb our foreign-aid program and work toward drastically reducing these appropriations.

In closing, let me once again say that I appreciate the opportunity to speak before this outstanding group of young men and women. The future of our State, to a great extent, depends upon your leadership and the exemplification by you of the high ideals for which your organization stands.

CONSTRUCTION OF MODERN GREAT LAKES BULK CARGO VESSELS

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Is there now in effect a unanimous-consent agreement to make Senate bill 3108 the unfinished business tomorrow?

The PRESIDING OFFICER. The order was to make it the unfinished business after the conclusion of the morning business tomorrow.

Mr. JOHNSON of Texas. I ask unanimous consent that the Senate now proceed to the consideration of Senate bill 3108.

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

The LEGISLATIVE CLERK. A bill (S. 3108) to encourage the construction of modern Great Lakes bulk cargo vessels.

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

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

POLICIES AND PROCEDURES IN KOREA

Mr. MORSE. Mr. President, on May 10, I made a brief speech in the Senate raising certain questions as to policies and procedures existing in Korea. I stated that as one who has supported American aid to Korea, and will continue to support American aid to Korea, I thought it important that our State Department proceed to investigate the situation in Korea and find the answers to certain questions which I raised in my May 10 speech.

Dr. Robert T. Oliver, who appears to represent the Korean Government in public relations in the United States, took exception to some of the remarks I had made, and wrote to the Washington Post and Times Herald in criticism of some of the views I had expressed.

I had no intention of replying to Dr. Oliver, because I thought the fallacies in his letter were self-evident.

However, Mrs. Dorothy W. Allan, assistant to the president of the Korean Affairs Institute, has sent me a letter, under date of May 29, 1956, in which she included a copy of a letter which she had sent to the Washington Post and Times Herald, commenting upon Dr. Oliver's letter to the Post and Times Herald.

I ask unanimous consent that Mrs. Allan's letter to me and her letter to the editor of the Washington Post and Times Herald, dated May 29, 1956, be printed at this point in the RECORD.

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

KOREAN AFFAIRS INSTITUTE,
Washington, D. C., May 29, 1956.

The Honorable Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: A letter by President Syngman Rhee's professional apologist, Dr. Robert T. Oliver, appeared in the Washington Post and Times Herald on May 28 attacking not only my letter of May 21 but also a speech you made on the floor of the Senate on May 10. I had quoted at length from your speech.

Since my reply to the Post and Times Herald contained documentary material upholding your contentions as well as mine, I feel obliged to send you a copy.

Respectfully yours,

DOROTHY W. ALLAN
Mrs. Dorothy W. Allan,
Assistant to the President.

MAY 29, 1956.

EDITOR, WASHINGTON POST AND TIMES HERALD,
Washington, D. C.

DEAR SIR: Dr. Robert T. Oliver, commenting (May 28) on your editorial of May 8 and subsequent letters to the editor by Dr. Frederick Brown Harris (May 14) and myself (May 21), seeks to divert attention by making the question of whether or not the Republic of Korea is "an obedient satellite of the United States" appear the chief issue. While it is axiomatic that the United States has no "satellites" it is no secret that South Korea is supported almost completely, and logically so, by the United States. In fiscal year 1955–56, alone, this aid amounted to $478 million in economic assistance and unreported military expenditures in quantities large enough for President Rhee to say May 26, "The United States is our arsenal."

What makes all events in Korea of major importance to the entire world—as Dr. Oliver well knows—is the fact that military forces of the East and West still face one another in an uneasy truce at the 38th parallel. The U. N. Commission for the Unification and Rehabilitation of Korea (UNCURK) stated in its 1955 report to the U. N. General Assembly that "The attitude of the Republic of Korea to the armistice is based on its conviction that a solution to the Korean problem * * * will be reached only by force." As long as this situation prevails, any capricious sallies by the ROK Government could conceivably engulf the world in an atomic holocaust.

Dr. Oliver may be dutybound to apologize for President Rhee, but certain truths cannot be altered.

The 10 questions which Senator WAYNE MORSE of Oregon asked the State Department to look into as the basis for "a thorough investigation of Korean-American relations" were not "loose charges presented * * * without any shadow of evidence."

I share Dr. Oliver's enthusiasm over "the successful evolution of a workable party system" as demonstrated by the recent election of opposition Democratic candidate Chang Myun (Dr. John M. Chang) as Vice President. What is "truly phenomenal," however, is that the will of the Korean people made itself felt despite the dictatorial methods employed by Dr. Rhee in the election campaign—which Senator MORSE questioned and which the international press reported from Korea.

If President Rhee's police force and military did not play an active role in the election campaign, then why did Democratic presidential candidate Shin Ik Hi charge in an interview (New York Herald Tribune, May 6) only a few hours before leaving for Iri, where he died of a heart attack May 5, that "national police were trying to intimidate voters into casting their ballots for Mr. Rhee"? Why was Progressive presidential candidate Cho Bong Am "in hiding—fearful of his life" (United Press, May 15) for over a week before the election? Why did Democratic vice presidential candidate Chang Myun go "into hiding on election eve because of 'fears for his safety'" (Reuters, May 20)? Why did Mr. Chang tell New York Times correspondent Foster Hailey May 8 "he was hopeful, now that a major threat to the President's reelection for a third term had been removed, that the police in rural areas (where Dr. Rhee's largest vote came from) would not be so industrious in seeing that citizens 'voted right and often.' Dr. Chang charged that Dr. Rhee's Liberal Party was spending enormous sums of money, especially in rural districts, and that government leaders had ordered the National Police to aid and 'obstruct' the Opposition"? Why did 25 Democratic National Assemblymen charge March 29 that the scores of "spontaneous" rallies and demonstrations urging Dr. Rhee to run for a third term were "fabricated and instigated" by the National Police "directly or otherwise"? Why did Police Security Chief Kim Chang Hung say April 19 that the police were staging a campaign "to enlighten voters," though such activities were not to "interfere with voting"? For the Korean people's will to have penetrated such flagrant interference was indeed truly phenomenal, as was the fact that a dead man and an ex-Communist polled more votes in the big cities—where the voters are more politically astute and there are more foreign observers—than did the hardy perennial for whom so many "spontaneous" rallies were held.

The contention that President Rhee "has never altered the constitution" and "cannot do so" and that it has been amended only by "due process of law" is erroneous. Amending the constitution to provide for such changes as direct election of the President by the people and establishment of a bicameral legislature are naturally not moves in the wrong direction, but the methods Dr. Rhee used to effect these changes were unlawful. The effecting of these particular amendments according to the will of the people on July 4, 1952, entailed the establishment of martial law and the jailing of 14 National Assemblymen in contradiction to article 49 of the constitution. (Dr. Rhee also suspended Voice of

America broadcasts and banned the June 9 issue of Newsweek, among other things.)

President Truman sent a strong personal note June 3 reportedly expressing "shock" and urging Dr. Rhee to take no irrevocable steps, while U. N. Secretary-General Trygve Lie said June 6 that the U. N. "cannot remain unconcerned when arbitrary methods are used which threaten to destroy the roots of democratic government." UNCURK wrote Dr. Rhee June 7: "The Commission notes that you base your actions on what you consider to be the will of the people. But it is the basis of every constitutional democracy that the will of the people can be expressed validly only in the ways provided for in the constitution, for example, by a free and secret ballot at the times prescribed in the constitution, or by the votes of the freely elected representatives of the people in the appropriate bodies. History has taught that such methods of gaging the will of the people as mass meetings, demonstrations, and petitions are generally used where a real respect for constitutional rights and duties is lacking."

Are such actions governed by the due process of law?

That Dr. Rhee does in fact exercise ironclad control over the press has been established for some time. During the aforementioned period of martial law in 1952, Dr. Rhee ordered (June 14) teams of censors to ink out news in all incoming publications unfavorable to his administration, and Premier Chang Tak Sang instituted (July 11) a thorough investigation of some big newspapers in view of their vicious attempt to disturb the public and to make world opinion unfavorable to the Republic of Korea. Just before the National Assembly election in May 1954, the New York Times reported from Seoul that "in Pusan, the police entered the office of the leading newspaper, Kukje Shinbo * * * and took 36 reporters to police headquarters for questioning concerning their draft status. All were later released. It was considered more than a coincidence that Kukje Shinbo was the only Pusan newspaper that reported fully the incident of the campaign worker who had died after being held by the police." Dong A Ilbo, a highly respected conservative newspaper in Seoul, was suspended for a month in the spring of 1955 for making a typographical error in a headline. Other such incidents are legion. Moreover, the International Press Institute did not invite the Republic of Korea to its Asian conference in Tokyo last March because it is considered among the nations lacking freedom of the press.

Finally, it is unfortunate that Dr. Oliver tries to equate criticism of President Rhee with criticism of the Republic of Korea. It is only because some of us want to see a really free, healthy, democratic Korea that we take the time to point out the unsavory truths which are holding that little nation back from its rightful destiny in the sun.

Sincerely yours,

Mrs. DOROTHY W. ALLAN,
Assistant to the President, Korean Affairs Institute.

UNITED STATES AID TO YUGOSLAVIA

Mr. McCARTHY. Mr. President, for several years our Government has pursued a policy of aiding Yugoslavia in the hope that with our encouragement Marshal Tito's defection from the Soviet camp would become permanent. I myself voted for aid to Yugoslavia in the hope that we could thereby help divide our enemies. It is now clear, Mr. President, that that policy was ill advised, and that those of us who supported it were mistaken.

It is now clear that Marshal Tito's defection from the Comintern was nothing more than a family squabble—that, at heart, Tito was every bit as dedicated to furthering the international Communist revolution as the leaders of the Soviet Union with whom he momentarily fell out. It is clear that Tito, after reaping the benefit of American financial support, has made his peace with the Soviet Union, is now ready to train the guns we have bought for him against us.

Last Saturday, June 2, Marshal Tito and other members of the Yugoslav Government arrived in Moscow on a visit of state to the Soviet Union. The purpose of this visit was to consummate the rapprochement between the Soviet Union and Yugoslavia that has been in the making since Khrushchev and Bulganin visited Belgrade last year. Let me quote from the address delivered by Marshal Tito on his arrival in Moscow:

Referring to the temporary break between Russia and Yugoslavia, Tito said:

We were greatly pained, but we believed that the time would come when everything separating us would be overcome and when our friendship would receive a new and still more firm foundation. This time has come, thanks to the Leninist policy of the government and the Central Committee of the Communist Party of the Soviet Union.

The arrival of Comrades Khrushchev, Bulganin, Mikoyan, and others in Belgrade, the talks with them, the declaration which was drawn up on that occasion, and afterward the courageous and farsighted foreign policy of the collective leadership of the Soviet Union are, in my profound conviction, a guaranty that nothing of the kind will ever happen again between the two countries marching along the path of Marx, Engels, and Lenin.

And at the end of his speech, Tito cried:

Long live the Soviet Union. Long live the friendship between the peoples of the Soviet Union and Yugoslavia.

Surely, Mr. President, it is clear—at long last—what America's policy toward Yugoslavia must be. When Tito proclaims that Russia and Yugoslavia are now marching together "along the path of Marx, Engels and Lenin," he is proclaiming that Russia and Yugoslavia are marching together toward their joint goal of destroying the United States. No one today can deny that the "path of Marx, Engels, and Lenin" is a path that leads to Communist conquest of the world and the overthrow of our free, capitalist society. This is freely conceded even by the Soviet leaders who are peddling the current Communist coexistence line. Even the most conciliatory remarks in recent months by Khrushchev and Bulganin have included a reminder that, whether by forcible revolution or otherwise, the Communists mean to rule the world.

Yesterday's newspapers, Mr. President, carried accounts of how Tito and the Soviet leaders are working out the details of their new friendship pact. I submit one such article for the RECORD—from the New York Times—which points out that in Moscow "Marshal Tito has undertaken to press hard for ideological contact between the Soviet and Yugoslav [Communist] Parties."

I ask unanimous consent that the article be printed in the RECORD at this point in my remarks.

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

TITO SAID TO SEEK CLOSER SOVIET TIE—YUGOSLAVS REPORT HIS AIM IS REFORM OF STALIN LINE ON THE SATELLITE PARTIES

(By Jack Raymond)

Moscow, June 3.—Marshal Tito has undertaken to press hard for ideological contact between the Soviet and Yugoslav parties, a Yugoslav source disclosed today.

The premise of the Yugoslav President in talks with Soviet leaders was said to be that such a contact would encourage a continued reform of Stalin's attitude toward the non-Soviet Communist Parties.

Soviet Yugoslav talks that had been scheduled to begin Tuesday were believed to have been initiated informally this afternoon.

The Yugoslav leader and Nikita S. Khrushchev spent a great deal of time together today. The Soviet Communist Party chief exchanged toasts at a luncheon with Marshal Tito. Later they toured the agricultural fairgrounds together in the company of other Yugoslav and Soviet leaders.

In the evening, when Marshal Tito and Mr. Khrushchev strolled along a Moscow street, an excited crowd struggled to get a glimpse of them and they took refuge in an ice cream parlor where they seemed to enjoy themselves immensely. Twenty minutes later they emerged and drove off in a limousine.

NO PRESS BRIEFING SET

No arrangements have been made to brief the press, even as sketchily as has been the case during previous top-level meetings here. However, an informed Yugoslav source said that the relations and philosophies of the respective Communist Parties were high on the agenda of the coming meetings.

Marshal Tito, who made a triumphant reappearance in Moscow yesterday, is pressing for an intimate exchange of ideological views with Soviet party leaders, Yugoslav sources said. Last year the Yugoslav leader had insisted that negotiations be limited to governmental relations.

It is the visit of reconciliation to Belgrade made last year by Mr. Khrushchev and Premier Nikolai A. Bulganin that Marshal Tito is now repaying. But from a party and ideological viewpoint, it was noted that he is reaping a reward for the adamant manner with which he withstood Stalin's mistake in forcing Yugoslavia's expulsion from the Soviet-led Cominform in 1948.

The Cominform, a coalition of Communist Parties formed after World War II, was liquidated in April, largely at the behest of Marshal Tito.

According to a Yugoslav source, the talks will range over four main topics: the implementation of the Belgrade declaration of last year, the extension of existing economic agreements, international affairs and Communist Party relations.

[After the Soviet-Yugoslav talks in Belgrade last June, the leaders of the two Communist nations issued a joint declaration that called for a European collective security treaty, the prohibition of atomic weapons, the use of nuclear energy for peaceful purposes and the admission of Communist China to United Nations membership. The declaration also proposed solutions of the German and Taiwan (Formosa) questions.]

The Yugoslavs are said to believe that "even a blind man must see" that important changes have taken place in the Soviet Union's internal development.

It is the Yugoslav view that these changes will be strengthened and developed in a suitable fashion if the Soviet leaders carry

out their promise of "exchanging Socialist experience" with like-minded political groups outside the Soviet Union, particularly with Yugoslavia.

It is for this reason, it is said, that Marshal Tito, who a year ago refused to be addressed as "comrade" by the Russians and refused to take part in a discussion of ideology, now earnestly wants to compare political notes with Mr. Khrushchev.

What Marshal Tito wants, it is said, is to create a new relationship with Moscow as an example to other Communist Parties. Some observers believe the Yugoslav leader has set a major task for himself, but they concede that so far it has been Marshal Tito who has correctly called the turn in relations with the Soviet Union.

When Marshal Tito was escorted to the agricultural fairgrounds he took note of the bright sunshine and said to Mr. Khrushchev:

"Let us take an open car, or, better still, let us walk around the fairgrounds."

"We will wear out our legs," the Russian leader replied. He ignored Marshal Tito's offer to have a race and led the party to the open Zis limousines.

Mr. Khrushchev's wife, son, and daughter were present, but they soon departed. Madam Josip Broz, wife of the Yugoslav President, remained with the party.

She wore a lavender silk suit and gold jewelry. Marshal Tito was nattily dressed in a gray suit and a fedora hat. They watched a horse show and sipped soft drinks on a terrace.

During a visit to an industrial section at the fairgrounds Marshal Tito saw a model atomic reactor. Premier Bulganin remarked that it was "similar to the one we are building for you." He was referring to the reactor that was promised Yugoslavia last year.

Vyacheslav M. Molotov, former Soviet Foreign Minister, who joined with Stalin in engineering the break with Marshal Tito in 1948, also was present. He stood beside the Yugoslav leader from time to time, but he talked mostly with Dr. Eduard Kardelj, the First Vice President of Yugoslavia.

Yugoslav sources said Marshal Tito had begun today a series of visits that were politically significant.

Mr. McCARTHY. Mr. President, it is unnecessary for me to press this point. The whole world knows that Marshal Tito's government is once again firmly allied with the Soviet Union. It is, therefore, perfectly obvious that no further justification exists for hoping that, through American financial aid, Yugoslavia can be bought off. That aid has been bestowed in great abundance in the past, and our reward has been Tito's public profession of the Marxist-Leninist faith, and a declaration of his solidarity with the Soviet Union.

Together with the Senator from Indiana [Mr. JENNER] I am therefore introducing a bill this afternoon which provides for the immediate termination of all American aid to Yugoslavia. I am informed that as of February 1 of this year there were $30 million in unobligated United States funds which had been previously appropriated for Yugoslavia. There may be, in addition, some obligated funds for Yugoslavia which have not yet been expended. My bill provides that funds in both categories shall be held up, and that not one additional cent of American money shall be used for the purpose of supporting an avowed member of the world Communist conspiracy.

As to the question of future appropriations for Yugoslavia, I believe this matter can be handled when the Senate considers this year's foreign aid bill.

This is not a matter, Mr. President, about which I propose to make a brief statement, send a bill to the desk, and let it go at that. Because of the stark immorality involved in a policy of continuing to aid our avowed enemies I shall do everything in my power to obtain quick congressional action on this measure. If, for some reason, the Foreign Relations Committee cannot take prompt action on this bill, I shall feel obliged to reintroduce the measure on the floor and ask for its immediate consideration. I am sure that the Senate wants prompt action. I cannot believe that a single Member of this body is in favor of continuing to give American money to a nation that is publicly committed to destroy our country and our way of life.

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

Mr. McCARTHY. I am happy to yield.

Mr. BRIDGES. The Senator from Wisconsin will remember that a year ago, when the Senate considered appropriations for foreign aid, the question of aid to Yugoslavia came up, and at that time it developed in hearings before the Appropriations Committee that for a period of more than a year previously Yugoslavia had refused American inspection of the end use of American aid we had provided to that country.

In other words, Yugoslavia was in a different position from any other country on the face of the globe to which we gave aid, because every other country to which we gave military aid allowed American inspection and knowledge of how the aid was carried out. So the committee wrote into the bill, which the Senator from New Hampshire helped to foster, a restriction by which we said that no further aid would be given to Yugoslavia until that point could be ironed out. It was carried into the conference with the House. After that, as the result of conferences, our Government worked out a plan for, and Yugoslavia permitted, for the first time in a long period, inspection on the end results of military aid. We wrote that provision into the law last year, and I think, in consideration of Tito's statement that nothing would separate him from the Kremlin, in fairness to America, in fairness and in justice to other nations which are our real allies, as well as to the taxpayers of the United States, we should reappraise the whole Yugoslavia situation before we start pouring more military equipment and machinery into that nation. I do not know whether the Senator has stated the amount, but it runs into the hundreds of millions of dollars. For that reason, I think it well to point up the issue in the Senate of the United States.

Mr. McCARTHY. I thank the able Senator from New Hampshire very much, and I agree wholeheartedly with everything he has said.

Mr. President, let me mention one further reason why prompt and favorable action on this bill is desirable. We must cut off aid to Yugoslavia, yes; but we must also utilize this opportunity to put the world on notice that America is no longer prepared to dole out her precious wealth indiscriminately to any nation that turns up the palm of its hand. We are engaged in a battle for national survival; and financial means for waging that battle are not unlimited. We cannot afford to expend one penny of our wealth on foreign aid that will not help us achieve victory over world communism. Since dollars cannot win the minds of men, it follows that no nation should receive American aid that is not already committed to opposing the Communist conspiracy. A congressional declaration of policy that the American people are no longer prepared to subsidize nations that try to work both sides of the street is long overdue. Consequently, if my bill is construed as a general warning to neutralist nations that if they want our aid, they must join the free world's cause, so much the better for that.

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

Mr. McCARTHY. I yield.

Mr. KNOWLAND. Mr. President, I think the Senator from Wisconsin has performed a service in calling this matter to the attention of the Senate. I believe it was apparent to every Member of the House as well as to every Member of the Senate that, certainly, a searching reappraisal should take place. The only respect in which the Senator has been a little too lenient is on the question of neutral nations. I think there might be some circumstance where neutral nations who were true neutrals might receive consideration. While I would differ with them if they failed to recognize the dangers which confront the world, I would think it would be most unfortunate, but, at least, there might be occasions when certain types of aid should be given neutrals. But the situation in this case, as in some others, has been that this so-called neutral has gone around the world visiting various countries, seeking to pull out of the selective security system which we have been trying diligently to build up, not only in Europe, but in the Far East, and trying to encourage other countries to get out of the collective security system, or, if there were some thought that they might join us in common defense, to discourage them from so doing.

That is hardly being neutral, because, whether it is acting in conformity with suggestions from the Kremlin or not, it is at least a parallel policy, and if Tito were acting in conformity with Kremlin directions he could not give more aid and comfort to the Kremlin than in seeking to break down the collective security system.

Mr. McCARTHY. I thank the Senator from California very much.

Mr. BRIDGES. Mr. President, will the Senator from Wisconsin yield?

Mr. McCARTHY. I yield.

Mr. BRIDGES. I wish to add a word to what the distinguished minority leader has said with reference to neutral countries.

While we should like to have countries on our side, I realize there is some justification for neutrality, if it is true neutrality. But what we have been up

against and are now up against is the fact that some of the countries which pose as neutrals are with the Communists seven-eighths of the time. That kind of neutrality I do not believe we can countenance under any circumstances.

I think the Senator from Wisconsin has done well in pointing up this issue for us today. We must remember that this is mutual security. Mutual security means just what the name implies. That is the theory of our foreign-aid program—a mutual effort for the security of the free world. We must insist, instead of raising a battle cry against all foreign aid, as some people are doing, on making it more selective and putting it on a purely mutual basis.

Mr. McCARTHY. I thank the Senator from New Hampshire very much.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 4001) to terminate military and economic assistance to Yugoslavia, introduced by Mr. McCARTHY (for himself and Mr. JENNER), was received, read twice by its title, and referred to the Committee on Foreign Relations.

RECESS

Mr. JOHNSON of Texas. Mr. President, unless some other Senator wishes to address the Senate, I move, in accordance with the previous order, that the Senate now stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 47 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Wednesday, June 6, 1956, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 5 (legislative day of June 4), 1956:

FEDERAL POWER COMMISSION

Arthur Kline, of Wyoming, to be a member of the Federal Power Commission for the term of 5 years, expiring June 22, 1961, vice Claude L. Draper, term expiring.

MISSISSIPPI RIVER COMMISSION

Brig. Gen. Lyle E. Seeman (colonel, Corps of Engineers) to be a member of the Mississippi River Commission, vice Brig. Gen. William E. Potter.

UNITED STATES DISTRICT JUDGE

R. Jasper Smith, of Missouri, to be United States district judge for the western district of Missouri, vice Charles E. Whittaker, elevated.

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947. All officers are subject to physical examination required by law.

To be captains

Abbruzzese, Peter A., O62553.
Adams, Dwight L., O62649.
Adams, Walter E., O62528.
Aguilar, Domingo I., O69578.
Ahearn, Charles E., O69579.
Aitken, Lowell A., O60951.
Albrecht, Erwin F., Jr., O67636.
Alexander, John T., O61609.
Allan, Abraham N., O62440.
Allen, Edwin W., Jr., O61226.
Allen, John W., Jr., O62698.
Allen, Milton, O63006.
Alley, Bernard J., O61916.
Allgood, Charles N., O61488.
Ambrose, Bernard J., O61273.
Anderson, Charles H., Jr., O61616.
Anderson, Charles L., O63011.
Anderson, James R., O67638.
Anderson, William A., O71755.
Apple, Clarence E., O61149.
Arnold, George H., O61283.
Ash, Ned R., O62072.
Astarita, Orazio J., O61388.
Attaway, John D., O61872.
Attmore, Charles M., Jr., O65943.
Aull, Luther B., 3d, O62428.
Austin, Thomas A., 3d, O62548.
Bachus, Walter O., O61582.
Bagley, James E., 3d, O61619.
Baish, Charles F., Jr., O62411.
Baldwin, Daniel L., O70260.
Ball, George L., O62485.
Ball, Thomas H., O62737.
Banister, Grady H., Jr., O62420.
Bardos, Phillip G., O62686.
Barker, Arthur C., Jr., O62513.
Barnes, James C., Jr., O62704.
Barnet, John A., Jr., O62597.
Barry, Raymond N., O62617.
Barry, Thomas M., Jr., O62364.
Bashore, Boyd T., O62552.
Bassett, Cyrus W., O60945.
Bateman, Benjamin F., O62037.
Baughman, Richard A., O60244.
Baxley, William J., Jr., O62583.
Beaumont, Robert B., O61464.
Beck, Robert H., O66134.
Beckner, David A., O61634.
Beddoe, William A., O60920.
Begley, John L., O62777.
Begley, Thomas F., O60897.
Belford, Robert E., O61411.
Bennett, Karl F., O65750.
Benson, Donald J., O68077.
Berenbaum, Esai, O61442.
Bergstrom, Richard H., O67645.
Berner, Lyle C., O61379.
Berry, Elbert D. H., O62369.
Berry, William T., O61537.
Beverly, Sidney E., O69590.
Bice, William S., O63025.
Billingsley, Jack D., O61591.
Birk, Elmer L., O62305.
Bjork, Harlan LeR., O62850.
Black, Lorne S., O61562.
Black, Sammy J., O68326.
Black, William C., 3d, O61700.
Blair, Arthur H., O62349.
Blank, Harold L., O62472.
Bloss, William H., Jr., O62767.
Blount, John B., O61705.
Blumhardt, Howard J., O61838.
Bobzien, Gerald B., O68081.
Boggs, William D., O67646.
Bohn, Donald L., O62611.
Bolduc, Lucien E., Jr., O62359.
Bolson, Carl D., O61587.
Bolte, Philip L., O62407.
Borys, Stephen J., O67790.
Boyer, Robert E., O73238.
Boylan, James F., O62331.
Boyle, Charles E., Jr., O70281.
Boyle, Garrison J., O71450.
Bradley, William M., O63026.
Brandes, William F., O62290.
Brantley, Charles S., O62011.
Breed, Charles R., O65302.
Breitwieser, Albert G., 3d, O62544.
Brenner, John A., O60861.
Brent, Walter I., O61446.
Brice, Lawrence S., O60867.
Brinkerhoff, John R., O62287.
Brinson, Remer Y., O61980.
Broderick, John P., O67649.
Brooke, Stafford R., Jr., O65955.
Brown, James L., O61886.
Brown, Lloyd J., O69602.
Brown, Richard M., O61086.
Brown, Robert L., O61272.
Brown, Vance S., Jr., O62429.
Brumme, Gunther A., O62853.
Bryan, John A., O61163.
Buccolo, Joseph P., O62648.
Buchanan, William J., O61439.
Buckley, Francis R., O71649.
Buckley, John L., O65288.
Buckner, Garrett D., O62679.
Bullard, Murray N., O62020.
Bunn, Dudley T., O61902.
Burack, Emanuel, O61905.
Burgess, Burr E., O60302.
Burgin, Wilfred S., O69607.
Burke, Lloyd L., O61246.
Burkhardt, Ellwood W., O61418.
Burnop, George T., O63010.
Burns, James R., O69610.
Burt, Robert F., O61530.
Burtchett, Howard D., O62055.
Bush, Charles C., 3d, O62103.
Busson, James C., O60944.
Butler, Charles L., O62588.
Byers, Andy J., O62436.
Caffrey, James V., Jr., O61263.
Cain, John H., O70294.
Cameron, David H., O62296.
Cameron, Stephen F., O62328.
Campbell, John W., O69613.
Campbell, Wayne C., O69615.
Caras, Louis S., O61827.
Carignan, Robert E., O70296.
Carlisle, David K., O62321.
Carr, Thomas W., O61918.
Carrejo, Joe T., O61481.
Carrick, Julian B., Jr., O68084.
Carroll, Danford S., O65499.
Cary, Richard L., O61389.
Casper, Paul N., O60255.
Chadick, Harold M., O65963.
Chamberlain, Robert L., O60954.
Chamberlin, Robert G., O61354.
Chambers, Robert M., O62660.
Champion, Fred R., O61020.
Chandler, Malcolm W., Jr., O62618.
Chapman, Herschel E., O62471.
Chegin, Lee J., O61890.
Cheney, Robert A., O62692.
Childers, Charles N., O61646.
Childers, John C., Jr., O67655.
Christensen, John F., O72842.
Clark, Herbert E., O61215.
Clark, Raymond G., Jr., O67657.
Coakley, Paul E., O62863.
Coffey, Jimmy, O67658.
Cohen, Jacque D., O61780.
Colebank, Albert E., O71772.
Collins, Arthur H., Jr., O65500.
Collins, Joseph E., O61909.
Collis, Lester L., O61523.
Comstock, Keith G., O61376.
Conroy, Bernard J., O61249.
Cooper, Claude W., O61542.
Cornay, Florian O., O62493.
Corsentino, Leonard J., O61461.
Coursen, Edward O., O60309.
Covach, John, O61893.
Cowden, John E., O61606.
Cox, Arthur L., O65305.
Cox, Charles P., O62877.
Cox, Joice O., Jr., O67662.
Coxe, Robert L., O61261.
Coyle, Harry M., O62309.
Coyle, Marcus W., O71470.
Craft, Clayton, O61394.
Cragin, John M., O62412.
Crawford, Albert B., Jr., O62295.
Creuziger, Donald P., O62386.
Crews, Harry C., Jr., O61871.
Crist, William E., Jr., O62444.
Cristo, Anthony B., O62849.
Crittenberger, Dale J., O62432.
Crockett, Edward P., O62497.
Crooks, Eugene F., O65971.
Crowe, George J., O61026.
Culbertson, Edward L., O62886.
Culpepper, Joseph T., O65972.
Culpepper, John S., Jr., O61223.
Cuneo, Victor N., Jr., O62674.
Cunningham, Charles C., O62599.
Currier, John W., O70319.
Curtis, James A., O62624.
Curtis, James W., Jr., O67665.

Danilavez, Robert L., O62474.
Darland, Lloyd E., O62471.
Darrington, Kenneth R., O62876.
Dasch, William E., O63027.
Daugherty, William L., O62546.
Davis, David H., O61765.
Davis, Edward P., Jr., O65975.
Davis, James H., O61142.
Davis, L. Conrad, O61848.
Davis, Reed E., Jr., O62623.
Davis, William D., O62621.
Day, Harvey C., Jr., O61433.
DeBellis, Anthony C., O60862.
De Camara, Donald R., O61108.
DeGraf, William B., O62282.
Denison, Allen R., O70323.
Detherow, Ralph H., O62666.
DeVane, William L., O61887.
DeZafra, Charles R., O61245.
Dickerson, Charles F., Jr., O62589.
Dielens, August J., Jr., O62563.
DiGrazia, John E., Jr., O62602.
Dissek, John, Jr., O61034.
Dixon, Louis F., O62473.
Dobbins, John P., O61146.
Dodge, Harry E., O62653.
Dolan, Pierre J., O61814.
Doleac, Philbert C., O61304.
Dolezal, Thomas R., O63120.
Dolzski, Andrew, O65983.
Donahue, Phillip H., O62441.
Donald, James W., O66146.
Donovan, James C., O62401.
Dotson, J. T., O61678.
Doughtie, Claude H., O62535.
Douglas, John J., O62080.
Douglas, Robert J., O61990.
Douglass, Robert W., 3d, O62507.
Dowe, Ray M., Jr., O62650.
Dowling, James, O65985.
Downes, Thomas W., Jr., O61432.
Downey, Neil B., O61717.
Dreisonstok, Thomas F., O62682.
Drewry, James C., Jr., O62447.
Dreyer, Carl W., O61366.
Druener, Hanz K., O65310.
Duba, William T., O69636.
DuBose, Glover A., O61812.
Duffy, Thomas E., O62029.
Duggan, Roy H., Jr., O66147.
Duggins, Frank H., Jr., O62629.
Dunley, James E., O61503.
Dunn, James F., O62771.
Durham, William L., O61043.
Durrant, William L., O60858.
Durst, Jay B., O62311.
Easley, Roy W., Jr., O62631.
Eastman, Robert W., O62413.
Eberhardt, Guy A., O69639.
Ebner, Kenneth R., O62505.
Edner, Lewis V., O60919.
Edwards, Robert C., O62613.
Eek, Lauris M., Jr., O62482.
Effertz, Edward H., O61413.
Ehrlich, I. Robert, O62352.
Eichorn, William N., 2d, O62702.
Elian, Arthur J., O60946.
Elliot, Charles W., O62727.
Elliott, Joe F., O62454.
Ellis, Calvin W., O63005.
Emerson, Henry H., O61053.
Emmert, Robert W., O62851.
Ensley, George H., O61667.
Eshelman, Charles O., O62283.
Eustis, Thomas B., O61597.
Ewan, Richard C., Jr., O62342.
Fahey, Donal A., O62427.
Fahs, John L., Jr., O62422.
Fahy, John W., O62754.
Farmer, Raymond L., O61668.
Farrar, Julian D., O69483.
Farrell, Peter B., O62580.
Fastuca, Salvatore E., O62699.
Faust, Elmer F., O69644.
Feek, William A., Jr., O66149.
Feicht, Victor R., O61686.
Felder, Pelham L., 3d, O61036.
Ferguson, Robert B., O62366.
Fern, Albert J., Jr., O62525.
Fette, James H., O62715.
Fields, Darrel R., O62862.
Fife, Thomas W., Jr., O62388.
Fifield, George C., O62667.
Fincher, Herbert A., O61353.
Finkelstein, Zane E., O73068.
Fischer, Philip D., O62683.
Fisher, Emil, Jr., O61759.
Fitts, William T., 3d, O62652.
Fletcher, Tyler H., O61884.
Flynn, Allan S., O62576.
Foerster, Merlin W., O65289.
Fooshe, James F., 3d, O62688.
Forbes, Dennis L., O67677.
Ford, Charles D., Jr., O61760.
Forney, Leslie R., Jr., O61221.
Fox, Edward J., O62675.
Fox, John E., O62392.
Frandsen, Herbert L., O62083.
Franklin, Joseph R., O62893.
Freedman, Edward P., O62384.
French, Cecil R., O61155.
Fronczak, Edward L., O61833.
Fulghum, James T., O60267.
Fuller, John L., O60873.
Fullerton, George R., O62329.
Funke, Robert D., O60284.
Fye, Richard S., O62446.
Gainey, Maurice A., Jr., O61258.
Gainok, Elmer J., O65999.
Gaiter, Leonce E., O61447.
Gaither, James L., O66151.
Gallivan, William G., O61832.
Gappa, Joseph A., Jr., O62520.
Gard, Robert G., Jr., O62355.
Gaurnier, Paul L., O61337.
Gearan, William K., O62434.
Genuario, Louis V., O62696.
George, Richard E., O61316.
Gerber, Martin, O62859.
Ghormley, Thomas A., O70343.
Gibson, Ross J., O61398.
Glauber, James M., O61134.
Glenn, Arthur B., O69656.
Glenn, Russell A., O62375.
Glover, William D., O61673.
Godsey, James P., O65307.
Goldsmith, John W., O62709.
Goodspeed, George F., Jr., O60272.
Gorman, Paul F., O62379.
Gormley, Daniel J., Jr., O61406.
Gotowicki, Paul P., O60910.
Gradoville, Edward J., O62416.
Graefe, Carl W., O65749.
Graham, Charles P., O62354.
Graham, Willis B., O61873.
Grammer, William C., O71501.
Grange, David E., Jr., O69660.
Gravois, Francois D., Jr., O62009.
Green, Calvin E., O60913.
Green, William A., Jr., O61456.
Greenberg, Robert A., O61458.
Greene, Joseph E., O61031.
Greer, James F., O61922.
Greer, Robert L., O60262.
Greer, Thomas U., O62299.
Gregg, Edmund F., Jr., O69662.
Griebling, Alfred L., O62360.
Griffin, Joseph T., Jr., O62711.
Griffiths, Samuel E., O61813.
Griswold, Frederick H., O61985.
Gross, Melvin G., O62044.
Grow, Robert M., O62570.
Guelker, Clarence W., O71795.
Guest, Marion I., O60856.
Guion, James L., Jr., O62726.
Gulley, Robert H., O61435.
Gurnee, Paul L., O62668.
Guth, Carrol W., O67689.
Haas, Kenneth R., O61109.
Haberman, Fredric W., O62550.
Hall, Kenneth W., O62680.
Hamlin, Frederick J., Jr., O62301.
Hammond, Lyman H., Jr., O62489.
Hanlon, Charles W., O61349.
Hanna, Mark J., O62760.
Hansen, Marcus W., O61377.
Hansen, Ray S., O62318.
Hanson, James M., O60999.
Hargreaves, Charles DeG., O60875.
Harmon, Benjamin F., O61218.
Harper, Philip H., O62750.
Harris, Brady R., O61563.
Harris, Louis A., O61556.
Harris, Richard W., O62866.
Harris, William McC., Jr., O73268.
Hatch, James B., O61156.
Hay, Solomon L., Jr., O70366.
Hayes, Ernest T., Jr., O62892.
Hayes, Errol E., Jr., O61032.
Hayes, Robert T., O61338.
Haynes, Robert F., O70367.
Hays, Marcus D., O67695.
Hayward, Charles W., O62495.
Hazen, Franklin K., Jr., O61494.
Heder, Robert T., O60863.
Hedrick, Herbert J., O61216.
Heffelfinger, Edwin C., O72895.
Heiker, Joseph H., O61133.
Henderson, John K., O61625.
Hendry, John R., O62317.
Henley, Ralph G., O61407.
Henning, Frank A., 3d, O62582.
Henry, Thomas M., O68112.
Herbert, Morris J., Jr., O62424.
Hergert, Louis G., Jr., O62460.
Hermes, Elmer R., O69680.
Herring, Wilton A., Jr., O66017.
Hetz, Robert A., Jr., O62443.
Hewitt, Wilbur J., O63123.
Hicks, David A., O61868.
Hicks, Richard G., O62033.
Hill, James G., O71513.
Hinds, Sidney R., Jr., O62772.
Hinds, William M., 3d, O62409.
Hirsch, Irvin S., O62642.
Hirsch, Peter J., O71804.
Hobson, Thomas B., Jr., O61105.
Hoch, John J., O65287.
Hodges, Robert C., O62878.
Hoey, Matthew W., O71806.
Hoff, Wilford J., Jr., O61794.
Hoffman, Richard G., O62298.
Hogan, Willard D., O66020.
Hoisington, Robert H., O62587.
Holcomb, Leslie P., Jr., O62761.
Holder, Louis L., O61558.
Holeman, John S., Jr., O68118.
Holko, John M., Jr., O61284.
Hollinger, John, Jr., O69683.
Holston, Alfred, O63240.
Holt, Hugh C., O62554.
Hoppe, Robert B., O61497.
Hord, William J., O60289.
Horn, Clifton A., Jr., O61579.
Horton, George C., O61013.
Horton, William S., O66022.
Houston, Bruce K., O61308.
Howard, Francis E., Jr., O62745.
Howard, John D., O62639.
Howden, James A., O61471.
Howe, William S., Jr., O62330.
Howell, James G., O62565.
Hubbard, George H., 2d, O62547.
Hubbard, Norman F., O62763.
Hudson, John E., O61350.
Huestis, John L., O71681.
Huff, Cecil R., O60866.
Hughes, David R., O62721.
Hughes, Robert B., O62307.
Hughes, Thomas W. L., Jr., O62577.
Hulburt, Charles W., O61331.
Hunt, Richard L., O62357.
Hunter, Charles M., O61014.
Hurst, John E., Jr., O62310.
Hutcheson, Philo A., O62459.
Hutzler, Charles T., O62016.
Hyatt, Douglas P., O70389.
Ingalls, Robert E., O61803.
Irons, James V., O62644.
Irvine, Joseph M., O60308.
Irwin, John F., O62732.
Isley, George H., Jr., O61505.
Jackley, Lawrence W., O62568.
Jackson, Marvin LaR., O67701.
Jacobson, Gerhard L., O62456.
Jennings, Allen B., O62365.
Jennings, John R., O62697.
Jensen, Richard W., O61675.
Jewkes, Lorus D., O61534.
Johansen, Eivind H., O61615.
Johnson, Edward L., O61491.
Johnson, Erik G., Jr., O69701.
Johnson, George M., O60285.
Johnson, James H., O61923.
Johnson, Malcolm D., O62303.
Johnson, Norman G., O63239.

Johnson, Ralph R., O68018.
Johnson, Richard L., O62487.
Johnson, Walter A., Jr., O66029.
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Johnsrud, Melvin H., O62426.
Johnston, George W., O60877.
Johnston, Richard Y., O60286.
Jolley, James A., O61373.
Jones, Briggs H., O62693.
Jones, Clarence Q., Jr., O62746.
Jones, Clinton D., O61352.
Jones, John G., O62417.
Jones, Mark E., O62681.
Jones, Nelson H., O69703.
Jones, Richard L., O63745.
Jones, Roy C., O61213.
Jones, William R. D., O62596.
Joy, David D., O62685.
Kackley, Roy L., Jr., O66030.
Kaplan, Phillip, O70398.
Karns, Andre M., O61974.
Kaso, George E., O61003.
Kastner, William H., O61044.
Keeley, Arthur R., O61528.
Kellar, Robert S., O63238.
Keller, Morris J., O61368.
Kelley, George L., O60914.
Kelley, Gerald P., O62383.
Kelley, Johnny W., O61904.
Kelly, James L., O62289.
Kelly, Victor J., O67706.
Kennedy, Edwin L., O62590.
Kennedy, James E., Jr., O67708.
Kenney, Donald E., O61029.
Kessinger, Howard E., Jr., O62541.
Kessler, Robert F., O61807.
Kilpatrick, Paul E., O69710.
King, Armand M., O61767.
King, David B., 2d, O62633.
King, Francis, O62539.
Kingston, Robert C., O71534.
Kinney, Ludie E., Jr., O61828.
Klie, George D., O62527.
Knapp, William L., O62627.
Knauer, Glenn W., O62464.
Knipp, Arthur L., Jr., O70400.
Knopp, Daniel W., O70401.
Koehler, John J., Jr., O62756.
Koffler, Carl A., O69519.
Koontz, Joseph, J., O60254.
Kornet, Fred, Jr., O62854.
Kramer, Richard L., O62890.
Krause, Roger A., O61692.
Kubby, Robert S., O62325.
Kuckhahn, Karl O., O62634.
Laffoon, Donald M., O61478.
Lambert, Clifford V., O62857.
Lamdin, William R., O62529.
Larsen, John W., O71693.
Larson, Donald W., O61361.
Lassetter, Stuart H., O61521.
Laube, Thomas R., O61297.
Lear, George E., O62374.
Leary, Robert P., O62406.
Lee, Burke W., O62294.
Lee, Carl A., O69724.
Lee, Emmett C., Jr., O62341.
Lee, James M., O62578.
Legate, Harvey A., Jr., O61642.
Legate, Robert E., O61457.
Leighty, Ralph McD., O61412.
Leiser, Bruce J., O62770.
Leishman, Carl A., O61599.
Lemke, Merrill M., O61396.
Levitt, Robert J., O61455.
Lewandowski, Richard H., O62594.
Lewane, Leonard L., O61744.
Lewis, Bennett L., O62314.
Lillard, James A., O63004.
Lillibridge, John L., O61405.
Lilly, James H., O61636.
Lindberg, William J., O61855.
Lindsay, Samuel M., 2d, O61682.
Liston, Ronald A., O67714.
Listro, Paul C., O62526.
Lively, Charles H., O61403.
Lobe, Thomas J., O62747.
Lockhart, William J., O62025.
Lockwood, Kilbert E., O62430.
Lodewick, Lawrence S., O62339.
Lokken, George S., O62087.
Lombard, Reginald T., Jr., O62437.
Long, Charles H., O61120.
Long, William E., O61748.
Longsdorf, James E., O60975.
Looby, Robert W., O61586.
Loper, Thomas C., O62395.
Lounsbury, Roy E., O62438.
Love, Joseph B., O62492.
Luke, Charles W., O62022.
Lumsden, Lonnie H., 3d, O62350.
Lundy, James T., O67719.
Lunger, Raymond R., O62469.
Lunn, Robert J., O62475.
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Luse, William M., O66042.
Lynch, James E., O62362.
Lynch, Robert J., O60253.
Lynn, James F., O66043.
Lytle, Wayman H., O60921.
Mackmull, Jack V., O62677.
Mahan, John C., Jr., O69734.
Maj, Edward S., O61360.
Major, William McL., Jr., O65312.
Maladowitz, Raymond, O62586.
Malcolm, Ben S., O63033.
Mallett, Peter, O62512.
Mangas, Cloyce L., O62343.
Mangum, Wiley M., Jr., O62645.
Mann, Howard H., O60259.
Marks, Raymond A., O60991.
Marsh, Jack R., O61422.
Martin, Clark C., O62663.
Martin, Elmer C., O61474.
Mason, George, O61862.
Mason, John H., O60287.
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Mather, Bruce D., O68135.
Mather, Linwood B., O62449.
Mattera, Ralph A., O66047.
Matthey, Bernard P., O62723.
Matthiessen, Clarence J., O62523.
Maxwell, John C., Jr., O62361.
Mayfield, Ross F., Jr., O62575.
Mayo, Walter L., Jr., O60978.
Mays, John M., O62005.
McBride, Robert D., O62735.
McBride, Thomas E., Jr., O62510.
McCandlish, Robert H., O62442.
McCleary, John E., O62514.
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McCormick, Otto L., O66049.
McCoy, Joseph L, O61243.
McDaniel, Dan R., O62461.
McDaniel, Paul B., O62463.
McDowell, William R., O62391.
McFarland, Andrew J. B., Jr., O62776.
McGuire, Mark, O62593.
McKinney, John T., O62655.
McLean, Neil T., O73273.
McLeod, Purdy B., Jr., O67724.
McNeil, Daniel F, O60277.
McNeill, Ulmer L., O61110.
McNiff, James E., O61793.
McSherry, Walter C., O62404.
Meade, Terrence S., O61225.
Means, Charles F., O62632.
Means, Charles R., O61618.
Meengs, Philip G., O72761.
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Merritt, Carl L., O66054.
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Miles, William C., O67726.
Milia, Carmelo P., O62462.
Millener, George A., O61600.
Miller, Daniel L., O61228.
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Miller, Richard S., O62015.
Miller, Robert L., Jr., O62502.
Miller, Robert N., O71843.
Million, Glenn W., O61307.
Minter, James M., O62019.
Mitcham, James R., Jr., O62728.
Mitchell, Bradford W., O72345.
Mitchell, Howard S., O62518.
Mittino, John A., O60305.
Moak, Donald W., O60902.
Modisett, Charles B., O61448.
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Moon, Walter H., O63424.
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Moore, Lee B., O62026.
Morgan, John J., Jr., O61912.
Morris, Carl E., O60956.
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Morrison, Robert C., O62555.
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Mueller, Paul J., Jr., O62288.
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Nave, Nicholas R., Jr., O61907.
Neal, Barney K., Jr., O61735.
Neal, William B., O61989.
Neller, Herbert F., Jr., O63003.
Newcomb, Charles W., O62405.
Newcomer, Lloyd H., Jr., O62018.
Newell, Henry C., O61564.
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Nichols, Wesley G., O61010.
Nicholson, Robert N., O61414.
Nickerson, Fred E., O62453.
Nielsen, Leo W., O61551.
Nienstadt, John J., O67732.
Nigro, George A., O59270.
Nix, James H., O69758.
Norris, Eugene V., O65292.
Norton, John McN., O61041.
Nutting, Wallace H., O62468.
O'Brien, Emmett J., O61629.
O'Brien, John E., O62423.
O'Connell, Robert K., O62327.
O'Connor, Andrew R., O61103.
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Ogilvie, John C., O63491.
Ojendyk, Robert T., O60976.
Oliver, George S., O62336.
Oliver, James S., O61416.
Olson, Ronald R., O69759.
O'Quinn, Frank M., O61049.
O'Shea, Richard, O69761.
Osterndorf, Charles J., O62358.
Owen, Merrill R., O61499.
Pachl, Max F., Jr., O62064.
Padley, Harry E., O70464.
Palmer, William D., Jr., O61648.
Palmer, William W., O62494.
Paquin, Jean C., O67735.
Parish, John V., Jr., O62334.
Parks, Howard N., O62607.
Parmenter, William H., O66066.
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Passmore, Hunter W., O62519.
Pate, Henry A., Jr., O61217.
Patterson, Robert W., O71854.
Paulger, Albert McL., O62488.
Pederson, Duane M., O62542.
Peeples, Minor, Jr., O60915.
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Perecko, Paul J., O61317.
Perricelli, Vincent J., Jr., O61399.
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Peterson, George W., O66190.
Petree, Bruce E., O62559.
Pettit, David P., O62477.
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Phares, Raymond E., O61270.
Phifer, Clifford J., O61254.
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Phillips, Wendell E., O62511.
Pick, Lewis A., Jr., O62571.
Pickarts, John M., O62057.
Pickett, Theodore R., Jr., O60899.
Pieper, Frederick A., O66192.
Pierce, Edward M., O62373.
Pierce, James M., O62050.
Pierce, William F., O62748.

Pierson, Frank A., Jr., O62687.
Pilgrim, Stanley I., O63002.
Pink, Jack T., O60869.
Pinto, Ralph D., O62616.
Pirkl, Joseph R., O60898.
Ploshay, Bernard J., Jr., O65309.
Poag, Alvin A., Jr., O62023.
Poage, Douglas W., Jr., O62476.
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Price, George L., Jr., O62385.
Price, Walter E., O62670.
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Pritchett, Clifton A., Jr., O62615.
Prouty, Stanley M., Jr., O62615.
Pruden, Jip M., 2d, O62070.
Pullano, Anthony L., O62047.
Purcell, Benjamin H., O61035.
Purdy, William T., O62024.
Quantz, Manfred R., O69773.
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Quinn, Edward B., O62377.
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Rainville, Rodman C., O69546.
Rajala, Ernest A., O62010.
Randolph, John R., O62109.
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Rein, Richard A., O62534.
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Reinhart, Stanley J., O62286.
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Rhodes, Nolan C., O61430.
Rice, Robert H., O66083.
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Richbourg, John A., O61118.
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Roemer, Walter R., O61593.
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Rogers, Richard C., O70494.
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Romano, Frank, Jr., O71862.
Romine, Aubrey L., O61402.
Rondepierre, Jean R., O61633.
Roseberry, Robert A., O62078.
Rosin, Al S., O61645.
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Ross, Harry R., O61391.
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Round, Roswell E., Jr., O62480.
Roush, Maurice D., O62348.
Rowell, Milo D., O62729.
Roysden, Brunn W., O62867.
Ruehe, Richard W., O61594.
Rupple, Lindsay C., O62647.
Rush, Benjamin, 3d, O67749.
Rushing, Robert O., O61286.
Ruskin, Daniel F., O67347.
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Rutledge, John, Jr., O62806.
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Sachers, Henry S., O62643.
Sailer, Francis A., O62765.
Salt, Terry C., O60265.
Sampson, Donald E., O62630.
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Sanders, Ben L., O63008.
Sanderson, Alfred L., O62479.
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Scholl, Allan P., O62637.
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Schott, Homer E., Jr., O61626.
Schrank, Lawrence L., O62861.
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Scithers, George H., O62363.
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Shannon, Donald J., O61714.
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Shear, Harold W., O61513.
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Shirey, Stewart, O67755.
Shively, Charles B., O72427.
Sibbles, Graham McL., O62531.
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Skolen, Clarence E., O61752.
Slavins, William E., O62758.
Slyman, Samuel, O66100.
Small, Martin J., O62701.
Smarr, Albert W., Jr., O71602.
Smaw, Daniel G., 3d., O65306.
Smith, Charles R., Jr., O62891.
Smith, Clark, O62543.
Smith, Jerry E., O69796.
Smith, LeRoy W,. Jr., O66202.
Smith, Phillip B., O60911.
Smith, Roddy L., O66203.
Smithers, Samuel W., Jr., O62579.
Snoke, Myron D., O62320.
Soden, Robert E., O61378.
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Steele, Sidney R., O62466.
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Stewart, James W., O61248.
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Stith, Stephen W., Jr., O63501.
Stoecker, Francis J., O66106.
Storer, Ivan M., O61592.
Stough, Richard B., O71878.
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Tenhet, Joseph N., Jr., O70123.
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Thomann, Charles E., O61005.
Thomas, Grace G., Jr., O62503.
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Trigg, William G., O67771.
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True, Richard D., O60864.
Truesdale, John H., O62603.
Turley, William DeW., O61479.
Turner, Edward B., Jr., O70536.
Turner, John T., O70538.
Turner, William F., O60957.
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Vance, James W., O61454.
Vanderbleek, Jack, O61685.
Vanderslice, Robert D., O61841.
Van Riper, Irving K., O69821.
Van Sickel, Vincent, T., O60257.
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Wagner, John E., O62390.
Wahle, Charles G. F., O61269.
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Walker, Luther G., O61440.
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Welty, Rex G., Jr., O61280.
Werder, Vincent C., Jr., O67778.
Werner, Robert R., O62337.
West, Edward C., O62356.
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Wheaton, James R., Jr., 062773.
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Whitelaw, Robert E., O67779.
Whitfield, Marcus L., O61230.
Wickham, John A., Jr., O62394.
Wiegand, Allen W., O63762.
Wilde, Adna G., Jr., O60865.
Wilder, Stuart F., O67780.
Williams, Don J., O61294.
Williams, Edward T., O60958.
Williams, Edwin S., O61334.
Williams, Francis L., O61427.
Williams, Kenneth J., O63014.
Williams, Robert C., O60266.
Williams, Wayman E., O66125.
Williamson, Lyndall C., O65234.
Willingham, Chester M., Jr., O62508.
Wilson, Durward S., Jr., O62725.
Wilson, Gail F., O62614.
Wilson, Louis, O61384.
Wilson, Patrick W., O62600.
Wilson, Robert M., O62285.
Winlock, William C., O61375.
Wisdom, Selwin DeR., O62856.
Wise, Cecil E., O61527.
Wolf, Rene A., O62304.
Wolfe, Walter G., O63423.
Wondolowski, Francis R., O62335.
Wood, Marion M., O61128.
Wood, Marion T., O61820.
Wood, Stuart, Jr., O62486.
Wood, Walter A., 3d, O62742.
Woodman, Richard T., O61779.
Woodrow, Ronald, O61371.
Woods, Thomas G., O67783.
Workinger, George S., O71431.
Workman, James F., O62378.
Wretlind, Clayton L., O60931.
Wright, Robert E., O61404.
Wyatt, Thomas C., O66128.
Wyllie, Douglas R., O60304.
Wyrough, Richard R., O62415.
Yacavone, James L., Jr., O60263.
Yoder, Robert A., O60970.
Young, Bruce C., Jr., O61279.
Yow, Harold D., O61831.
Zilian, Carl M., O71635.
Zurth, Frederick R., O65290.

To be captains, Chaplains

Burgreen, Charles L., O71905.
Combs, Richard L., O73140.
Devanny, William G., O71913.
Eyler, Mervin S., O71917.
Farrow, Alpha A., O71668.
Kelly, Orris E., O73451.
Killinger, Joseph G., O71687.
LeBlanc, Paul J., O71694.
Lewis, Francis R., O73164.
Massey, Charles M., Jr., O73216.
Ruback, John C., O72643.
Wakefield, John F., O71966.

To be captains, Women's Army Co

George, Delma G., L00405.
Ledbetter, Julia E., L00392.
Metcalf, Elsie J., L00342.
Putnam, Lois C., L00343.
Riggs, Cheryle M., L00399.
Scott, Betty E., L00464.
Strube, Bernice M., L00333.
Weir, Frances, L00406.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 508 of the Officer Personnel Act of 1947. All officers are subject to physical examination required by law.

To be first lieutenants

Beasley, Linton C., O73284.
Bell, Robert S., O73285.
Buckner, Allen M., O73299.
Cunningham, Martin J., 2d, O73311.
Font-Portocarrero, Jorge M., O73329.
Henslick, James R., O73344.
Hingst, John M., O73345.
Keaton, Jack L., O73353.
Kupec, Edward W., O73360.
Larson, Harry D., O73452.
Owens, Joe S., O73384.
Ricker, Norman H., Jr., O73390.
Salguero, Manuel M., Jr., O73394.
Smith, Dan R., O73403.
Smith, Donald L., O73404.
Strand, Vincent W., O73411.
Vorba, Richard G., O73419.
Watson, Jack D., O73423.
Watts, William D., O73424.
Watts, William E., O73425.
Wier, Melville B., O73428.

The following-named officer for promotion in the Regular Army of the United States, under the provisions of section 107 of the Army-Navy Nurses Act of 1947, as amended. All officers are subject to physical examination required by law.

To be first lieutenant, Army Nurse Corps

Cole, Alberta M., N2720.

The following-named person for reappointment to the active list of the Regular Army of the United States, in the grade specified, from the temporary disability retired list, under the provisions of title IV, Career Compensation Act of 1949 (Public Law 351, 81st Cong.):

To be colonel

Mitchell, John D., O12713.

The following-named officers for appointment, by transfer, in the Judge Advocate General's Corps, Regular Army of the United States, in the grades specified:

To be captains

Lukens, Walter P., O50801.
Peckham, Robert D., O50740.

To be first lieutenant

Myers, William G., O59658.

The following-named officers for appointment, by transfer, in the Regular Army of the United States, without specification of branch, arm, or service, in the grades specified:

To be captain

Costello, Thomas A., O65132.

To be first lieutenant

Bomberger, Richard W., Jr., O71904.
Leach, Bertram G., O67098.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), section 201, title II, Public Law 365, 80th Congress, as amended by Public 497, 84th Congress, Public Law 759, 80th Congress, Public Law 625, 80th Congress, and Public Law 36, 80th Congress, as amended by Public Law 37, 83d Congress, and Public Law 294, 84th Congress:

To be captains

Bethany, Charles W., Jr., JAGC, O442795.
Chilcoat, William J., JAGC, O533421.
Coffey, Michael J., MC O991906.
Dalton, James B., MC, O1893358.
Hall, Rupert P., JAGC, O969016.
Minis, Carol E., JAGC, O967437.
Richardson, James W., Jr., JAGC, O2271278.
Stagg, James F., MC, O945335.

To be first lieutenants

Andrews, James L., DC, O4034174.
Baugh, Joseph H., MC, O4016516.
Brown, Stuart M., MC, O4045783.
Calcagni, Doris M., ANC, N805532.
Duckworth, Dorothy S., ANC, N792586.
Fuller, Raymond E., MC, O4055984.
Glasgow, Richard J., JAGC, O1877830.
Goddard, Ross M., Jr., JAGC, O2275446.
Hargis, Harold W., DC, O2274754.
Herrington, Peter N., MC, O4067689.
Higgins, Mary E., ANC, N901152.
Horan, Thomas B., Jr., MC O2200297.
Houghton, Jean M., ANC, N901574.
Lewis, Betty J., ANC, N901459.
Lilly, Gilbert E., DC, O2275644.
Nauman, James D., MC, O2268944.
Neinast, William H., JAGC, O1920475.
Newman, Stanley, MSC, O2274009.
Novack, Tevor D., MC, O4039826.
Price, Helen E., AMSC, R20151.
Rasmussen, Donald L., MC, O4050810.
Rosch, Paul J., MC.
Trushel, David H., JAGC, O2277873.
Tyler, Charles L., MC, O4034594.

To be second lieutenants

Tiernan, Pauline E., ANC, N902295.
White, Jocelyn A., WAC, L1010725.

The following-named persons for appointment in the Medical Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 201, title II, Public Law 365, 80th Congress as amended by Public Law 497, 84th Congress, subject to completion of internship:

Augerson, William S., O1874469.
Billingsley, James G.
Bowler, Donald L.
Brugger, Archie M., O2275392.
Davis, Frederick S., Jr., O2275601.
Goldblatt, Harry.
Harris, Richard J.
Harris, Stanley C., O1651925.
Jacobson, Eugene D.
Kinney, Richard D.
Lambert, Cary J.
McCollum, Kenneth B., O2275389.
Petty, Charles R., O2275400.
Riggs, Byron L., O2275581.
Snyder, Jerome A., O2275353.
Strockbine, Melvin F.
Stromberg, LaWayne R., O2211775.
Sweeney, George H.
Tanous, James C.
Williams, Robert B., O2275345.

The following-named persons for appointment in the Dental Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 201, title II, Public Law 365, 80th Congress, as amended by Public Law 497, 84th Congress, upon receipt of doctor of dental surgery degree:

Griffith, John G. II, O2282509.
Hartman, Robert L., O2282508.
Johnson, Thomas R., O1888086.
Karren, Keith O., O2275898.
Larson, Olaf O., O2282503.
Mertz, Harry L., Jr., O2277874.
Michaud, Edward C., Jr., O2276572.
O'Toole, Edward T., O2282507.
Paul, William H., O2282502.
Saal, Richard A., O2282637.
Schallhorn, Robert G., O2282504.
Schuller, Gary D.
Scott, Walter J., O2275902.
Smith, Raymond B., O2282506.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

To be first lieutenants

Ackerman, David G., O2265041.
Bills, Joe, O4013561.
Brakenridge, Edward K., Jr., O990888.
Brown, Thomas R., Jr., O1887583.
Burnett, Otis E., O994761.

Burt, Donald L., O990133.
Butterworth, James R., O1690981.
Conway, Donald J., O1885757.
Easton, Byron S., O2030432.
Elliott, Robert H., Jr., O2205676.
Elmore, Donald J., O1931800.
Fox, John G., O1926490.
Gardner, Morris L., O1914696.
Georger, John F., O1340362.
Gerard, Robert J., O1925174.
Gittleman, Warren E., O2033020.
Hayden, Charles W., O1688714.
Hembree, Jack E., O1929091.
Husa, Richard F., O1935134.
Hyde, Richard G., O1930880.
Irvin, Matthew W., O1917990.
Johnson, Robert R., O2211367.
Keller, George A., O2206215.
Kotite, Richard S., O1338355.
Lancaster, William A., O1885155.
Logan, Donald G., O4009088.
MacMillan, William D., IV., O1341021.
Matson, Hugo W., O4005476.
May, Edwin M., Jr., O1925946.
McIntyre, Lawrence A., O1874708.
Merrell, William L., O1894073.
Meyer, Frederick F., Jr., O1883990.
Michel, Werner E., O1329861.
Miller, David C., O1884010.
Moffett, Norman A., O4018679.
Myers, Lawrence S., O2104321.
Olson, Arthur G., O1884035.
Osborn, George K., III, O2102867.
Palmer, George E., O1881689.
Pedersen, Alfred L., O1926314.
Phillips, Shepperd H., O2004109.
Pritchett, Robert G., O1339310.
Puckhaber, Herman F., Jr., O1915506.
Reade, John C., Jr., O4005347.
Rodriguez, Joseph C., O2103097.
Routon, Lewis A., O1877271.
Rundell, Walter, Jr., O1933543.
Schultz, Reed S., O1936073.
Shelby, Roy E., O1885773.
Sleeper, Julian R., O1919999.
Smith, William D., O2266060.
Specker, Robert W., O1872364.
Stevenson, William J., O1936725.
Stidham, James A., O970475.
Strawn, William M., Jr., O2021145.
Suess, Philip M., Jr., O1885898.
Tourtillott, Raymond J., O1885799.
Vidrick, Robert L., O4001758.
Wagers, Robert W., O2102796.
Wallace, Robert G., O2265108.
Whelan, William E., O1933684.
Wright Jermy B., O995359.
Willey, Oliver A., Jr., O1922603.
Williams, Roy L., Jr., O1894209.

To be second lieutenants

Allen, Vincent H., Jr., O4009377.
Applewhite, Ray, O988526.
Baldwin, Jessie E., O4026485.
Beaube, George P., O4023721.
Blazzard, Trevelyn G., O4019331.
Bockman, Leonard I., O4023860.
Cleary, Arthur C., O4003248.
Einseln, Aleksander, O4031215.
Engram, Edwin J., O4023793.
Erickson, Eric A., Jr., O4016148.
Esplin, Willard B., O4013878.
Green, David E., O4011928.
Greer, Richard B., O4013302.
Higgins, Alan R., O4017289.
High, Charles S., W2206308.
Hoffman, William J., O4009886.
Jones, Glenn W., O4009366.
Jongebloed, Nicholas H., O4003160.
Kinney, Philip R., O999600.
Kyburz, Edward P., O2208386.
Madigan, John J., III, O4001030.
McLaughlin, Thomas J., O4006461.
Mendenhall, Robert L., O2206144.
Merrick, Philip B., O4006743.
Mulvanity, Donald C.
Osborn, John A., O4030997.
Palermo, Frank J., Jr., O4009718.
Ragains, Robert L., O4015962.
Rogers, Roland B., O4009580.
Sherron, Gene T., O4013188.
Shilko, Edwin M., O4010601.
Shuman, John N., O4043385.
Smith, John A., O4000757.
Spry, Alfred E., O4006472.
Stevenson, Thomas A., O1880783.
Tunmire, Dana, O4023736.
Ulrich, Charles F., O4003899.
Wall, Frank B., Jr., O2204799.
Watson, Richard W., O4015247.
Wheeler, William C., Jr., O4017010.
Williams, Lawrence A., O4006378.
Wilson, Parks W., Jr., O1940088.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Hoerning, Robert W., O4058338.
Muth, Arnold J.
Sandstrum, Allan W.
Smith, Bobby P.
Spencer, Robert A.

The following-named distinguished military students for appointment in the Regular Army of the United States, effective June 15, 1956, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Abruzzese, John P.
Adams, Donald S.
Albright, Edward M. Jr.
Allen, Edward R.
Amerson, Hinton S.
Anderson, Duane F.
Anderson, George W.
Baldwin, Robert C.
Balint, Barry T. J.
Barnes, Theodore F.
Barry, John W.
Bennett, Michael J.
Booth, John P., III
Brill, James H.
Brister, Delano R.
Broder, Nathan S.
Brown, Fred D.
Brown, Robert M.
Buckley, Raymond H.
Callahan, Kenneth R.
Campbell, Joseph R.
Carson, Lawrence E.
Clark, Stephen E.
Clowe, John F., Jr.
Cobb, Hollis F., Jr.
Coffman, Richard L.
Cooke, Sidney B.
Cooper, Harold B., Jr.
Correll, Ralph T.
Craig, Joe H.
Crisp, Richard A.
Curran, Jan D.
Del Vecchio, William P.
Dickson, William R.
Doar, James M.
Dougherty, Maurice F.
Dreeben, Lionel
Druit, Clifford A.
Egan, Douglas M.
Feeney, Richard L.
Frisbie, James G.
Gately, Michael P.
Gayler, Earl D.
Gear, James N.
Goetz, George W.
Gonzalez, Alvaro R.
Gorman, Robert G.
Gross, Woolf P.
Gullen, John P.
Hallinan, James M., Jr.
Harbuck, Eugene L.
Hardegree, Bobby L.
Harig, John A., Jr.
Haupert, Francis J.
Hearn, Peter
Hill, Theron H.
Hodkinson, Peter, III.
Irwin, James T.
Johanknecht, George P.
Johnson, Gerald K.
Johnstone, Robert L., III
Keating, Thomas E., Jr.
King, James A., Jr.
King, Thomas H.
Kingsley, Donald E.
Koonce, Philip H.
Kubas, Michael J.
Larimer, Charles L.
Larimer, Merlin W.
Leath, Lewis T.
Macdonald, Donald L.
Mayotte, Clifford J., Jr.
McAden, Henry J., Jr.
McCormick, James M.
McDonald, Robert E., Jr.
Meyer, Charles V.
Mikk, George
Miller, Spencer R.
Murray, Jackson S.
Owen, Thomas D., Jr.
Paas, Alfred O.
Parker, Richard G.
Perry, James R.
Perryman, Jack P.
Pertain, George H., Jr.
Peters, Clifford L.
Peterson, Walter R., Jr.
Pharr, Joe B.
Pierce, Isaiah B., Jr.
Pinkston, William R., Jr.
Plum, Matthias, Jr.
Price, Roger J.
Raskob, Anthony W.
Reeder, Richard E.
Reeves, George E.
Reichel, James E.
Rodenmayer, John P.
Rupp, James E.
Ryan, Francis J.
Schroder, Ottomar
Smith, James H.
Solley, Charles W.
Steinhauser, Wilmer A.
Stewart, Robert C.
Stewart, William R.
Strom, George P.
Tate, Thomas N.
Tengler, John A.
Thomas, Harry L.
Thompson, Thomas T.
Thurmond, George E.
Vaughn, William V., Jr.
Ventzek, Robert E.
Walker, Tommy L.
Ward, Jerry E.
Wetherington, Bernard J.
Whitt, Lawrence H.
Wiley, Chester J.
Wiser, Bobbie M.
Wright, Charles M.
Wynd, William R.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 5, 1956

The House met at 12 o'clock noon, and was called to order by the Speaker.

Rev. Melville D. Nesbit, Jr., pastor, Clarendon Presbyterian Church, Arlington, Va., offered the following prayer:

O God our Father, who hast knit all nations and peoples into one, we pray Thee for Thy will to be done this day through each one of us. Thou alone knowest fully our individual and corporate problems—the spirits that are tired, the temptations to water down truth, the narrow aims of many strident interests. We beseech Thee, give us courage to walk in the light as we see it, without fear and without betrayal. Hold before us the needs of the whole people, and make us to serve their interests. Enable us to remember Thy purpose as it is witnessed for all men in the principles of our Nation. Make the heritage of this land to be a glowing brand in our hearts, that we and all citizens shall practice what we preach. Above all, bring to pass in us and through us the graciousness of Jesus Christ and the leading of the Holy Spirit. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McBride, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 3255. An act to amend the Classification Act of 1949 to preserve in certain cases the rates of basic compensation of officers and employees whose positions are placed in lower grades by virtue of reclassification actions under such act, and for other purposes;

H. R. 8225. An act to authorize the addition of certain lands to the Pipestone National Monument in the State of Minnesota; and

H. R. 9822. An act to provide for the establishment of a trout hatchery on the Davidson River in the Pisgah National Forest in North Carolina.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1873. An act to increase the minimum postal savings deposit, and for other purposes; and

S. 3920. An act to authorize the partition or sale of inherited interests in allotted lands in the Tulalip Reservation, Wash., and for other purposes.

PARTICIPATION BY PRESIDENT CASTILLO ARMAS, OF GUATEMALA, IN RESCUE OPERATIONS

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

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

There was no objection.

Mr. MORANO. Mr. Speaker, the courage of the present Government of Guatemala in overthrowing the previous Communist regime and in moving effectively to stabilize the security and economy of the country has evoked the admiration of the whole free world. President Castillo Armas is a leader who is determined to make the Guatemala experiment a living reality and an example for the millions of people now behind the Iron Curtain who yearn for freedom and independence.

A recent incident illustrates the personal interest which President Castillo Armas takes in the affairs of his country and in the people of Guatemala. On May 24, there occurred a tragic airplane accident in the mountainous and dangerous region of Sierra de las Minas. The site of the accident is some 80 miles northeast of Guatemala City, the capital. Thirty people were killed and only one survived. Learning that the Chief of the United States Air Mission to Guatemala and his pilot had both discovered the site of the accident, personally took able to take photos due to poor visibility and bad weather, President Castillo Armas, after securing the details from the Minister of Defense, left Guatemala City at 5 a. m. Monday morning, May 28, in his own plane for Zacapa. From there he flew in a helicopter with the Chief of the United States Air Mission over the site of the accident, personally took control of rescue operations, and efficiently organized and directed the rescue patrols. All the dead were identified and removed from the scene by the rescue patrols.

Despite his heavy responsibilities and official workload, President Castillo Armas considered the identification of the individuals involved in the crash and subsequent rescue operations to be of sufficient importance to warrant his personal supervision and direction. This personal regard for the welfare of his people is typical of President Castillo Armas. I know that many of my colleagues in the House join with me in commending President Castillo Armas.

FOREIGN COMPETITION DESTROYING OHIO POTTERY INDUSTRY

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

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

There was no objection.

Mr. HENDERSON. Mr. Speaker, for a long time the pottery industry of southeastern Ohio has been having a rough time keeping its head above water in competition with the foreign importation of pottery products. And what is true of pottery is also becoming a reality with regard to the ceramic tile industry. I was most interested to read a statement of Roy E. Jordan, Jr., president of the Mosaic Tile Co. of Zanesville, Ohio, presented before the National Tile Contractors Association at its annual convention in Denver, Colo.

Mr. Jordan pointed out that today foreign tile imports have increased by 763 percent during the past 6 years. Mr. Jordan goes on to say that the steady increase in ceramic-tile imports made by low-cost foreign labor is a definite threat to the long-range prosperity of the domestic tile industry.

That industry, Mr. Jordan points out, is an important segment of the construction industry which is so vital to the well-being of our national economy. In his opinion, the current tariff regulations are wholly inadequate to cope with the situation which has developed. Mr. Jordan said we, in the industry, expect Congress to take a hard look at the unprecedented tile imports with a view to taking action.

Mr. Speaker, it is most disheartening to see one industry after another in southeastern Ohio suffer from the invasions of foreign competition, especially when these invasions have come about because of the policies inviting such invasions which have been inaugurated over the past decade. It is high time that Congress took a very close look at the situation, not only with regard to foreign tile imports, but the effect that our policies with regard to foreign trade are having upon many, many industries. I would recommend a wholesale congressional investigation of the effect of foreign imports upon American industry. The problem needs to be faced squarely, not just as an adjunct of some legislative proposals. Congress has committees which deal with and study un-American political activities. Congress should also constantly study activities which may tend to adversely affect American economic and industrial welfare.

A FALSE CHARGE OF GAS AND OIL SUPPORT IN WISCONSIN POLITICS

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

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

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, in yesterday's RECORD, beginning at page 9411, there are eight pages in which the charge is made by a Member of the other body from Wisconsin, if not directly, at least by innuendo, that a Member of the House, our distinguished colleague from Wisconsin [Mr. DAVIS], would receive the benefit of a campaign fund of $150,000 contributed by the gas and oil interests on the theory that he had supported, and presumably would support, legislation which those interests advocated and in which they were financially interested.

The absurdity, the falsity of that charge is apparent if the CONGRESSIONAL RECORD is consulted. In July of 1955, when the so-called gas bill was before the House, I supported it, both on the motion to recommit and on final passage. My vote was cast in that manner because I believed the proposed legislation to be good legislation. My recollection is that when the bill was before the House in 1955 the administration was supporting it.

Our colleague from Wisconsin had convictions to the contrary, and as always he voted in accordance with his convictions.

That there may be no misunderstanding as to the falsity of the charges made yesterday from the floor of the other body, permit me to cite the CONGRESSIONAL RECORD, volume 101, part 9, page 11929. When the bill was reported back from the Committee of the Whole to the House for action, Mr. WOLVERTON moved to recommit the bill to the Committee on Interstate and Foreign Commerce for further study. On the rollcall, our colleague from Wisconsin [Mr. DAVIS] voted to recommit.

Immediately after that vote was taken, the bill was up for final passage, and on the rollcall the gentleman from Wisconsin [Mr. DAVIS] cast his vote against the bill.

The record not only shows that the charge made by the gentleman from Wisconsin speaking in the other body yesterday is not only without foundation in fact, but it shows that our colleague who was so unjustly charged with being influenced by interests which it was said were willing to contribute to his present campaign for a seat in the Senate, voted against, not in favor of, the position of those alleged contributors.

What I am wondering, if I may be permitted to speculate, is whether the gentleman from Wisconsin who spoke yesterday in the other body using those eight pages to make that false charge knew what he was talking about, knew how our colleague voted, or whether he deliberately made the statement which appears in the RECORD this morning. My assumption is that he was not familiar with the record.

TAX-EXEMPT FOUNDATIONS

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. REECE of Tennessee. Mr. Speaker, I hold in my hand a document which raises questions of such a fundamental importance to the preservation of our Republic that I feel it should be read and studied by every loyal citizen.

The Committee To Investigate Tax Exempt Foundations revealed much that should disturb Americans. Still, to my knowledge, it did not uncover an instance of a foundation being sued for libel. I question whether those who established the privilege of tax exemption ever dreamed of such a contingency. After all, was not this privilege to be extended to only those who, without profit to themselves, sought to advance the general welfare? And how could the general welfare conceivably be advanced by libeling a citizen?

The citizen who alleges libel is Dr. Bella V. Dodd, former Communist, who.

unlike so many unrepentant conspirators, has given unstintingly of her time to all branches of our Government at great cost to herself. While in the party, Bella Dodd lacked not for finances nor prestige, nor accolades from the groups and individuals who today vilify and attack her. But once she came to the aid of our Republic in its hour of crisis, forsaking the Red dictatorship which plots our end, we find a different story.

From that day forward Dr. Dodd has existed on the paltry return she could achieve from a greatly reduced law practice and teaching career, supplemented by occasional fees for lectures.

But the friends of the Red Fascists begrudged her even this and sought to turn all against her. In May 1955 the Fund for the Republic circulated 25,000 copies of a reprint from Harper's magazine entitled "The Kept Witnesses" to labor officials and business executives. This article is the subject of the complaint I hold in my hand, naming the Fund for the Republic, its officers and trustees, and Harper's magazine as defendants in a suit for damages.

However, the article "The Kept Witnesses" is also an all-out attack on our national-security program and on the agencies of our Government which Dr. Dodd has so often helped. Dr. Dodd fights not only to rectify a wrong to herself, but to defend the very agencies which loyally strive to preserve us as a sovereign Nation.

And here let us pause to note the most amazing fact of all. Whereas Dr. Bella Dodd courageously rides into this legal battle at great expense which must be borne by her, and by her alone, she fights our Nation's battle alone, no tax money, no tax-exempt privilege, no multimillion dollar gifts, no support.

But what of her opponents who attack the security program of our Nation? They march to battle with millions of dollars of tax-exempt funds, withheld to promote the general welfare.

Alice in Wonderland was never like this. What American could ever have dreamed that one day the United States would subsidize the destruction of those who would defend them?

In this unequal battle Bella Dodd could easily be crucified, alone and unaided. What magnificent courage prompted her to undertake it. May God help her and our country.

By consent, I am inserting the complaint against the Fund for the Republic in the RECORD, as follows:

SUPREME COURT OF THE STATE OF NEW YORK, COUNTY OF NEW YORK, BELLA V. DODD, PLAINTIFF, AGAINST HARPER & BROTHERS, CASS CANFIELD, FRANK S. MACGREGOR, JOHN FISCHER, RUSSELL LYNES, CATHERINE MEYER, THE FUND FOR THE REPUBLIC, INC., ROBERT M. HUTCHINS, PAUL G. HOFFMAN, DAVID F. FREEMAN, W. H. FERRY, AND RICHARD H. ROVERE, DEFENDANTS—COMPLAINT

The plaintiff, Bella V. Dodd, by her attorneys Dodd, Cardiello & Blair, alleges as follows:

1. That at all the times hereinafter mentioned the defendant, Harper & Brothers, was a corporation duly organized and existing under and by virtue of the laws of the State of New York.

2. That at all the times hereinafter mentioned the defendant, Harper & Brothers, was engaged in the publication of the magazine known as "Harper's Magazine," and that such magazine is published for circulation and was circulated throughout the United States, Canada, Great Britain, Mexico, and all countries participating in the International Copyright Convention and the Pan American Copyright Convention, and was read by the general public, including those who are active in the fields of politics, business, and labor.

3. That at all the times hereinafter mentioned the defendant, Frank S. MacGregor, was president of the defendant, Harper & Brothers, and actively participated in its business operations including the circulation of Harper's magazine.

4. That at all the times hereinafter mentioned the defendant, Cass Canfield, was chairman of the board of directors of Harper & Bros. corporation.

5. That at all the times hereinafter mentioned the defendant, John Fischer, was editor in chief of Harper's magazine, and the defendant, Catherine Meyer, was an editor of Harper's magazine, and were in direct charge of the preparation and publication of various articles published in Harper's magazine.

6. That at all the times hereinafter mentioned the defendant, Russell Lynes, was managing editor of Harper's magazine and in such capacity selected and determined what material and subject matters were to be printed and published in Harper's magazine for circulation to the general public.

7. That at all the times hereinafter mentioned the defendant, Richard H. Rovere, was and is a resident of the State of New York.

8. That at all the times hereinafter mentioned the defendant, the Fund for the Republic, Inc., was a corporation duly organized and existing under and by virtue of the laws of the State of New York.

9. That at all the times hereinafter mentioned the defendant, Robert M. Hutchins, was president of the defendant, the Fund for the Republic, Inc., and as such determined the projects and subject matter to be investigated by the Fund for the Republic, Inc.

10. That at all the times hereinafter mentioned the defendant, W. H. Ferry, was vice president and David F. Freeman, was secretary-treasurer of defendant, the Fund for the Republic, Inc., and on information and belief, participated in determining the program of the Fund for the Republic, Inc., and deciding on what subjects were to be investigated and what books, articles, and other literature were to be distributed.

11. That at all the times hereinafter mentioned the defendant, Paul G. Hoffman, was chairman of the board of directors of defendant, the Fund for the Republic, Inc., and participated in deciding the policy, what subjects were to be investigated, what books, articles and publications were to be distributed.

12. That upon information and belief the defendant, the Fund for the Republic, Inc., is a corporation having its principal office within the city of New York.

13. That upon information and belief the defendant, the Fund for the Republic, Inc., is exempt from tax under the revenue laws of the United States, and under applicable State taxing legislation and does not contribute financially for the support, maintenance, and defense of the United States of America.

14. That at all the times hereinafter mentioned and for some time prior thereto, the defendant, Richard H. Rovere, was the author of the article entitled "The Kept Witnesses," published in the May 1955 issue of Harper's magazine, and upon information and belief had been engaged and employed by the defendant, Harper & Bros. Corp., agreed to and did pay a consideration to the said Richard H. Rovere.

15. That upon information and belief the defendant Richard H. Rovere, for and on behalf of and at the instance of the defendant, the Fund for the Republic, Inc., did write the article making specific references to the plaintiff as shall more particularly hereafter appear.

16. That in the May 1955 issue of a magazine known as Harper's magazine, defendant Harper & Bros. published the heretofore mentioned article under the title of "The Kept Witnesses."

17. That at all the times hereinafter mentioned the facts of the plaintiff's good reputation were known to, or should have been known to, or could readily be ascertained by defendants, Richard H. Rovere and Harper & Bros., and the Fund for the Republic, Inc.

18. That the aforementioned article entitled "The Kept Witnesses," published for general circulation in the May 1955 issue of Harper's magazine, did contain libelous statements and insinuations about and concerning the plaintiff, Bella V. Dodd.

19. That said libel did consist of libelous statements directly and indirectly reflecting upon plaintiff's character, honesty, truthfulness, integrity, professional practice, social, and economic standing.

20. That plaintiff was libelously attacked in that said article attempted to create a public impression in regard to plaintiff's character, honesty, truthfulness, integrity, professional practice, social and economic standing, by using a device popularly referred to as "guilt by association" or "libel by association," and that such article tended to hold plaintiff up to public scorn, ridicule, and hostility.

21. That among the persons mentioned in said article was one Whittaker Chambers, a former Communist, and that the defendant, Richard H. Rovere, inserted explanatory matter after the name of said Whittaker Chambers, which explanation stated that said Whittaker Chambers was not guilty of the same alleged crimes, sins, acts, and motivations as defendant, Richard H. Rovere, attributed to the other persons grouped or associated by said article.

22. That the defendant, Richard H. Rovere, owed plaintiff a duty, when he included her name in said article, to explain to the public that plaintiff was not guilty of the alleged crimes, sins, acts, and motivations defendant Rovere attributed to the other persons grouped or associated by said article.

23. That the defendant, Richard H. Rovere, by use of plaintiff's name in said article was purposely and with malice attempting to associate plaintiff with the alleged crimes, sins, acts, and motivations attributed by him to others through the said article, and to libel her by association and to create the impression that she was guilty by association, and to create in the public mind an attitude of scorn, ridicule, and hostility toward the plaintiff.

24. That upon information and belief, subsequent to publication of the said article in said magazine, defendant, the Fund for the Republic, Inc. distributed, through the mails and otherwise, at least 25,000 copies of said article.

25. That upon information and belief, such distribution of said article was made mainly to labor officials, business executives, Government personnel, and professional people.

26. That on or about May 31, 1955, the defendant, the Fund for the Republic, Inc. published and issued a report of the activities and financial condition of said defendant, the Fund for the Republic, Inc.

27. That upon information and belief, the officers and staff and the members of the board of directors of the defendant, the Fund for the Republic, Inc., are as follows:

Robert M. Hutchins, president, W. H. Ferry, vice president, David F. Freeman, secretary and treasurer, Hallock Hoffman, assistant to the president, Edward Reed, Joseph P. Lyford,

Thomas J. Gardner, assistant treasurer, Winifred G. Meskus, assistant secretary, Bethuel M. Webster, counsel, Paul G. Hoffman, chaiman, George N. Shuster, vice chairman, Harry S. Ashmore, Chester Bowles, Charles W. Cole, Arthur H. Dean, Russell L. Dearmont, Erwin N. Griswold, William H. Joyce, Jr., Meyer Kestenbaum, M. Albert Linton, John Lord O'Brien, Jubal R. Parten, Elmo Roper, Mrs. Eleanor B. Stevenson, and James D. Zellerbach.

28. That said officers, staff, and directors of defendant, the Fund for the Republic, Inc., knew, could have known, should have known, and must be considered to know the contents of the said report of defendant, the Fund for the Republic, Inc.

29. That said report of defendant, the Fund for the Republic, Inc., in the appendix thereof, did set forth as an activity and accomplishment of defendant, the Fund for the Republic, Inc., a list of books, articles and other material distributed by the Fund for the Republic, Inc., by title, author, source, number of copies distributed, and main audience to which they were distributed.

30. That said list did include as an article distributed by said defendant, the Fund for the Republic, Inc., the aforementioned article The Kept Witnesses in these words—"The Kept Witnesses, by Richard H. Rovere. Article. Harper's, 25,000 copies. Labor officials, business executives."

31. That on the basis of the information contained in said list in said report only one other book, article or other material received a greater distribution.

32. That upon information and belief the officers and/or directors of defendant, the Fund for the Republic, Inc., did select the material that was so distributed.

33. That upon information and belief the officers and/or directors of defendant, the Fund for the Republic, Inc., did pass upon and approve of the distribution of material distributed by defendant, the Fund for the Republic, Inc.

34. That by selection of the books, articles, and other matter distributed by said defendant, the Fund for the Republic, Inc., said fund was acting with malice and intent to discredit, malign, intimidate, and otherwise persecute witnesses who cooperated with congressional or governmental investigating agencies, of whom plaintiff was one.

35. That said report of defendant, the Fund for the Republic, Inc., lists and sets forth the names of 17 books, articles, and other material distributed by said fund, among which is the said article, The Kept Witnesses.

36. That upon information and belief the said 17 books, articles, and other material distributed as set forth in the said report of the defendant, the Fund for the Republic, Inc., all deal with the general subject of communism and investigations into communism.

37. That upon information and belief at least seven of said books, articles, and other material distributed by defendant, the Fund for the Republic, Inc., dealt or were concerned with congressional or governmental investigations into communism.

38. That upon information and belief each one of the books, articles, or other material distributed by defendant, the Fund for the Republic, Inc., as recorded in said report of said defendant and dealing with the subject of congressional and governmental investigations, and witnesses testifying before such investigations, is part of a program designed to unfavorably influence public opinion in regard to the necessity of such investigations, and the character, honesty, truthfulness, integrity, professional status, social or economic standing of those witnesses who testified before and cooperated with such investigations, particularly former Communists, including the plaintiff.

39. That upon information and belief the above referred to books, articles, and other material all tend to and attempt to so present the subject matter referred to in the preceding paragraph as to influence public opinion in opposition to congressional and governmental investigations, and to vilify and hold up to contempt the witnesses testifying or cooperating with such investigations, including the plaintiff.

40. That upon information and belief the publication and distribution of said books, articles, and other material was part of a program designed to influence public opinion against the necessity, usefulness, and integrity of congressional or governmental investigations into communism, and to create in the mind of the public an attitude tending to hold up to scorn, contempt, ridicule, and hostility those witnesses who cooperated with congressional or governmental investigations, of whom plaintiff was one.

41. That such program was known to, or should have been known to the officers and directors of the defendant, the Fund for the Republic, Inc.

42. That upon information and belief the various books, articles, and other material above mentioned, and the writers, of the above-mentioned books, articles, and other material do quote from and mention in the various books, articles, and other material distributed by said defendant, the Fund for the Republic, Inc., the other books, articles, and other material distributed by said defendant in an attempt to create a general atmosphere of authority for the books, articles, and other material so quoted or referred to, and attempt to pyramid and compound the effect and impression that any one such book, article, and other material may have in the public mind, and to create the impression that any one book, article, and other material is a greater and more reliable authority in reference to the matter dealt with by any such book, article, and other material than is actually the case, or than such book, article, and other material would have were it not referred to or quoted in the various other books, articles, and other material distributed by defendant, the Fund for the Republic, Inc.

43. That since the original distribution of the aforesaid article, The Kept Witnesses, the defendant, the Fund for the Republic, Inc., has continued in the distribution of said article to the general public.

44. That upon information contained in the annual report of defendant, the Fund for the Republic, Inc., hereinbefore mentioned, every project planned by this defendant for the future deals with the general subject of communism and/or its investigation.

45. That upon information and belief the defendant, the Fund for the Republic, Inc., will continue to carry out with the distribution of articles and other means, its program to influence public opinion belittling the danger of communism and of the necessity, usefulness, and integrity of congressional or governmental investigations into communism, and to create in the mind of the public an attitude tending to hold up to scorn, contempt, ridicule and hostility those witnesses who cooperate with congressional or governmental investigations, of whom plaintiff has been, and may again be one.

46. That the distribution of said article, The Kept Witnesses, did tend and attempt to create and, in fact, did create in the minds of the general public an association between plaintiff and the other persons mentioned in said article, and did tend and attempt to and, in fact, did associate witnesses who cooperated with congressional and governmental investigations into communism and its infiltration into our social, political and economic life, with the same alleged crimes, sins, acts and motivations as were set forth in the said article, or implied in said article, of the plaintiff and the other persons named in said article.

47. That further distribution of said article, The Kept Witnesses, will increase in the minds of the public the scorn, ridicule and hostility and false, libelous impression of the plaintiff, and each such article distributed is a separate and distinct libel.

48. That distribution of books, articles or other material by the defendant, the Fund for the Republic, Inc., subsequent to distribution of the aforementioned article, The Kept Witnesses, and dealing with the same subject matter as dealt with in said article and distributed to those who received distribution of the aforementioned article, will tend to recall to mind, refresh the memory of, strengthen, lend weight to, increase the authority of, or otherwise increase, pyramid and compound the scorn, ridicule, and hostility which the aforementioned article, The Kept Witnesses, attempted to and did create in the minds of those who read said article affecting plaintiff particularly.

49. That upon information and belief the defendants have used the device of guilt by association in libeling the plaintiff, and there is indication that future actions of the defendants will result in a continuing publication of the original libel as well as the publication or distribution of other material that will tend to increase and compound the public scorn, ridicule, and hostility to plaintiff that was engendered by the original libel and libel by association.

50. That such future continuing publication or republication of the libelous article constitutes a continuing wrong against plaintiff.

51. That the past action complained of and the future plans of the defendant, The Fund for the Republic, Inc., as presented in the aforementioned report of said defendant indicates that there is reasonable probability that future action of said defendant will injure plaintiff by use of the device of libel by association with the plaintiff's clients, potential clients, and the general public.

52. That as a result plaintiff has suffered and is threatened with libel of a continuing and cumulative nature that has greatly injured and further endangers her professional standing and practice, her financial earning capacity, her social status, and her health.

53. That the libel and cumulative effect of past and future libel by association is a wrong against plaintiff that has caused and will in the future cause her irreparable harm.

54. That the libel and cumulative effect of past and future publication of said libel by association is a wrong against plaintiff that can result in a multiplicity of suits and for which plaintiff has no adequate remedy at law.

55. That a copy of the aforementioned article The Kept Witnesses is attached to and made a part of this complaint, and that said article does libel plaintiff.

56. That without being all inclusive, the following phrases and sentences from said article do libel plaintiff, falsely reflect upon her honesty, truthfulness, integrity, reputation and professional ethics, and do injure her professional standing and practice, her financial possibilities, and her economic and social status.

See page 34, column 2, top:

"No man, for example, has had any greater influence on the public view of the Communist problem than Louis F. Budenz. On the basis of his reputation as the Government's leading witness in Smith Act cases and before congressional committees, he has established an almost universal acceptance of himself as a high authority and of his books, articles, lectures, and television discourses as bearing some imagined seal of official approval. Elizabeth Bentley, J. B. Matthews, Benjamin Gitlow, Howard Rushmore, Bella Dodd, and Joseph Kornfeder run not very far behind. (Whittaker Chambers has also

been enormously influential, but of him it must be said that his writings lend more authority to his testimony than his testimony lends to his writings. He is not, therefore of this company.)"

See page 34, column 2, middle:

"Lesser witnesses have established lesser reputations on the strength of their endorsement by the Government. Moreover, they have had and are having a direct influence on policy and law—not through appeals to public opinion but through direct appeals to the governing powers. Paul Crouch tells the Senate what to do about Hawaii and how the Army should be run. Matthew Cvetic is called by the Senate Rules Committee to advise on the thorny question of rules for congressional investigations."

See page 27, column 2, paragraph 2:

"Whether the list is complete is not known. It was specified that the 83 named were all under contract to the Immigration and Naturalization Service of the Department."

See page 28, column 1, paragraph 1:

"At all odds, the Department of Justice had at least 83 kept witnesses in 1954."

See page 28, column 1, paragraph 2:

"Of the 83 persons retained by the Department in 1954, all were, by their own admission, former members of the Communist Party. Some, like Benjamin Gitlow, one of the first American Bolsheviks and once Communist candidate for Vice President, had been true believers; others, like Matthew Cvetic."

See page 28, column 1, top:

"The people who receive them are carried on the books, not as kept witnesses but as 'expert consultants.' But kept witnesses is what in fact they are; such usefulness as they may be said to have derives from their ability and readiness to identify people as Communists, to describe Communist activities for the enlightenment of judges, juries, and security panels; and to interpret Communist doctrine in such a way as to bring it within the area proscribed by the Smith Act."

See page 29, column 1, middle paragraph 1:

"Hiring as expert consultants of the former Communists and police agents who make up the Department's corps of professional witnesses."

See page 29, column 2, middle of last paragraph:

"The Department of Justice is subsidizing testimony."

See page 30, column 1, about one-third from top:

"But the professional witness up to now has made an appearance only as the creature of disreputable law firms and private detective agencies."

See page 30, column 2, paragraph 2:

"The cloak of suspicion is a garment that must be wrapped several times around the witnesses for whose services the Department of Justice has contracted. For one thing, their pecuniary interest assuming, for the moment, that $34 a day constitutes one—has the unusual character of a continuum."

See page 30, column 2, last paragraph:

"As Whittaker Chambers, who has given testimony but has never become a professional."

See page 31, column 1, paragraph 3:

"Louis Budenz, a former editor of the Daily Worker, who has testified that his income from all sources as an anti-Communist witness and publicist has exceeded $10,000 a year."

See page 32, column 2, bottom:

"A considerable number of the professional witnesses are disaffected Communists and clearly carry the stigma and disabilities along with the special insights, of their kind."

See page 27, column 1, paragraph 2, middle:

"And if it is a good racket for anyone, it is a racket for which the Government of the United States must bear the heaviest responsibility. For it is the Government of the United States—'that august conception,' as Samuel Taylor Coleridge once called it—that originated this racket and that continues to encourage and pay for it."

See page 27, column 1, middle last paragraph:

"The Government won't talk. It does not, because plainly it cannot, plead that the safety of the Nation would be imperiled if it revealed the number and the identity of those whom it hires to testify according to the wishes of its lawyers. It does not plead the right to withhold the names on the ground that these people are confidential informers."

See page 29, column 1, middle:

"It reflects not at all on their present condition of rectitude and probity to say that their pasts reek of subversion and sedition and that a number of them are convicted felons."

See page 29, column 1, bottom:

"And as witnesses in other proceedings, the professionals play a crucial role in determining many things. There is, indeed, no end to the number of places where they may turn up in the course of their service to the Department of Justice, and apparently in fulfillment of their agreement with it."

See page 29, column 2, middle:

"One of the most ubiquitous of the breed."

See page 29, column 2, bottom:

"It is a novel arrangement, this hiring of people to take a solemn oath and testify favorably to the Government."

See page 34, column 2, bottom:

"The kept witnesses have been given an opportunity to foul American due process and quite a bit else besides."

Wherefore, the plaintiff, Bella V. Dodd, demands judgment against the defendants, and each of them, jointly and severally, in the amount of $150,000, and that the defendants, Richard H. Rovere, Harper & Bros., and the Fund for the Republic, Inc., be enjoined from publishing or distributing said article or any book, article, or other material dealing with such persons as the aforementioned article, The Kept Witnesses, which mentions or alludes to plaintiff libelously, and that the defendants, Harper & Bros. and the Fund for the Republic, Inc., be compelled to give publication and distribution to an article approved by the plaintiff exonerating plaintiff from the implications and innuendoes contained in the aforementioned article, such corrective article to receive distribution and publication equal to the distribution and publication of the aforementioned article.

CONVEYANCE OF CERTAIN PROPERTY TO STATE OF NEW MEXICO

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4363) authorizing the conveyance of certain property of the United States to the State of New Mexico, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 9, after "emergency", insert "declared by the President or the Congress."

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

LIMITING THE APPELLATE JURISDICTION OF THE SUPREME COURT

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

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

There was no objection.

Mr. HUDDLESTON. Mr. Speaker, today I have introduced legislation which would reestablish and reaffirm the basic constitutional doctrine of the separation of powers between the executive, legislative, and judicial branches of the Federal Government.

For some years the Congress has observed with growing alarm an increasing tendency on the part of the Supreme Court to usurp the power of the legislative branch to make the laws of the land. The school segregation cases of May 1954 and the Steve Nelson case rendered by the Court a few weeks ago are cases in point.

Under article I, section 1, of the Constitution, "all legislative powers shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives." Section 8 of that article enumerates the various legislative powers and then concludes by declaring that it shall be the power of Congress "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States or in any Department or officer thereof." Article V provides that amendments to the Constitution shall be proposed by the "Congress, whenever two-thirds of both Houses shall deem it necessary."

A cursory examination of the school-segregation cases and the Steve Nelson case will indicate to any thoughtful person that these cases represent a gross invasion of the legislative authority vested in Congress by the Constitution and a usurpation of power on the part of the Supreme Court.

In the school-segregation cases, the Court sought to promulgate an additional constitutional amendment without its having been proposed by Congress and in violation of article V. The law, at the time of those decisions, was well established that the doctrine of separate but equal educational facilities complied with the provisions of the 14th amendment. The Court, in ruling as it did in those cases, in effect adopted an additional amendment, for the decisions were contrary to the established law of over 100 years.

In the Steve Nelson case, in which the Court applied the preemption doctrine, a sedition statute of the State of Pennsylvania was invalidated by the Court. In so ruling, the Court wrote into the Federal Code—Smith Act—provisions which it is patent were unintended by the Congress which enacted the law. The Court was thereby constituting itself as a legislative body in enacting laws in violation of article I, section 1, of the Constitution.

It would appear, Mr. Speaker, that these abuses by the Court can result only in sounding the death knell of our constitutional system of government. It is time that we Members of the legislative branch of our Government enacted measures to counter this great threat. It is incumbent on us to serve notice on the Supreme Court that we wish them to confine their activities to the powers granted to them under article III of the Constitution, that is, "The judicial power of the United States shall be vested in one Supreme Court." We must make it plain that we intend for the Supreme Court to limit itself to the exercise of judicial powers only.

The bill which I introduced today will serve this purpose. Constitutional authority for my legislation rests in the second paragraph of section 2, article III, of the Constitution, "the Supreme Court shall have appellate jurisdiction both as to law and fact, with such exceptions and under such regulations as Congress shall make." It is quite clear that Congress can limit the appellate jurisdiction of the Court.

In my bill, it is stated that—

> It is the purpose of this act to reestablish and reaffirm the basic constitutional doctrine of separation of powers between the executive, legislative, and judicial branches of the Government.

In implementing this statement of purpose, section 2 affirms that the established law of the United States shall be revised, or changed, only by legislative enactments by Congress or by constitutional amendments. This section turns back to Congress the power of enacting legislation and of proposing amendments to the Constitution, thus, in effect, repudiating the action of the Court in the school segregation cases and in the Steve Nelson case.

Section 3 of the bill provides "that the courts of the United States of America and the courts of the several States of the United States shall not be bound by any decision of the Supreme Court of the United States which conflicts with the legal principle of adhering to prior decisions and which is clearly based upon considerations other than legal."

The import of this section is considerable. Under our constitutional power to limit the appellate jurisdiction of the Supreme Court, we are saying to the inferior United States courts and the courts of the various States that they will not be required to follow any decision of the Supreme Court which is not based upon the doctrine of stare decisis and which is decided counter to established law. In placing this limitation on the Supreme Court, we are instructing them, as is our constitutional right, that they must base their decisions upon prior decisions and upon legal considerations. It is hoped that we will be able to bring to a halt the practice of the Court to base its decisions on socio-psychological and other nonlegal principles.

It is my considered opinion that this legislation is vitally needed to correct a gross abuse of power under our constitutional system. I shall request that hearings be held on the bill immediately.

H. ROY CULLEN, OF HOUSTON, TEX.

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

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

There was no objection.

Mr. BOYKIN. Mr. Speaker, I intend to put in the RECORD an address by our great friend, H. Roy Cullen, of Houston, Tex., and include therein a speech that he delivered on June 4, 1956, to the South Texas Colleges of Law and Commerce at the River Oaks Baptist Church at 8 p. m.

I have read this speech very, very carefully and it is a wonderful, wonderful speech, which should be very, very helpful not only to the young people in the great South Texas Colleges of Law and Commerce, but to every one that reads it in this RECORD, which goes to every beat in the United States and to all of our great libraries, where many, many men and women, boys and girls will read about what our friend, Roy Cullen, has had to say.

He not only talks, but really and truly does things. I believe he has given away more money to our schools and hospitals, our churches and to charity, than any other man I have ever known. God has blessed him for what he has done, what he is doing, and what I hope and pray he will have strength to keep on doing. I wish all of you knew this great man as I know him, so you could appreciate what he is saying in this speech that I hope will be helpful to everyone that reads it.

ADDRESS OF H. R. CULLEN, SOUTH TEXAS COLLEGES OF LAW AND COMMERCE, RIVER OAKS BAPTIST CHURCH, 8 P. M., JUNE 4, 1956

I am honored to have been selected to make the commencement address to the South Texas Colleges of Law and Commerce.

It was 15 years ago that I last addressed a group of graduates of this worthy institution. Many of the things I said on that occasion would be appropriate to repeat this evening, for we are confronted with many of the same problems. I am happy to say that some have been eliminated, yet sad to relate that many have been compounded.

When reviewing my speech file, I discovered the address I made to the graduating class 15 years ago, and I must admit that I was tempted to repeat it with merely a few extra comments, adjusting it to the present day. Even though I resisted that temptation, the theme is the same.

I realize there is nothing quite so boring as the repetition of an old story, and you may wonder why so many of us oldsters keep on repeating the same tales year after year. Recently I read a brief editorial released by the Mid-Continent Oil and Gas Association which makes so much sense that I believe I will read it in part:

"Some may wonder why the circus keeps coming back year after year. After all, the acts and the animals and the clowns and all the rest of it are pretty much the same.

"One reason is that a great new audience comes into being in this country each year. Last year, for instance, 4 million babies were born—and none had ever seen an elephant.

"In other words, the circus comes back because the American scene is forever changing."

And so we need to remember that millions will never see an elephant if the circus doesn't keep performing, just as millions may never know the blessings of freedom if we don't keep selling the philosophies and ideals based on the principles that have made our country great.

Today marks an important milestone in your lives. You have studied and worked through a course designed to fulfill the requirements of a complicated pattern of life. Naturally you are eager to apply those things you have learned.

What can you expect from the life that you have dreamed will await you upon your graduation?

You can rightly expect to fill the niche reserved for all industrious people in a world anxious to accept fresh talent. Of course, you know that learning is a continuous process and so you will not completely close the school door, but merely change the location of your study activity. You can never expect to rest on your laurels, for the world moves on and you must move with it.

But you may ask, what lies ahead in a world divided between the struggle of atheistic communism on the one hand and our Christian free enterprise system on the other, with the forces of socialism, that Trojan horse galloping along beside?

The young people of today are the masters of their destiny to the extent they are willing to conquer their fears and overcome through faithful diligence. By diligence, I mean that hard core of resistance, that willingness to work for your happiness and reject the theory that is so prevalent that the government or somebody else owes you a living.

You cannot for 1 minute forget that the provisions of security by a centralized, socialized bureaucracy will be the damnation of the soul of our great Nation. There is no true middle ground between the forces of evil and those of right. You cannot ignore the history of 19 fallen civilizations.

Some will say, "But this is different—we are living in a period of revolution. We cannot turn back the clock. We must change in the name of progress." Don't let anyone fool you that there is anything new about a planned economy and guaranteed security, which we have been hearing so much about for the last quarter of a century. There is nothing in my book which indicates that a change is necessarily progress.

A great many have been deceived by the planners, and so we have been experimenting with providing social welfare for all the people. This has been tried on numerous occasions during the past 6,000 years, so history tells us. Augustus Caesar planned carefully for his people, and started many social reforms, but the Roman empire disappeared into the oblivion of the Dark Ages.

Our forefathers even experimented in the first colonies of Jamestown and Plymouth. Many people who theorize on the wonderful dream of freedom from want, don't even know that two of the most colorful examples of the failure of socialism existed right here in the United States. And these should have thrived, if there could be a reason for socialism to work anywhere, because these colonists had a common religious heritage and their Christian philosophy of sharing from the common stores, certainly ought to have proven more successful than any other attempts.

However, the unwillingness of Jamestown men to work, waiting to be fed and clothed, was almost fatal to that band of 105 who landed on the banks of the James River in May 1607. As you could expect from such circumstances, the people began to die from disease and starvation, and the only thing that saved the colony was Captain Smith's proclamation, which in short, meant: He who will not work, will not eat.

When the common stock of the Puritans at Plymouth began to dwindle, they were in the same straits as those in Jamestown. But by 1623 when their economy had changed to free enterprise, Governor Bradford was

able to report that they not only provided for their own, but had enough to sell to others, and by the next year, the colony even exported a boat load of corn.

Man is a creature of desires and a most important economic fact is that not many of his wants are supplied in the amounts required without effort on his part. Thus, when men work without the full benefit of their labors being realized, with only a dole for existence sake, and with those who do not work receiving the same, laziness and shirking become the order of the day. Therefore we can see the futility of the socialistic state and learn from the examples that history relates, that the results of socialistic controls follow a very definite pattern. The capacity as well as the necessity for savings start to decline. There seems no need for hard work or storing up for a rainy day, when the people are led to believe that the Government will take care of them no matter what befalls. The outcome is decreased production and finally—want.

The real tragedy of the whole situation is the difficulty of turning back once the die is cast. It has been said that experience is a dear teacher, but let me say here it is too dear when we are threatening not only our lives but those of future generations.

England's experiment with socialism failed, but theirs was the good fortune to have the United States Treasury to fall back upon.

Our forefathers were fortunate to survive those early winters of famines and tyrannies to leave us a heritage of freedom to worship God under our great Constitution with the rights of life, liberty, and the pursuit of happiness.

A fallacy which exists today is spread by those so-called liberals who have taken the Constitution to guarantee happiness in the form of prosperity for everyone. The Constitution reads, "the pursuit of happiness," and always remember that nine-tenths of happiness rests in the pursuit thereof. If each of you had been guaranteed a place in society with all your wants supplied when you came into this world, how many of you do you suppose would be graduating tonight? If everyone had such a guaranty, just how good would that guaranty be?

When I spoke to the graduating class at South Texas Colleges of Law and Commerce in 1941, I dealt at length with our Bill of Rights. We were at war against a totalitarian state, and yet we were threatened with the loss of our rights as guaranteed by the Constitution and Bill of Rights in our very efforts to preserve our freedom. The spirit of sacrifice brought on by the war almost lost to a totalitarian government at home the very principles we were fighting to protect on foreign soil. Indeed, we had so many emergencies and so much "must" legislation that we were on the verge of losing our cherished Bill of Rights.

After the war, the people became aware of the deception of must legislation and emergencies when they persisted in spite of peace, and the people voted overwhelmingly against our continued loss of freedom. They proved beyond a shadow of a doubt in 1952 that they wanted a change. In many respects, we have had a change. The people have been awakened to the dangers of big Government and many of the Hoover Commission recommendations are being put into practice. There is an awakened and enlightened citizenry with many patriotic organizations sounding the principles of sane legislation, including necessary amendments to protect our form of Government. We can never afford to be complacent for a minute for the forces of communism are working from within with every conceivable method to weaken our resistance. We must never forget that eternal vigilance is truly the price of liberty.

In 1941, it was the third article of the Bill of Rights that was of so much concern. Today, it is the 10th article. Our greatest bulwark against communism has been the 48 States with the 10th article of the Bill of Rights protecting their sovereignty. Suppose a strong centralized Government had had complete control during World War II when Alger Hiss and Harry Dexter White were such prominent figures in our Federal affairs. There is no doubt but that we would be under Communist dictatorship today.

Yet with each passing day, we seem to be sitting back and permitting the Supreme Court to diminish those very State rights which have in the past saved us from destruction. Unless we can amend the Constitution to provide Justices with judicial background instead of pure political appointees, I greatly fear for our future.

Our great Constitution was written and adopted on the principle that this would be a nation governed by laws and not by men. Our deep concern today over the usurpation of States rights by the decisions of the Supreme Court, were voiced long ago by the father of the Declaration of Independence, Thomas Jefferson, who said:

"The germ of dissolution of our Federal Government is in the constitution of the Federal judiciary; an irresponsible body working like gravity by night and by day, gaining a little today and a little tomorrow, and advancing its noiseless step like a thief, over the field of jurisdiction, until all shall be usurped from the States, and the Government of all be consolidated into one. To this I am opposed, because, when all government, domestic and foreign, in little as in great things, shall be drawn to Washington as the center of all power, it will render powerless the checks provided of one government on another, and will become as venal and oppressive as the government from which we separated."

Article 6 of the Constitution states, in part, "all judicial officers * * * shall be bound by oath or affirmation to support this Constitution."

By applying this constitutional test, in my opinion, every member of the Supreme Court could be impeached. And I say they should be, for the Supreme Court's usurpation of the power to legislate, which was delegated to Congress by our Constitution, smacks of facism, nazism, and communism. Congress should act at once to correct this situation, and any candidate for Congress who will not accept this responsibility should be defeated in this coming election. Until we are able to find a way to protect our States and the people from the baseless decisions of the Court, we are a nation governed by men and not by law. And who can say what whim may prevail over the so-called nine old men tomorrow?

Certainly if our Constitution guarantees us any rights, it provides for the right to work. And yet, the Supreme Court a few days ago, ruled against the right to work laws of the various States.

The time has come when it is imperative that we appraise our national situation with relation to capital and labor. Too great emphasis has been placed on the distinction between these two factors of production. This dividing line is being drawn more clearly each day by some labor leaders due to their personal ambitions, and others because of lack of knowledge, who are using the labor unions to build a political machine. Samuel Gompers, the father of the labor unions and highly respected by all who knew him, bitterly opposed this, as do many of the well informed labor leaders. But the acts of a few labor leaders are hurting labor's cause.

Evidence is on hand at every turn to prove this, but to cite an instance—take the position of the employees of Ford Motor Co. during their last labor dispute. If the union leaders had accepted the management's proposal of ownership of stock in the company instead of the union leader's proposition, they would have benefited by about 42 percent more than they actually received in hourly cash benefits.

An important factor in analyzing this labor-management situation, is to recognize that there is no clearcut distinction between the people involving the four factors of production—labor, land, capital, and management—for the truth of the matter is that any individual in a community can be described in relation to one or more of these factors. For instance, every laborer who so much as owns a car is also a capitalist, and it is not infrequent for one individual to be a landowner, laborer, capitalist, and manager.

Let us take a look at what the so-called laborer will have if he permits his labor boss to completely dominate the production scene. The manager is the one who performs the function of organizing, planning, and bearing the risks of production. If through strikes, closed shops, and other means that labor uses of forcing management to increase wages and benefits, the margin of profit becomes too low or becomes a loss, what will become of capital and management? It is ridiculous to assume that management will continue to organize and plan and bear the risks of production when there is little or no chance for profit. The next step is Government ownership and complete socialization.

The laborer's greatest friend and the greatest statesman of this generation in my opinion, Bob Taft, is now deceased, but the benefits of the Taft-Hartley labor law live on. Under the old Wagner Act, some of the cruel labor leaders were using goons to beat up the laborer and their families to make them conform to their ideas, and under that act the laborer had no protection under the law. The Taft-Hartley law changed this situation, and naturally the selfish labor leader wants to weaken the law. The Taft-Hartley law may need some improvements, but I do not believe the laborer will ever want to weaken it and go back to the days of the Wagner Act, because he has come to realize that his success depends more upon the success of the company for which he works than upon his labor boss.

The laborer cannot ignore the absolute truth that his welfare is bound to the welfare of management and capital. Plain common sense calls for labor and management to join hands for their mutual progress.

There are not many ills in our Nation today that could not be cured by a good dose of constructive thinking followed by a round of concentrated activity. Our greatest weakness is within us—as a nation we have grown complacent because of materialistic success. The advances we made under a free enterprise economy, we are jeopardizing without much thought.

To think, one must be informed. Thomas Jefferson said: "If a nation expects to be ignorant and free, it expects what never was and never will be."

And Plato said: "The penalty good men pay for indifference to public affairs, is to be ruled by evil men."

Along with your life's work, it is your duty and privilege to take an interest in your local, State, and national governments, and in doing this, you should avoid every form of socialism, old-fogyism, and middle-of-the-roadism. You must never become narrow-minded, but always be willing to compromise on circumstances, but never on principles.

In conclusion, I wish to say that you have every right to be cheerful as you go forth to meet the new challenges in an exciting and creative age. One of you may possess a dream that will advance the human race. Make it your business to remain informed, to use all your powers to think and act, but never from a selfish viewpoint. Above all, never permit the sin of indifference to enter your lives to destroy your souls.

DISCHARGE PETITION ON CIVIL RIGHTS BILL

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

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

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I have this day placed upon the Clerk's desk a discharge petition which would in effect make it possible for the House, lacking prior action by the Rules Committee prior to that time, to cast a decisive vote on the bill, H. R. 627, involving civil rights.

Mr. Speaker, I urge at this time that the Members refer to the CONGRESSIONAL RECORD of May 31, page 9365 in order to understand that the filing of this discharge petition is done with the greatest possible respect to members of the Rules Committee.

Mr. Speaker, finally may I say that this discharge petition is placed on the Clerk's desk in the very firm conviction that the matters which are covered by H. R. 627 are of the greatest importance to the future of our country and to the welfare of all of the citizens of the United States.

Mr. HAYWORTH. 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 Michigan?

There was no objection.

Mr. HAYWORTH. Mr. Speaker, last month, in his address to a joint session of Congress, the President of the Republic of Indonesia ably and forcefully reminded us that, as he put it:

> In our contemporary, world, the impact of America is felt more and more. The influence of the American with his outlook, his ideas, his technical and scientific advances, reaches to almost every corner of Asia and Africa.

President Sukarno then asserted in admirable terms his faith in the America of the Declaration of Independent, the America of Washington, of Jefferson, and of Lincoln.

It is hardly necessary to add that it is not only the admirable, the idealistic, the progressive side of America and American traditions that is having a worldwide impact. Every one of us who has traveled abroad knows full well the international repercussions of the racial and religious intolerances and injustices that unfortunately still persist throughout America—in the North as well as the South. I venture to suggest that each of us who has traveled in Asia, Africa, or Latin America can easily recall being confronted with very embarrassing questions about the second-class citizenship so widely accorded the American Negro.

Mr. Speaker, we cannot forget—or if we do forget, it shall be at great peril to the future of our country—that the great bulk of mankind is nonwhite. America surely cannot retain its position of leadership among the democratic nations of the world if we in the United States Congress do not take action to correct the injustices under which American Negroes have suffered for 90 years. Ninety years is a long time for free Americans to wait for justice at the hands of their fellow citizens.

The provisions of the so-called civil rights bill favorably reported by the Judiciary Committee are mild, indeed. They herald no revolutionary developments. The bill, H. R. 627, simply provides for a Commission on Civil Rights with powers to investigate injustices, an additional assistant attorney general to take charge of civil-rights work, and authorization of the attorney general to bring civil actions in Federal courts to prevent or redress practices which violate civil-rights statutes.

This bill should be acted upon in this session of Congress, if we are to keep faith with millions of Americans as well as with those millions of people throughout the world whom we profess to lead in the cause of democracy. Statements by our President about "the dignity of man" will soon lose their appeal if we fail to give elementary protection to the dignity of man throughout our own country.

Mr. Speaker, I respectfully urge every Member of this House, regardless of party, to sign the discharge petition which will bring H. R. 627 to the floor of the House. Let us make the practice of American democracy more nearly consistent with the high principles upon which it is based.

SOIL-BANK BENEFITS

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

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

There was no objection.

Mr. EDMONDSON. Mr. Speaker, this morning's Washington Post and Times Herald carries an Associated Press dispatch from Beaver Dam, Wis., which I believe is going to come as a considerable shock to a number of Members of the House who supported and voted for the soil-bank proposition in the hope it would put some money in the pockets of the farmers in their areas this year.

The Secretary of Agriculture is quoted in this dispatch as warning the farmers not to look to the new soil-bank program for drought relief, flood relief and credit needs.

He is quoted as saying:

> I intend to see that the Nation gets a dollar's worth of surplus reduction or a dollar's worth of conservation for every dollar paid out.

The article goes on with this interpretation:

> Benson's remarks would seem to rule out farmers whose crops appear destined to failure because of drought or flood damage, a group which had been expected to make up the bulk of the participants this year.

In short, if we can believe this Associated Press dispatch and the interpretation of the Secretary's remarks, the farmers who are most in need of a soil-bank program to put cash in their pockets this year, the farmers who are suffering because of reduced or diminishing crop prospects as the result of drought or as the result of flood, are going to be excluded from this program.

I hope the Secretary has been misquoted or misunderstood in his remarks because I am certain that was not the intent of Congress in passing the soil-bank provision and directing its implementation this year.

COMMITTEE ON THE JUDICIARY

Mr. WALTER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be permitted to sit during general debate on tomorrow.

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

There was no objection.

INTERNATIONAL LIFEBOAT RACING TROPHY

Mr. BONNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. BONNER. Mr. Speaker, I take this time to announce to the House that an American lifeboat crew has won the international lifeboat race. I will include in my remarks a telegram sent to the members of this crew and a reply to the telegram. The race was won by a crew from the Esso tanker fleet of the Standard Oil Co.

HOUSE MERCHANT MARINE
AND FISHERIES COMMITTEE,
June 4, 1956.

ESSO LIFEBOAT CREW,
Care of Mr. M. G. Gamble,
President, Esso Shipping Co.,
New York, N. Y.:

We in Congress interested in the American merchant marine are proud and happy over your accomplishment in bringing back to America the trophy recently won by you. We send you our congratulations and best wishes and join you in pride over your accomplishment.

HERBERT C. BONNER,
Chairman, Merchant Marine and Fisheries Committee, House of Representatives, United States.

NEW YORK, N. Y., *June 4, 1956.*

Congressman HERBERT C. BONNER,
The House of Representatives,
Washington, D. C.:

Reference your telegram of June 4: Your most generous and thoughtful praise of our boat crews accomplishment in bringing back to the United States the international lifeboat racing trophy is deeply apreciated by the Esso lifeboat crew and by all of us in the management of the Esso Shipping Co. The satisfaction and pride in winning the race is greatly enhanced by recognition from Members of Congress and particularly from a leading statesman such as yourself.

With warm personal regards,

Sincerely,

MILLARD G. GAMBLE.

[From the Washington (D. C.) Evening Star of May 30, 1956]

FOR SAFER BOATING

The remarkable development of small-boat activity in recent years—especially in the power-craft category—has been accompanied by an increase in the number of boating tragedies throughout the country. The situation has become so serious that two of the larger boating organizations have joined in urging Congress to study the problem, with a view to promoting water safety. The move is timely, for it is predicted that more inboard and outboard pleasure craft will be operating this summer in salt and fresh water recreational areas than ever before.

It has been estimated that there are now about 25 million small-boat enthusiasts who spend their week ends or vacations enjoying their favorite sport. Many of these are novices whose unfamiliarity with vagaries of weather and water and with elementary rules of navigation and boating safety may be expected to result in more accidents and drownings in the next few months. There is no regulation of small boating by the Coast Guard, and few local authorities exercise any effective control. But, as Chairman BONNER of the House Merchant Marine and Fisheries Committee remarked, the rise in serious boating mishaps indicates "a possible need for greater precautions to be taken by both State and Federal Governments" in the small-boat field. The program might well include an extension of safety inspections by the Coast Guard to include boats smaller than the 16-foot-and-under group (now exempt) and tightening up by State and municipal authorities on safety requirements in recreational waters under their jurisdiction.

The proposed inquiry has the support of the National Association of Engine and Boat Manufacturers as well as of the Outboard Boating Club of America. This teamwork between industry and customers is logical, for both groups have an interest in making boating safer and more popular.

CIVIL-RIGHTS LEGISLATION

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

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

There was no objection.

Mr. DIES. Mr. Speaker, in connection with the remarks of my colleague from California announcing that a discharge petition on the civil-rights bill has been filed, I will say that I have not had an opportunity to study this bill, but it is my understanding that one of its chief provisions is the centralization of power in Washington in the Justice Department. It is interesting to note that the Soviet Union, having tried the same experiment, has recently decentralized, so while we are urged to move in the direction of centralization they are moving toward decentralization of power. I think it would be well for the advocates of civil-rights legislation to bear that in mind.

FEDERAL-AID ROAD ACT

Mr. FALLON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10660) to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways; to amend the Internal Revenue Code of 1954 to provide additional revenue from the taxes on motor fuel, tires, and trucks and buses; and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Maryland? The Chair hears none, and appoints the following conferees on title I of the bill: Mr. BUCKLEY, Mr. FALLON, Mr. DAVIS of Tennessee, Mr. BLATNIK, Mr. DONDERO, Mr. MCGREGOR, Mr. AUCHINCLOSS; and the following as conferees on title II: Mr. COOPER, Mr. MILLS, Mr. BOGGS, Mr. REED of New York, Mr. JENKINS.

MR. AND MRS. THOMAS V. COMPTON

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1866) for the relief of Mr. and Mrs. Thomas V. Compton, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 7, strike out "in excess of 10 percent thereof."

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MRS. ELLA MADDEN AND CLARENCE E. MADDEN

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5237) for the relief of Mrs. Ella Madden and Clarence E. Madden, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, lines 7 and 8, strike out "in excess of 10 percent thereof."

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

AMENDING FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, AS AMENDED

The Clerk called the bill (S. 2364) to amend the Federal Property and Administrative Services Act of 1949, as amended, and for other purposes.

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

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

SIMPLIFYING ACCOUNTING, FACILITATING THE PAYMENT OF OBLIGATIONS, ETC.

The Clerk called the bill (H. R. 9593) to simplify accounting, facilitate the payment of obligations, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, except as otherwise provided by law, (a) the account for each appropriation available for obligation for a definite period of time shall, upon the expiration of such period, be closed as follows:

(1) The obligated balance shall be transferred to an appropriation account of the activity responsible for the liquidation of the obligations, in which account shall be merged the amounts so transferred from all appropriation accounts for the same general purposes; and

(2) The remaining balance shall be withdrawn and, if the appropriation was derived in whole or in part from the general fund, shall revert to such fund, but if the appropriation was derived solely from a special or trust fund, shall revert, unless otherwise provided by law, to the fund from which derived.

(b) The transfers and withdrawals required by subsection (a) of this section shall be made—

(1) not later than September 30 of the fiscal year immediately following the fiscal year in which the period of availability for obligation expires, in the case of an appropriation available both for obligation and disbursement on or after the date of approval of this act; or

(2) not later than September 30 of the fiscal year immediately following the fiscal year in which this act is approved, in the case of an appropriation which, on the date of approval of this act, is available only for disbursement.

(c) For the purposes of this act, the obligated balance of an appropriation account shall be the amount of unliquidated obligations applicable to such appropriation less the amount collectible as repayments to the appropriation as of the close of the fiscal year as reported pursuant to section 1311 (b) of the Supplemental Appropriation Act, 1955 (68 Stat. 830; 31 U. S. C. 200 (b)). Collections authorized to be credited to an appropriation but not received until after the close of the fiscal year in which such appropriation expires for obligation shall, unless otherwise authorized by law, be credited to the appropriation account into which the obligated balance has been or will be transferred, pursuant to subsection (a) (1), except that collections made by the General Accounting Office for other Government agencies may be deposted into the Treasury as miscellaneous receipts.

(d) The transfers and withdrawals required pursuant to subsection (a) of this section shall be accounted for and reported as of the fiscal year in which the appropriations concerned expire for obligation, except that such transfers of appopriations described in subsection (b) (2) of this section shall be accounted for and reported as of the fiscal year in which this act is approved.

SEC. 2. Each appropriation account established pursuant to this act shall be accounted for as one fund and shall be available without fiscal year limitation for payment of obligations chargeable against any of the appropriations from which such account was derived. Subject to regulations to be prescribed by the Comptroller General of the United States, payment of such obligations may be made without prior action by the General Accounting Office, but nothing contained in this act shall be construed to relieve the Comptroller General of the United States of his duty to render decisions upon requests made pursuant to law or to abridge the existing authority of the General Accounting Office to settle and adjust claims, demands, and accounts.

SEC. 3. (a) Appropriation accounts established pursuant to this act shall be reviewed periodically, but at least once each fiscal year, by each activity responsible for the liquidation of the obligations chargeable to such accounts. If the undisbursed balance in any account exceeds the obligated balance pertaining thereto, the amount of the excess shall be withdrawn in the manner provided by section 1 (a) (2) of this act; but if the obligated balance exceeds the undisbursed balance, the amount of the excess shall be transferred to such account from the appropriation currently available for the same general purposes. A review shall be made as of the close of each fiscal year and the transfers or withdrawals required by this section accomplished not later than September 30 of the following fiscal year, but the transactions shall be accounted for and reported as of the close of the fiscal year to which such review pertains. A review made as of any other date for which transfers or withdrawals are accomplished after September 30 in any fiscal year shall be accounted for and reported as transactions of the fiscal year in which accomplished.

(b) Whenever a payment chargeable to an appropriation account established pursuant to this act would exceed the undisbursed balance of such account, the amount of the deficiency may be transferred to such account from the appropriation currently available for the same general purposes. Where such deficiency is caused by the failure to collect repayments to appropriations merged with the appropriation account established pursuant to this act, the amount of the deficiency may be returned to such current appropriation if the repayments are subsequently collected during the same fiscal year.

(c) In connection with his audit responsibilities, the Comptroller General of the United States shall report to the head of the agency concerned, to the Secretary of the Treasury, and to the Director of the Bureau of the Budget, respecting operations under this act, including an appraisal of the unliquidated obligations under the appropriation accounts established by this act. Within 30 days after receipt of such report, the agency concerned shall accomplish any actions required by subsection (a) of this section which such report shows to be necessary.

SEC. 4. During the fiscal year following the fiscal year in which this act becomes effective, and under rules and regulations to be prescribed by the Comptroller General of the United States, the undisbursed balance of the appropriation account for payment of certified claims established pursuant to section 2 of the act of July 6, 1949 (63 Stat. 407; 31 U. S. C. 712b), shall be closed in the manner provided in section 1 (a) of this act.

SEC. 5. The obligated balances of appropriations made available for obligation for definite periods of time under discontinued appropriation heads may be merged in the appropriation accounts provided for by section 1 hereof, or in one or more other accounts to be established pursuant to the act for discontinued appropriations of the activity currently responsible for the liquidation of the obligations.

SEC. 6. The unobligated balances of appropriations which are not limited to a definite period of time shall be withdrawn in the manner provided in section 1 (a) (2) of this act whenever the head of the agency concerned shall determine that the purpose for which the appropriation was made has been fulfilled or will not be undertaken or continued; or, in any event, whenever disbursements have not been made against the appropriation for two full consecutive fiscal years: *Provided*, That amounts of appropriations not limited to a definite period of time which are withdrawn pursuant to this section or where heretofore withdrawn from the appropriation account by administrative action may be restored to the applicable appropriation account for the payment of obligations and for the settlement of accounts.

SEC. 7. The following provisions of law are hereby repealed:

(a) The proviso under the heading "Payment of Certified Claims" in the act of April 25, 1945 (59 Stat. 90; 31 U. S. C. 690);

(b) Section 2 of the act of July 6, 1949 (63 Stat. 407; 31 U. S. C. 712b), but the repeal of this section shall not be effective until June 30, 1957;

(c) The paragraph under the heading "Payment of Certified Claims" in the act of June 30, 1949 (63 Stat. 358; 31 U. S. C. 712c);

(d) Section 5 of the act of March 3, 1875 (18 Stat. 418; 31 U. S. C. 713a); and

(e) Section 3691 of the Revised Statutes, as amended (31 U. S. C. 715).

SEC. 8. The provisions of this act shall not apply to the appropriations for the District of Columbia.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, (a) the account for each appropriation available for obligation for a definite period of time shall, upon the expiration of such period, be closed as follows:

"(1) The obligated balance shall be transferred to an appropriation account of the agency or subdivision thereof responsible for the liquidation of the obligations, in which account shall be merged the amounts so transferred from all appropriation accounts for the same general purposes; and

"(2) The remaining balance shall be withdrawn and, if the appropriation was derived in whole or in part from the general fund, shall revert to such fund, but if the appropriation was derived solely from a special or trust fund, shall revert, unless otherwise provided by law, to the fund from which derived: *Provided*, That when it is determined necessary by the head of the agency concerned that a portion of the remaining balance withdrawn is required to liquidate obligations and effect adjustments, such portion of the remaining balance may be restored to the appropriate accounts established pursuant to this act: *Provided further*, That prior thereto the head of the agency concerned shall make such report with respect to each such restoration as the Director of the Bureau of the Budget may require.

"(b) The transfers and withdrawals required by subsection (a) of this section shall be made—

"(1) not later than September 30 of the fiscal year immediately following the fiscal year in which the period of availability for obligation expires, in the case of an appropriation available both for obligation and disbursement on or after the date of approval of this act; or

(2) not later than September 30 of the fiscal year immediately following the fiscal year in which this act is approved, in the case of an appropriation which, on the date of approval of this act, is available only for disbursement.

"(c) For the purposes of this act, the obligated balance of an appropriation account as of the close of the fiscal year shall be the amount of unliquidated obligations applicable to such appropriation less the amount collectible as repayments to the appropriation as reported pursuant to section 1311 (b) of the Supplemental Appropriation Act, 1955 (68 Stat. 830; 31 U. S. C. 200 (b)). Collections authorized to be credited to an appropriation but not received until after the close of the fiscal year in which such appropriation expires for obligation shall, unless otherwise authorized by law, be credited to the appropriation account into which the obligated balance has been or will be transferred, pursuant to subsection (a) (1), except that collections made by the General Accounting Office for other Government agencies may be deposited into the Treasury as miscellaneous receipts.

"(d) The transfers and withdrawals made pursuant to subsections (a) and (b) of this section shall be accounted for and reported as of the fiscal year in which the appropriations concerned expire for obligation, except that such transfers of appropriations described in subsection (b) (2) of this section shall be accounted for and reported as of the fiscal year in which this act is approved.

"SEC. 2. Each appropriation account established pursuant to this act shall be accounted for as one fund and shall be available without fiscal year limitation for payment of obligations chargeable against any of the appropriations from which such account was derived. Subject to regulations to be prescribed by the Comptroller General of the United States, payment of such obligations may be made without prior action by the General Accounting Office, but nothing contained in this act shall be construed to relieve the Comptroller General of the United States of his duty to render decisions upon requests made pursuant to law or to abridge the existing authority of the General Accounting Office to settle and adjust claims, demands, and accounts.

"SEC. 3. (a) Appropriation accounts established pursuant to this act shall be reviewed periodically, but at least once each fiscal year, by each agency concerned. If the undisbursed balance in any account exceeds the obligated balance pertaining thereto, the amount of the excess shall be withdrawn in the manner provided by section 1 (a) (2) of this act; but if the obligated balance exceeds the undisbursed balance, the amount of the excess may be transferred to such account from the appropriation currently available for the same general purposes. A review shall be made as of the close of each fiscal year and the transfers or withdrawals required by this section accomplished not later than September 30 of the following fiscal year, but the transactions shall be accounted for and reported as of the close of the fiscal year to which such review pertains. A review made as of any other date for which transfers or withdrawals are accomplished after September 30 in any fiscal year shall be accounted for and reported as transactions of the fiscal year in which accomplished.

"(b) Whenever a payment chargeable to an appropriation account established pursuant to this act would exceed the undisbursed balance of such account, the amount of the deficiency may be transferred to such account from the appropriation currently available for the same general purposes. Where such deficiency is caused by the failure to collect repayments to appropriations merged with the appropriation account established pursuant to this act, the amount of the deficiency may be returned to such current appropriation if the repayments are subsequently collected during the same fiscal year.

"(c) In connection with his audit responsibilities, the Comptroller General of the United States shall report to the head of the agency concerned, to the Secretary of the

Treasury, and to the Director of the Bureau of the Budget, respecting operations under this act, including an appraisal of the unliquidated obligations under the appropriation accounts established by this act. Within 30 days after receipt of such report, the agency concerned shall accomplish any actions required by subsection (a) of this section which such report shows to be necessary.

"SEC. 4. During the fiscal year following the fiscal year in which this act becomes effective, and under rules and regulations to be prescribed by the Comptroller General of the United States, the undisbursed balance of the appropriation account for payment of certified claims established pursuant to section 2 of the act of July 6, 1949 (63 Stat. 407; 31 U. S. C. 712b), shall be closed in the manner provided in section 1 (a) of this act.

"SEC. 5. The obligated balances of appropriations made available for obligation for definite periods of time under discontinued appropriation heads may be merged in the appropriation accounts provided for by section 1 hereof, or in one or more other accounts to be established pursuant to this act for discontinued appropriations of the agency or subdivision thereof currently responsible for the liquidation of the obligations.

"SEC. 6. The unobligated balances of appropriations which are not limited to a definite period of time shall be withdrawn in the manner provided in section 1 (a) (2) of this act whenever the head of the agency concerned shall determine that the purposes for which the appropriation was made has been fulfilled, in any event, whenever disbursements have not been made against the appropriation for two full consecutive fiscal years: *Provided*, That amounts of appropriations not limited to a definite period of time which are withdrawn pursuant to this section or were heretofore withdrawn from the appropriation account by administrative action may be restored to the applicable appropriation account for the payment of obligations and for the settlement of accounts.

"SEC. 7. The following provisions of law are hereby repealed:

"(a) The proviso under the heading 'Payment of Certified Claims' in the act of April 25, 1945 (59 Stat. 90; 31 U. S. C. 690);

"(b) Section 2 of the act of July 6, 1949 (63 Stat. 407; 31 U. S. C. 712b), but the repeal of this section shall not be effective until June 30, 1957;

"(c) The paragraph under the heading 'Payment of Certified Claims' in the act of June 30, 1949 (63 Stat. 358; 31 U. S. C. 712c);

"(d) Section 5 of the act of March 3, 1875 (18 Stat. 418; 31 U. S. C. 713a); and

"(e) Section 3691 of the Revised Statutes, as amended (31 U. S. C. 715).

"(f) Any provisions (except those contained in appropriation acts for the fiscal years 1956 and 1957) permitting an appropriation to remain available for expenditure for any period beyond that for which it is available for obligation, but this subsection shall not be effective until June 30, 1957.

"SEC. 8. The provisions of this act shall not apply to the appropriations for the District of Columbia.

"SEC. 9. The inclusion in appropriation acts of provisions excepting any appropriation or appropriations from the operation of the provisions of this act and fixing the period for which such appropriation or appropriations shall remain available for expenditure is hereby authorized."

Mr. DAWSON of Illinois. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. DAWSON of Illinois to the committee amendment:

Page 7, lines 19 and 20, strike ", upon the expiration of such period." Line 21, insert immediately after "(1)" the following: "On June 30 of the second full fiscal year following the fiscal year or years for which the appropriation is available for obligation," and substitute "the" for "The."

Page 8, line 3, strike "The remaining" and insert in lieu thereof "Upon the expiration of the period of availability for obligation, the unobligated." Line 10, strike "remaining" and insert in lieu thereof "unobligated." Lines 11 and 12, strike "remaining" and insert in lieu thereof "unobligated." Lines 12 and 13, strike "established pursuant to this act." Line 17, strike "transfers and." Line 18, insert "(2)" immediately following "(a)."

Page 9, lines 9 to 11, strike "as reported pursuant to section 1311 (b) of the Supplemental Appropriation Act, 1955 (68 Stat. 830; 31 U. S. C. 200 (b))." and insert in lieu thereof "; the unobligated balance shall represent the difference between the obligated balance reported pursuant to section 1311 (b) of the Supplemental Appropriation Act, 1955 (68 Stat. 830; 31 U. S. C. 200 (b)), and the total unexpended balance." Lines 13 to 17, strike "close of the fiscal year in which such appropriation expires for obligation shall, unless otherwise authorized by law, be credited to the appropriation account into which the obligated balance has been or will be transferred, pursuant to subsection (a) (1)" and insert in lieu thereof "transfer of the obligated appropriation balance as required by subsection (a) (1) of this act, shall, unless otherwise authorized by law, be credited to the account into which the obligated balance has been transferred." Line 17, insert "any" immediately following "that" and substitute "collection" for "collections." Line 20, strike "transfers and." Line 21, substitute "subsection (a) (2)" for "subsections (a) and (b)."

Page 9, lines 23 and 24, substitute a period for the comma. Strike "except that such transfers of appropriations" and insert in lieu thereof "The withdrawals."

Page 10, lines 23 to 25, strike "may be transferred to such account from the appropriation currently available for the same general purposes" and insert in lieu thereof ", not to exceed the remaining unobligated balances of the appropriations available for the same general purposes, may be restored to such account."

Page 11, line 1, substitute "restorations" for "transfers." Line 2, insert after "required" the words "or authorized." Line 6, substitute "restorations" for "transfers." Line 9, substitute a colon for the period and add the following: "*Provided*, That prior to any restoration under this subsection the head of the agency concerned shall make such report with respect thereto as the Director of the Bureau of the Budget may require." Lines 10 through 20, strike all of subsection (b). Line 21, renumber subsection "(c)" to "(b)."

Page 12, line 9, substitute "obligated" for "undisbursed." Lines 12 and 13, strike "closed in the manner provided in section 1 (a) of this act" and insert in lieu thereof "transferred to the related appropriation accounts established pursuant to this act and the unobligated balance shall be withdrawn." Line 16, insert after "may" the following: ", upon the expiration of the second full fiscal year following the fiscal year or years for which such appropriations are available for obligation."

Page 14, lines 2 and 3, strike "to remain available for expenditure for any period beyond that for which it is available for obligation" and insert in lieu thereof "which is limited for obligation to a definite period of time to remain available for expenditure for more than the 2 succeeding full fiscal years."

Page 14, line 6, strike the period after Columbia and add the following: "or appropriations to be disbursed by the Secretary of the Senate or the Clerk of the House of Representatives."

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

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.

AMENDING THE PUBLIC HEALTH SERVICE ACT TO PROVIDE MENTAL HEALTH STUDY GRANTS

The Clerk called the bill (H. R. 9048) to amend the Public Health Service Act so as to improve the mental health of the Nation through grants for special projects to develop improved methods of care, treatment, and rehabilitation of the mentally ill.

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

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

NATIONAL HEALTH SURVEY ACT

The Clerk called the bill (S. 3076) to provide for a continuing survey and special studies of sickness and disability in the United States, and for periodic reports of the results thereof, and for other purposes.

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

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

SETTLEMENT OF CERTAIN CLAIMS OF UINTAH AND WHITE RIVER BANDS OF UTE INDIANS

The Clerk called the bill (H. R. 7663) to provide for settlement in part of certain claims of the Uintah and White River Bands of Ute Indians in Court of Claims case No. 47568, through restoration of subsurface rights in certain lands formerly a part of the Uintah Indian Reservation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That after acceptance by the Ute Indian Tribe of the Uintah and Ouray Reservation, in Utah, of the provisions of this act and the filing by the Uintah and White River Bands of Ute Indians of an amendment to the petition in Court of Claims case No. 47568, as provided in section 5 hereof, all right, title, and interest in and to the subsurface, including mineral and oil and gas resources, of the land described in section 6, shall be restored to tribal ownership and vested in the Ute Indian Tribe of the Uintah and Ouray Reservation in Utah. Valid oil and gas leases outstanding on this land as of the effective date of this act shall continue in force and effect according to their terms, but any extension or renewal

thereof, except as required by the terms of said leases, shall be subject to the approval of the Ute Indian Tribe of the Uintah and Ouray Reservation, and all rentals, royalties, or other payments received by the United States under or on account of such leases after the effective date of this act shall be deposited into the Treasury of the United States to the credit of the Ute Indian Tribe of the Uintah and Ouray Reservations, in Utah, pursuant to the provisions of the act of May 17, 1926 (44 Stat. 560), as amended (25 U. S. C., sec. 155), and shall be available for such purposes as may be designated by the Uintah and Ouray Tribal Business Committee and approved by the Secretary of the Interior. Upon the lapse, surrender, expiration, or termination of any such lease, the subsurface rights covered thereby shall be vested in the Ute Indian Tribe of the Uintah and Ouray Reservation, in Utah, in accordance with the terms of this act.

SEC. 2. The Ute Indian Tribe of the Uintah and Ouray Reservation, in Utah, may prospect, mine, drill, remove, process, or otherwise exploit any or all of the subsurface mineral and oil and gas resources of the land described in section 6 of this act that are not covered by valid leases, locations, or other claims as of the effective date of this act; may sell or otherwise dispose of any or all of the production obtained through the exploitation of such resources by said tribe; and may issue leases or permits for the prospecting, mining, drilling, removal, or processing of such resources. Each such action shall be in accordance with the provisions of law and of the constitution, bylaws, and corporate charter of said tribe, that would be applicable to the taking of like action with respect to mineral resources within the Uintah and Ouray Reservation. Any operations conducted pursuant to this section or under a lease or permit issued pursuant to this section shall also be subject to the direction and control of the Secretary of Agriculture to the extent provided in section 3 of this act. The mineral resources of the land described in section 6 shall not be subject to disposition otherwise than as provided in this section, except in pursuance of valid leases, locations, or other claims existing at the time this act becomes effective and thereafter maintained in compliance with the laws under which the same were initiated.

SEC. 3. The term "direction and control of the Secretary of Agriculture" as used herein means such administrative supervision by the Secretary of Agriculture as is reasonably necessary to prevent serious injury to the surface resources of the land described in section 6, or the adjoining lands of the Uintah National Forest, but shall not be construed to prohibit the use of the surface, under accepted engineering or mining standards, for prospecting, mining, drilling, and removing subsurface resources, including (but without limitation to) installation and operation of mining, drilling, or pumping equipment and machinery, building and maintaining roadways, and free ingress and egress for prospecting, exploiting, and removing such surface resources to market.

SEC. 4. The benefits herein granted to the Ute Indian Tribe of the Uintah and Ouray Reservation, in Utah, shall be in partial settlement of the claims of the Uintah and White River Bands of the Ute Indians pending before the Court of Claims in docket numbered 47568, and upon acceptance, as provided in section 5, shall have the effect of releasing the United States from any claimed liability for the payment of such damages as might be based upon the subsurface resources or value thereof attributable to the lands which are the subject matter of that said action. Any jurisdiction of the Court of Claims to make an award of damages including or based upon subsurface values in docket No. 47568 shall be withdrawn upon this act's taking effect as provided in section 5, and jurisdiction of the Court of Claims in docket No. 47568 shall thereafter be continued only as to a claim for just compensation based upon the value of the surface rights of the lands which are the subject of that action: *Provided*, That the standard of liability and measure of damages in such action shall in all other respects be determined by the provisions of the Ute Jurisdictional Act of June 28, 1938 (52 Stat. 1209), as amended by the acts of July 15, 1941 (55 Stat. 593), June 22, 1943 (57 Stat. 160), June 11, 1946 (60 Stat. 255), and sections 1, 2, 11, and 25 of the act of August 13, 1946 (60 Stat. 1049), except that any money heretofore received by the United States, for or on account of the patenting or other disposition, without reservation of mineral rights, of any of the land covered by the claim, and paid over to or expended for the benefit of the Uintah and White River Bands shall be deemed to be in lieu of compensation for the subsurface values thus disposed of and shall not be allowed as a payment on the claim or an offset against any recovery which may be awarded as compensation for the surface rights.

SEC. 5. This act shall not become effective unless and until (1) the Ute Indian Tribe of the Uintah and Ouray Reservation, in Utah, accepts its provisions, in such manner as may be designated by the Secretary of the Interior, within 1 year after the approval hereof; (2) the Uintah and White River Bands present to the Secretary of the Interior a release, satisfactory to him, of any claims they might have because the Uncompahgre Utes are permitted to share in the benefits of this act; and (3) an amendment to the petition in docket No. 47568 is filed with the Court of Claims limiting the prayer for relief as to the claim presently stated therein to just compensation based upon the value of surface rights only, in accordance with section 4 hereof. Such amendment when filed shall relate back to the date of filing of the original petition in docket No. 47568.

SEC. 6. The land covered by this act is that portion of the one million and ten thousand acres of the former Uintah Reservation added to the Uintah National Forest by Executive order dated July 14, 1905 (34 Stat. 3116), which was not included for payment in the act of February 13, 1931 (46 Stat. 1092), having been separately classified therein as coal lands and described as comprising thirty-six thousand two hundred and thirty-three acres; excluding, however, such portions thereof as having been patented or otherwise disposed of into private ownership without reservation of mineral rights as of the effective date of this act; the said area being more particularly described as follows:

Township 1 south, range 8 west, Uintah meridian, Utah: North half, and the north half of the south half of section 16; section 17; lots 2, 3, and 4, and the southeast quarter of the northwest quarter, and the east half of the southwest quarter, and the northeast quarter of the northeast quarter, and the south half of the northeast quarter, and the southeast quarter of section 18; lot 1, and the northeast quarter of the northwest quarter, and the north half of the northeast quarter of section 19.

Township 1 south, range 9 west, Uintah meridian, Utah: Southeast quarter of the northeast quarter and the half of section 13; south half of the south half of section 14; south half of the south half of section 15; the northwest quarter of the southwest quarter, and the south half of the south half of section 16; southwest quarter of the northeast quarter, and the south half of the northwest quarter, and the south half of section 17; section 18; lots 1, 3, and 4, and the northeast quarter of the northwest quarter, and the east half of the southwest quarter, and the north half of the northeast quarter, and the southeast quarter of section 19; section 20; section 21; section 22; section 23; north half and the southwest quarter, and the northwest quarter of the southeast quarter of section 24; the northwest quarter of the northwest quarter of section 25; the north half of section 26; north half of section 27; the north half of section 28; the north half and the east half of the southwest quarter and the north half of the southeast quarter of section 29; lots 1, 2, and 3, and the east half of the northwest quarter, and the northeast quarter of section 30.

Township 1 south, range 10 west, Uintah meridian, Utah: The south half of the south half of section 10; the south half of the south half of section 11; the south half of the south half of section 12; section 13; section 14; section 15; section 16; the northeast quarter and south half of the northwest quarter, and the south half of section 17; the southeast quarter of the northeast quarter, and the southeast quarter of the southwest quarter, and the southeast quarter of section 18; section 19; section 20; section 21; section 22; section 23; section 24; the north half and the north half of the south half of section 25; section 26; section 27; section 28; section 29; the east half and lots 1, 2, 3, and 4, and the east half of the west half of section 30; lots 1, 2, 3, and 4, and the east half of the west half and the east half of section 31; section 32; the north half and the north half of the southwest quarter of section 33; and the northeast quarter of the northeast quarter, and the west half of the northeast quarter, and the northwest quarter of section 34; the north half of the north half of section 35.

Township 1 south, range 11 west, Uintah meridian, Utah: Lots 1, 2, 3, and 4, and the east half of the west half, and the southeast quarter of section 18; section 19; the northwest quarter of the northwest quarter and the south half of the northwest quarter and the southwest quarter and the west half of the southeast quarter of section 20; the east half and the east half of the northwest quarter and the northeast quarter of the southwest quarter of section 25; the west half of the southwest quarter and the southeast quarter of the southwest quarter and the southwest quarter of the southeast quarter, of section 28; section 29; section 30; the northeast quarter, and lots 1, 2, 3, and 4, and the east half of the west half, and the southeast quarter of section 31; section 32; section 33; section 34; the west half of section 35; the northeast quarter and the east half of the southeast quarter of section 36.

Township 1 south, range 12 west, Uintah meridian, Utah: Lots 1, 2, 3, and 4, and the south half of the south half of section 12; section 13; section 24; the northeast quarter, and the northwest quarter of the southeast quarter of section 25.

Township 2 south, range 10 west, Uintah meridian, Utah: Section 4, section 5; section 6; section 7; section 8; section 9.

Township 2 south, range 11 west, Uintah meridian, Utah: Lots 3 and 4 of section 2; lots 1, 2, 3, and 4, and the south half of the north half and the south half of section 3; lots 1, 2, 3, and 4, and the south half of the north half and the south half of section 4.

SEC. 7. This act is for the purpose of effecting partial settlement of the claims asserted by the Uintah and White River Bands of Ute Indians against the United States in Court of Claims case No. 47568 and shall not be construed as giving recognition to any rights or title of the Uintah, White River, or Uncompahgre Bands of Ute Indians except as provided for in this act.

With the following committee amendments:

Page 1, strike all of line 9 and insert the words "mineral and oil and gas resources of."

Page 2, line 2, following the words "in the" insert the words "United States in trust for the."

Page 2, strike all of lines 3 to 9 inclusive and insert in lieu thereof "and Ouray Reservation in Utah, subject to valid leases, loca-

tions, or other claims that are outstanding as of the effective date of this act and that are thereafter maintained in compliance with the laws under which they were initiated, and all rentals, royalties, or other payments."

Page 2, strike all of lines 16 to 22 inclusive and insert in lieu thereof "shall be subject to division between the fullblood and the mixed-blood groups, and shall be available for advance or expenditure, in accordance with the provisions of sections 10 and 11 of the act of August 27, 1954 (68 Stat. 868)."

Page 2, line 24, following the word "Utah," insert the words "acting by the tribal business committee representing the fullblood group, and the authorized representatives of the mixed-blood group (in accordance with section 10 of the act of August 27, 1954, 68 Stat. 868)."

Page 2, line 25, strike the word "subsurface."

Page 4, strike all of lines 4 to 9 inclusive and insert in lieu "or mining standards, for installation of mining equipment or machinery, building and maintaining roadways, free ingress and egress for mining and removal of subsurface resources to market, and the mining and removal of subsurface resources, including the sinking of shafts, driving tunnels or other standard mining methods, except that strip or hydraulic mining shall be permitted only if, and under conditions, approved by the Secretary of Agriculture."

Page 4, line 17, strike the word "subsurface" and insert the words "mineral and oil and gas."

Page 4, line 21, strike the word "subsurface" and insert the words "mineral and oil and gas."

Page 6, line 8, add the following sentence: "Upon the approval of this act, and pending acceptance or rejection of its provisions by the Indians as provided herein, the land described in section 6 shall be withdrawn from lease, location, entry or any form of disposition under the public land laws except disposition pursuant to valid leases, locations, or other claims that are outstanding as of the date of approval of this act and that are thereafter maintained in compliance with the laws under which they were initiated."

Page 6, line 16, strike the words "thirty-three" and insert "twenty-three."

The committee amendments were agreed to.

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.

DEFINITION OF "NONFAT DRY MILK"

The Clerk called the bill (H. R. 5257) to amend the act entitled "An act to fix a reasonable definition and standard of identity of certain dry milk solids" (21 U. S. C., sec. 321c).

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

Mr. LOVRE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

NEW YORK-NEW JERSEY AIR POLLUTION STUDY COMPACT

The Clerk called the resolution (H. J. Res. 511) granting the consent of Congress to the States of New York, New Jersey, and Connecticut to confer certain additional powers upon the Interstate Sanitation Commission, established by said States pursuant to Public Resolution 62, 74th Congress, August 27, 1935.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That the consent of Congress is hereby given to the States of New York, New Jersey, and Connecticut to confer upon the Interstate Sanitation Commission, established by said States pursuant to authority given by Public Resolution 62, 74th Congress, August 27, 1935, the power to make studies of smoke and air pollutions within any or all of the territory served by said Commission, such studies to include surveys of the sources and extent of such pollution, property damage caused thereby, the effect upon public health and comfort and relevant meteorological, climatological, and topographical factors.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the act of August 27, 1935 (49 Stat. 932) is amended by striking out section 2 thereof and inserting the following new sections:

" 'SEC. 2. The further consent of Congress is given to the States of New York, New Jersey, and Connecticut to confer upon the Interstate Sanitation Commission, in accordance with chapter 286 of the Laws of the State of New York (1956); chapter 46 of the Laws of New Jersey (1955), as amended by chapter 23 (1956); and Public Act 27 of the Laws of Connecticut (1955); the power to make studies of smoke and air pollution within any and all of the territory served by the Commission. Such studies shall include surveys of the sources and extent of the pollution, property damage caused thereby, the effect upon public health and comfort, and relevant meteorological, climatological, and topographical factors.

" 'SEC. 3. The right to alter, amend or repeal this act, as amended, is hereby expressly waived'."

The committee amendment was agreed to.

The joint resolution 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.

NEW YORK-NEW JERSEY AIR POLLUTION STUDY COMPACT

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. RAY] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. RAY. Mr. Speaker, the 15th District of New York, which I represent, includes Staten Island and the Bay Ridge part of Brooklyn. The westerly boundary of Staten Island is the New York-New Jersey Channel, and across that water are two New Jersey districts, the northerly one represented by Congressman HARRISON A. WILLIAMS, JR., and the southerly one by Congressman PETER FRELINGHUYSEN, JR.

In recent years, air pollution has become a very serious problem in many parts of the country. Congress recognized this last year by authorizing and providing funds for substantial research in the field to be conducted by or under the supervision of the Public Health Service. The areas on both sides of the New York-New Jersey Channel are heavily industrialized and are also rapidly growing as residential communities. Air pollution has become an especially acute problem in both areas.

For some time past, the authorities in the States of New York and New Jersey have been concerned about air pollution and have felt the need for a basic study of the causes and effects thereof. In each State, there are local authorities and State authorities having some jurisdiction with respect to local and intrastate phases of the problem, but it is clear that air pollution in the areas I have mentioned is really an interstate problem. There are other situations along the boundary between the two States where somewhat similar conditions exist.

By Public Resolution 62, 74th Congress, approved August 27, 1935, consent was given to the States of New York, New Jersey, and Connecticut to enter into the compact set forth in the resolution. That compact dealt with prevention and regulation of water pollution in designated waters and it authorized the three States to establish a commission called the Interstate Sanitation Commission. That commission was established promptly; it has an effective technical organization; and it has made a good record of efficiency and accomplishment.

Two of those States, New York and New Jersey, desire to have the Interstate Sanitation Commission make a preliminary basic study of that air pollution problem in the New York-New Jersey area and have appropriated funds for the purpose. Connecticut, the third party to the compact I have mentioned, is not concerned with the air pollution problems in the lower harbor but is willing that the commission be authorized to make such a study if Congress will assent to that degree of broadening of the specified jurisdiction of the Interstate Sanitation Commission which Connecticut considers to be presently limited to water pollution. All three States have enacted legislation for the purpose which is referred to in the resolution now before the House, House Joint Resolution 511.

Following enactment of the Connecticut statute last December and at the instance of the Joint Legislative Committee on Interstate Cooperation of New York State Legislature, I prepared and introduced House Joint Resolution 466, on January 6, 1956. Duplicate bills were introduced by Representatives FRELINGHUYSEN, THOMPSON, WILLIAMS, RODINO, and ADDONIZIO, all of New Jersey.

On January 31 last, a duplicate bill was also introduced in the Senate by Senators IVES and LEHMAN for New York and Senators SMITH and CASE for New Jersey. With that bill, Senator LEHMAN placed in the CONGRESSIONAL RECORD, pages 1648 and 1649, the statement of reasons for the passage of the resolution which had been prepared by the New York Legislative Committee I have mentioned.

Thereafter, the Governor of New York, through his counsel, and the Governor of

New Jersey, by personal letters, wrote to urge the adoption of that resolution. The letters are in the committee files.

Hearings were held by Subcommittee No. 3 of the Judiciary Committee on House Joint Resolution 466 and the other House resolutions above mentioned. The committee amended the opening statement and chose to refer out to the House House Joint Resolution 511 which had been introduced by Representative RODINO, a member of that committee.

The resolution now before the House, House Joint Resolution 511, is very simple. That resolution has great merit; it will not jeopardize any existing Federal jurisdiction; and it is very much in the interest of the States affected. I hope it will pass by unanimous vote.

AMENDMENT OF EMPLOYMENT ACT OF 1946

The Clerk called the bill (H. R. 9764) to amend the Employment Act of 1946.

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

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 3332, be considered in lieu of the House bill. I may say there is only a change in the time involved.

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

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That section 3 (a) of the Employment Act of 1946, as amended (relating to the time for filing the economic report of the President), is amended by striking out "at the beginning of each regular session (commencing with the year 1947)" and inserting in lieu thereof "not later than January 20 of each year."

SEC. 2. Section 5 (a) of such act and the heading thereof are each amended by striking out "Joint Committee on the Economic Report" and inserting in lieu thereof "Joint Economic Committee"; and any other statute in which the name "Joint Committee on the Economic Report" appears is amended to conform to the foregoing change in the name of the Joint Committee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 9764) was laid on the table.

AMENDMENT OF HAWAIIAN HOMES COMMISSION ACT

The Clerk called the bill (H. R. 7552) to amend sections 220 and 221 (d) of the Hawaiian Homes Commission Act, 1920.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 220, Hawaiian Homes Commission Act, 1920, as amended (42 Stat. 114, 48 U. S. C. 714), be further amended by adding a new paragraph thereto to read as follows:

"To enable the construction of irrigation projects which will service Hawaiian homelands, either exclusively or in conjunction with other lands served by such projects, the commission is authorized, with the approval of the governor, to grant to the Hawaiian Irrigation Authority, or to any other agency of the government of the Territory or the United States undertaking the construction and operation of such irrigation projects, for such term of years as is required for amortization of the costs of such projects, licenses for rights-of-way for pipelines, tunnels, ditches, flumes, and other water conveying facilities, reservoirs and other storage facilities, and for the development and use of water appurtenant to Hawaiian homelands; to exchange available lands for public lands, as provided in section 204 (4) of this act, for sites for reservoirs and subsurface water development wells and shafts; to request any such irrigation agency to organize irrigation projects for Hawaiian homelands and to transfer irrigation facilities constructed by the commission to any such irrigation agency; to agree to pay the tolls and assessments made against community pastures for irrigation water supplied to such pastures; and to agree to pay the costs of construction of projects constructed for Hawaiian homelands at the request of the commission, in the event the assessments paid by the homesteaders upon lands are not sufficient to pay such costs. Such payments shall be made from, and be a charge against the Hawaiian home-operating fund."

SEC. 2. Section 221 (d), Hawaiian Homes Commission Act, 1920 (42 Stat. 114, 48 U. S. C. 715 (d)), is hereby amended by deleting therefrom the words "Government-owned water upon the island of Molokai, and" appearing therein between the words "charge" and "Government-owned", and by deleting therefrom the words "any of the water upon the island of Molokai, and" appearing therein between the words "charge" and "any."

SEC. 3. Said section 221 (d), Hawaiian Homes Commission Act, 1920, is hereby further amended by adding a new paragraph thereto, to read as follows:

"Any funds which may be appropriated by Congress as a grant-in-aid for the construction of an irrigation and water utilization system on the island of Molokai designed to serve Hawaiian Homes Commission lands, and which are not required to be reimbursed to the Federal Government, shall be deemed to be payment in advance by the Hawaiian Homes Commission and lessees of the Hawaiian Homes Commission of charges to be made to them for the construction of such system and shall be credited against such charges when made."

SEC. 4. This act shall take effect upon its approval.

With the following committee amendments:

Page 2, lines 3 and 4, strike the words "for such term of years as is required for amortization of the costs of such projects."

Page 2, line 20, after the word "costs", change the period to a colon and add the following: "*Provided*, That licenses for rights-of-way for the purposes and in the manner specified in this section may be granted for a term of years longer than is required for amortization of the costs of the project or projects requiring use of such rights-of-way only if authority for such longer grant is approved by an Act of the Legislature of the Territory of Hawaii."

The committee amendments were agreed to.

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.

SALE OF PUBLIC LANDS UNDER CERTAIN CIRCUMSTANCES WITHOUT PUBLIC AUCTION

The Clerk called the bill (H. R. 7887) to authorize the commissioner of public lands to sell public lands under certain circumstances without public auction.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 73 of the Hawaiian Organic Act, as amended, be further amended by adding a new subsection to read as follows:

"(r) Whenever any remnant of public land shall be disposed of, the commissioner of public lands shall first offer it to the abutting landowner for a period of three months at a reasonable price, to be determined by a disinterested appraiser or appraisers, but not more than three, to be appointed by the governor; and, if such owner fails to take the same, then such remnant may be sold at public auction: *Provided*, That if the remnant abuts more than one separate parcel of land and the owners of these separate parcels are all interested in purchasing said remnant, the remnant shall be sold to the owner making the highest offer above the appraised value.

"The term 'remnant' is defined as a parcel of land no larger than five thousand square feet in size in an urban area one and one-half acres in size in a suburban or rural area, and land locked or without access to any public highway."

SEC. 2. This act shall take effect on and after the date of its approval.

With the following committee amendments:

Page 1, line 9, following the word "price" insert the words ", in no event to be less than the fair market value of the land to be sold,."

Page 2, line 2, strike the word "auction:" and insert "auction at no less than the amount of the appraisal:."

Page 2, line 4, following the word "and", insert the words "more than one of."

Page 2, line 5, strike the word "all."

Page 2, strike all of lines 8 to 12, inclusive, and insert:

"The term 'remnant' shall mean a parcel of land landlocked or without access to any public highway, and, in the case of an urban area, no larger than five thousand square feet in size, or, in the case of a suburban or rural area, no larger than one and one-half acres in size."

Page 2, line 13, strike the words "and after."

The committee amendments were agreed to.

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.

ST. ELIZABETHS HOSPITAL, DISTRICT OF COLUMBIA

The Clerk called the bill (H. R. 6332) to amend the act of October 11, 1949, to specify the fee which will be paid for services performed by United States commissioners with respect to the commitment of individuals to St. Elizabeths Hospital in the District of Columbia.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to provide for the detention, care, and treatment of persons of unsound mind in certain Federal reservations in Virginia and Maryland," approved April 11, 1949 (D. C. Code, title 32, secs. 32–417 to 32–417g), is amended by adding at the end thereof the following new section:

"SEC. 9. The compensation of a United States commissioner for all services rendered in connection with each proceeding under sections 1 and 2 of this act shall be $25 and shall be exclusive of any statutory limitation

or pay increases granted under Federal Employees Pay Acts and shall be payable from funds appropriated for the maintenance and operation of the United States courts."

With the following committee amendments:

On page 1, line 6, strike the word "April" and insert in lieu thereof the word "October."

On page 2, line 2, strike out "$25" and everything thereafter down to the word "Acts" on line 4 and insert in lieu thereof the following: "$15 but shall be subject to any statutory limitation relating to commissioners' compensation."

The committee amendments were agreed to.

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.

DISPOSAL OF CERTAIN RESERVE MINERAL DEPOSITS

The Clerk called the bill (H. R. 6501) to amend the act of July 17, 1914, to permit the disposal of certain reserve mineral deposits under the mining laws of the United States.

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

Mr. GAVIN. Reserving the right to object, Mr. Speaker, I wonder if the gentleman from Colorado can tell us what this bill is all about.

Mr. ASPINALL. I would say that the explanation which is given in the report is about as concise a statement as could be given. It is as follows:

If enacted, H. R. 6501 would amend a 1914 act of Congress so as to permit holders of valid and subsisting rights to certain mineral deposits acquired by discovery and location made under the mining laws of the United States prior to the date of February 25, 1920, to perfect the title thereto by obtaining patent to the mineral estate only. This would obviate the present requirement, impossible to meet in some cases, that holders of such claims, in order to obtain patents thereto, must first obtain the outstanding interest of the surface owner and thereafter reconvey the surface estate to the United States; a patent to the mining claim, including both mineral and surface estates is then issued to the mining claimant.

This provides for the multiple use of certain small areas of land in the West. There are only a very few of them. The bill was introduced at the request of a gentleman in California who had perfected his mining claim under the law previous to 1920 and found that he had to get the consent of the surface owner before he could get his patent, to which he was entitled under the law under which he founded his claim for the mineral rights. The surface owner would not cooperate with him, so he was left there holding a claim properly located and valid but unable to secure final title by patent. Under present conditions it is necessary for the locator to take care of the annual assessment work on claims in this category, yet he is denied the right to proceed to a patent. This bill would make it possible for a very few individuals in that category to come in and receive patent to the minerals, at the same time leaving in the surface owners the rights to which they already have a patent.

Mr. GAVIN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore (Mr. PRIEST). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

TERRITORY OF HAWAII

The Clerk called the bill (H. R. 6024) to withdraw and restore to its previous status under the control of the Territory of Hawaii certain land at Kaakaukukui, Honolulu, Oahu, T. H.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all of the following-described land, together with improvements located thereon, situate at Kaakaukukui, Honolulu, Oahu, T. H., which forms a part of the public lands ceded and transferred to the United States by the Republic of Hawaii under Joint Resolution No. 55 of July 7, 1898 (30 Stat. 750), is hereby restored to the possession, use, and control of the government of the Territory of Hawaii;

Beginning at the northwest corner of this parcel of land at a point on the harbor line, the coordinates of said point of beginning referred to Government Survey Triangulation Station "Punchbowl" being 4,861.99 feet south and 6,392.17 feet west, and running by azimuths measured clockwise from true south:

(1) 309 degrees 00 minutes 214.10 feet along the remainder of submerged area transferred to the General Services Administration by the Secretary of the Army by letter dated November 12, 1949, as provided in the act of June 16, 1949 (Public Law No. 105, 81st Congress);

(2) 38 degrees 46 minutes 253.18 feet along the remainder of land transferred to the General Services Administration by the Secretary of the Army by letter dated November 12, 1949, as provided in the act of June 16, 1949 (Public Law No. 105, 81st Congress);

(3) Thence along the remainder of land transferred to the General Services Administration by the Secretary of the Army by letter dated November 12, 1949, as provided in the act of June 16, 1949 (Public Law No. 105, 81st Congress), on a curve to the left with a radius of 110 feet, the chord azimuth and distance being: 353 degrees 54 minutes 10 seconds 155.19 feet;

(4) 309 degrees 02 minutes 20 seconds 196.57 feet along the remainder of land transferred to the General Services Administration by the Secretary of the Army by letter dated November 12, 1949, as provided in the act of June 16, 1949 (Public Law No. 105, 81st Congress);

(5) Thence along the remainder of land transferred to the General Services Administration by the Secretary of the Army by letter dated November 12, 1949, as provided in the act of June 16, 1949 (Public Law No. 105, 81st Congress), on a curve to the left with a radius of 100 feet, the chord azimuth and distance being: 281 degrees 01 minutes 10 seconds 93.96 feet;

(6) 253 degrees 00 minutes 157.01 feet along the remainder of land transferred to the General Services Administration by the Secretary of the Army by letter dated November 12, 1949, as provided in the act of June 16, 1949 (Public Law No. 105, 81st Congress);

(7) 219 degrees 00 minutes 59.33 feet along the remainder of land transferred to the General Services Administration by the Secretary of the Army by letter dated November 12, 1949, as provided in the act of June 16, 1949 (Public Law No. 105, 81st Congress);

(8) 218 degrees 57 minutes 1,102.61 feet along the remainder of land transferred to the General Services Administration by the Secretary of the Army by letter dated November 12, 1949, as provided in the act of June 16, 1949 (Public Law No. 105, 81st Congress), and along remainder of land under the jurisdiction of the Secretary of the Army, portion of Presidential Executive Order No. 5487 and portion of land transferred to the War Department by the Secretary of Labor (by letter dated December 16, 1939);

(9) 309 degrees 00 minutes 224.49 feet along the remaining portion of immigration station lot;

(10) 264 degrees 25 minutes 161.35 feet along the remaining portion of immigration station lot;

(11) 174 degrees 25 minutes 17.53 feet along the remaining portion of immigration station lot;

(12) 264 degrees 25 minutes 132 feet along the remaining portion of immigration station lot, along land transferred to Department of Labor by the Secretary of War (by letter dated December 20, 1939);

(13) 354 degrees 25 minutes 185.08 feet along the west side of Ala Moana Road to concrete monument No. 2;

(14) 325 degrees 17 minutes 192.75 feet along the west side of Ala Moana Road to concrete monument No. 3;

(15) 52 degrees 23 minutes 329.02 feet along city and county sewer pumping station to concrete monument No. 4;

(16) 322 degrees 23 minutes 199.75 feet along city and county sewer pumping station to concrete monument No. 5;

(17) 52 degrees 23 minutes 797.92 feet along the remaining portion of the land of Kaakaukukui, L. C. Aw. 7712, Apana 6 to M. Kekuanaoa for V. Kamamalu (quitclaim deed, Hawaiian Government to the Bernice Pauahi Bishop estate, dated September 9, 1891, and recorded in liber 135, page 38), to concrete monument No. 6;

(18) 52 degrees 23 minutes 2,470.94 feet along the remaining portion of the land of Kaakaukukui, L. C. Aw. 7712, Apana 6 to M. Kekuanaoa for V. Kamamalu (quitclaim deed, Hawaiian Government to the Bernice Pauahi Bishop estate, dated September 9, 1891, and recorded in liber 135, page 38), over submerged area;

(19) 145 degrees 00 minutes 200.98 feet over submerged area;

(20) 189 degrees 25 minutes 1,206.87 feet over submerged area;

(21) 219 degrees 00 minutes 1,435.55 feet over submerged area and along the extension of the harbor line to the point of beginning and containing a total area of 69.90 acres, reserving, however, to the General Services Administration (United States Public Health Service), Corps of Engineers, and other departments and agencies having the use and control of areas set aside to the United States by Executive order, a nonexclusive right-of-way forty feet wide for vehicular and pedestrian traffic from the Ala Moana Road to said areas and from said areas to the Ala Moana Road.

SEC. 2. This act shall take effect upon the payment to the United States by the Territory of Hawaii of the fair appraised value, as of the date of approval of this act, of the buildings then remaining on the land described in section 1, such appraised value to be determined by three appraisers whose compensation shall be paid by the Territory of Hawaii and who shall be appointed, one by the Secretary of the Army, one by the Governor of Hawaii, and the third by the two appraisers so appointed.

With the following committee amendment:

Page 6, line 8, strike the word "Road." and insert the following: "Road, reserving also to

the United States the right to use approximately .10 acre of land in the northwest corner thereof now occupied by building known as No. 61 for so long as the present building remains on this property."

The committee amendment was agreed to.

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.

GRANTING CERTAIN EASEMENTS TO CHINCOTEAGUE, VA.

The Clerk called the bill (H. R. 8552) to authorize the Secretary of Navy to grant to the town of Chincoteague, Va., permanent easements on certain lands for the purpose of taking subterranean water.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized to grant to the town of Chincoteague, Va., permanent easements over any portions of the United States Naval Air Station, United States Aviation Ordnance Test Station, Chincoteague, Accomack County, Va., for the construction, drilling, operation, and maintenance of water wells, together with such piping and pumping facilities, as may be necessary to permit the town of Chincoteague, Va., to take subterranean water from under such land for use for domestic and industrial purposes, and such easements shall be subject to such terms and conditions as the Secretary of the Navy deems necessary to protect the interests of the United States.

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.

PREVENTION OF WATERFOWL DEPREDATIONS

The Clerk called the bill (H. R. 7641) to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the prevention of waterfowl depredations, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to objection, I should like a brief explanation as to what this bill purports to do.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman.

Mr. REUSS. This bill is designed to use surplus grains in the custody of the Commodity Credit Corporation which have deteriorated, for the purpose of preventing depredations to farmers' crops.

Mr. GROSS. This in no way changes the relationship between the Federal conservation officers and the State conservation officers as to the conservation and control of wildlife; does it?

Mr. REUSS. It in no way changes that relationship.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That, for the purpose of preventing crop damage by migratory waterfowl and at the same time of avoiding the depletion of our waterfowl resources by allowing shooting over baited waters in violation of the Federal regulation banning the shooting of waterfowl lured to or over the shooting area by bait, the Commodity Credit Corporation shall make available to the Secretary of the Interior such wheat, acquired through the price support operations and certified by the Commodity Credit Corporation to be in such condition through spoilage or deterioration as not to be desirable for human consumption, as the Secretary of the Interior shall requisition pursuant to section 2 hereof. With respect to wheat thus made available, the Commodity Credit Corporation may pay packaging, transporting, handling, and other charges up to the time of delivery to one or more designated locations in each State.

SEC. 2. Upon a finding by the Secretary of the Interior that any area in the United States is threatened with damage to farmers' crops by migratory waterfowl, whether or not during the open season for such migratory waterfowl, the Secretary of the Interior is hereby authorized and directed to requisition from the Commodity Credit Corporation and to make available to Federal, State, or local governmental bodies or officials, or to private organizations or persons, such wheat acquired by the Commodity Credit Corporation through price support operations in such quantities and subject to such regulations as the Secretary determines will most effectively lure migratory waterfowl away from crop depredations and at the same time not expose such migratory waterfowl to shooting over areas to which the waterfowl have been lured by such feeding program.

SEC. 3. With respect to all wheat made available pursuant to section 2, the Commodity Credit Corporation shall be reimbursed by the Secretary of the Interior for the acquisition cost of the wheat to the Commodity Credit Corporation or the current support price (whichever is lower), plus the costs of any packaging, transporting, or handling required for delivery of the wheat pursuant to section 2 which the Commodity Credit Corporation determines to be in excess of the normal costs incurred in moving such agricultural commodity into normal commercial channels, and less an allowance determined by the Secretary of the Interior to be appropriate to cover the deterioration of the wheat. Expenditures authorized by this act may be made by the Commodity Credit Corporation in advance of appropriations and shall be entered on the books of the Corporation as accounts receivable.

SEC. 4. There are hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, such sums as are required for the purposes of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That (a) for the purpose of preventing crop damage by migratory waterfowl, the Commodity Credit Corporation shall make available to the Secretary of the Interior such wheat, corn, and other grains, acquired through price-support operations and certified by the Commodity Credit Corporation to be available for the purposes of this section or in such condition through spoilage or deterioration as not to be desirable for human consumption, as the Secretary of the Interior shall requisition pursuant to subsection (b) of this section. With respect to any grain thus made available, the Commodity Credit Corporation may pay packaging, transporting, handling, and other charges up to the time of delivery to one or more designated locations in each State.

"(b) Upon a finding by the Secretary of the Interior that any area in the United States is threatened with damage to farmers' crops by migratory waterfowl, whether or not during the open season for such migratory waterfowl, the Secretary of the Interior is hereby authorized and directed to requisition from the Commodity Credit Corporation and to make available to Federal, State, or local governmental bodies or officials, or to private organizations or persons, such grain acquired by the Commodity Credit Corporation through price-support operations in such quantities and subject to such regulations as the Secretary determines will most effectively lure migratory waterfowl away from crop depredations and at the same time not expose such migratory waterfowl to shooting over areas to which the waterfowl have been lured by such feeding program.

"(c) With respect to all grain made available pursuant to subsection (b) of this section, the Commodity Credit Corporation shall be reimbursed by the Secretary of the Interior for its expenses in packaging and transporting such grain for the purposes of this section. There are hereby authorized to be appropriated such sums as may be necessary to reimburse the Commodity Credit Corporation for its investment in the grain transferred pursuant to this section."

The committee amendment was agreed to.

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.

AMENDING SECTION 403 (b) OF THE CIVIL AERONAUTICS ACT OF 1938

The Clerk called the bill (H. R. 9592) to amend section 403 (b) of the Civil Aeronautics Act of 1938 so as to permit air carriers and foreign air carriers, subject to certain conditions, to grant reduced-rate transportation to ministers of religion.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

RELATING TO THE DISTRICT COURT OF GUAM

The Clerk called the bill (H. R. 10630) relating to the District Court of Guam.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the second sentence of subsection (a) of section 22 of the Organic Act of Guam (64 Stat. 384, 389; 48 U. S. C. 1424) is amended to read as follows: "The District Court of Guam shall have the jurisdiction of a district court of the United States in all causes arising under the Constitution, treaties, and laws of the United States, regardless of the sum or value of the matter in controversy, shall have original jurisdiction in all other causes in Guam, ju-

risdiction over which has not been transferred by the legislature to other court or courts established by it, and shall have such appellate jurisdiction as the legislature may determine."

SEC. 2. Section 22 of the Organic Act of Guam (64 Stat. 384, 389; 48 U. S. C. 1424) is futher amended by inserting at the end of subsection (a) thereof the following additional paragraph:

"Appeals to the District Court of Guam shall be heard and determined by an appellate division of the court consisting of three judges, of whom two shall constitute a quorum The judge appointed for the court by the President shall be the presiding judge of the appellate division and shall preside therein unless disqualified or otherwise unable to act. The other judges who are to sit in the appellate division at any session shall be designated by the presiding judge from among the judges assigned to the court from time to time pursuant to section 24 (a) of this act. The concurrence of two judges shall be necessary to any decision by the District Court of Guam on the merits of an appeal but the presiding judge alone may make any appropriate orders with respect to an appeal prior to the hearing and determination thereof on the merits and may dismiss an appeal for want of jurisdiction or failure to take or prosecute it in accordance with the applicable law or rules of procedure."

SEC. 3. Subsection (a) of section 24 of the Organic Act of Guam (64 Stat. 384, 390; 48 U. S. C. 1424b), as amended, is further amended as follows:

"(a) The President shall, by and with the advice and consent of the Senate, appoint a judge for the District Court of Guam who shall hold office for the term of 8 years and until his successor is chosen and qualified unless sooner removed by the President for cause. The judge shall receive a salary payable by the United States which shall be at the rate prescribed for judges of the United States district courts.

"The Chief Judge of the Ninth Judicial Circuit of the United States may assign a judge of the Island Court of Guam or a judge of the High Court of the Trust Territory of the Pacific Islands or a circuit or district judge of the ninth circuit, or the Chief Justice of the United States may assign any other United States circuit or district judge with the consent of the judge so assigned and of the chief judge of his circuit, to serve temporarily as a judge in the District Court of Guam whenever it is made to appear that such an assignment is necessary for the proper dispatch of the business of the court."

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.

RENTAL OF INADEQUATE QUARTERS

Mr. VINSON. Mr. Speaker, I ask unanimous consent that the bill (H. R. 5731) to permit members of the Army, Navy, Air Force, Marine Corps, Coast Guard and Geodetic Survey, and Public Health Service, and their dependents, to occupy inadequate quarters on a rental basis without loss of basic allowance for quarters, the next bill on the Calendar, be stricken from the Calendar since it involves a larger amount of money than the rules covering bills on the Consent Calendar permit.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

TO ASSIST MENOMINEE TRIBE OF INDIANS TO PREPARE FOR THE TERMINATION OF FEDERAL SUPERVISION

The Clerk called the bill (H. R. 6218) to authorize payment by the Federal Government of the cost of making certain studies necessary to assist the Menominee Tribe of Indians to prepare for the termination of Federal supervision.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the last sentence of section 6 of the act entitled "An act to provide for a per capita distribution of Menominee tribal funds and authorize the withdrawal of the Menominee Tribe from Federal jurisdiction," approved June 17, 1954 (68 Stat. 250), is amended to read as follows: "There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as the Secretary shall deem necessary to carry out the purposes of this section."

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the last sentence of section 6 of the act entitled 'An act to provide for a per capita distribution of Menominee tribal funds and authorize the withdrawal of the Menominee Tribe from Federal jurisdiction,' approved June 17, 1954 (68 Stat. 250), is amended by changing the period at the end thereof to a comma and by adding 'and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as the Secretary shall deem necessary to reimburse the tribe for the expenditure of tribal funds pursuant to this section, or for any other expenditure of tribal funds approved by the Secretary for the purpose of carrying out the purposes of this act.'."

The committee amendment was agreed to.

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.

PROVIDING FOR DISPOSITION OF A PORTION OF SHARPE GENERAL DEPOT, STOCKTON ANNEX, CALIF.

The Clerk called the bill (H. R. 9970) to provide for the disposition of a portion of Sharpe General Depot, Stockton Annex, Calif.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Army is authorized to convey on or before January 1, 1957, by quitclaim deed to the Stockton Port District that portion of real property under his jurisdiction located at the Stockton Annex, Sharpe General Depot, Calif., consisting of approximately $96^{85}/_{100}$ acres and $2^{3}/_{10}$ acres of easement together with all appurtenances pertaining thereto and all improvements located thereon.

SEC. 2. The Secretary of the Air Force is authorized to convey on or before January 1, 1957, by quitclaim deed to the Stockton Port District that portion of real property under his jurisdiction located at the Stockton Annex, Sharpe General Depot, Calif., consisting of approximately one hun- Calif., consisting of approximately $138^{56}/_{100}$ acres together with all appurtenances pertaining thereto and all improvements located thereon.

SEC. 3. The conveyances herein authorized shall be made a monetary consideration determined by the Secretary of the Army and the Secretary of the Air Force, respectively, to represent the fair market value of the property to be conveyed and shall be made upon such terms and conditions and shall include such reservations as the respective Secretary shall determine to be in the public interest.

With the following committee amendments:

Page 1, lines 8 and 9, strike "and $2^{3}/_{10}$ acres of easement."

Page 2, line 3, strike the word "Annex" and insert in lieu thereof the words "Air Force Station."

Page 2, line 5, following the word "acres", insert "and $2^{3}/_{10}$ acres of easement."

Page 2, strike section 3 and insert in lieu thereof the following:

"SEC. 3. The conveyances herein authorized shall be made at the fair market value of the property as determined by the Secretary of the Army, and shall be made upon such terms and conditions and shall include such reservations as the respective Secretary shall determine to be in the public interest."

The committee amendments were agreed to.

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

The title was amended so as to read: "A bill to provide for the disposition of the Stockton Air Force Station and the Stockton Annex, Sharpe General Depot, Calif.

A motion to reconsider was laid on the table.

AUTHORIZING SECRETARY OF THE INTERIOR TO DISPOSE OF CERTAIN LANDS IN THE STATE OF MONTANA TO THE PHILLIPS COUNTY POST OF THE AMERICAN LEGION

The Clerk called the bill (S. 1053) to authorize the Secretary of the Interior to dispose of certain lands in the State of Montana to the Phillips County Post of the American Legion.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any other provision of law, the Secretary of the Interior may dispose of the southwest quarter southeast quarter and the east half southeast quarter southwest quarter of section 35, township 32 north, range 32 east, Montana principal meridian, comprising 60 acres, to Phillips County Post, No. 57, of the American Legion, Department of Montana, under the provisions of the Recreation Act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173).

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORT CLATSOP, OREG., A NATIONAL MONUMENT

The Clerk called the bill (S. 2498) to provide that the Secretary of the Interior shall investigate and report to the Congress as to the advisability of establishing

Fort Clatsop, Oreg., as a national monument.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I wonder if there is a member of the committee present who is familiar with this bill. The reason I ask that is not that I have any particular objection to this investigation, but there is an aspect of this that I think raises a question. My understanding is that the Historic Sites Buildings and Antiquities Act of 1935 provides for the Department of the Interior to make investigations of various sites that might be desirable to establish as national monuments. My understanding is that the Department has no objection to making the investigation and intends to make the investigation of this particular proposition. What I wondered about is why we should have the expense of going through the process of passing a bill directing the Department to make a specific investigation. I imagine this particular bill went through at least two or three printings in the Senate; a committee report; the time of a Senate committee was taken up, and then we have two more printings here and the preparation and printing of the report of the House committee, all merely for the purpose of suggesting that the Department do something which it should do anyway and which it says it will do. I am wondering why that expense to the taxpayers is incurred.

Mr. ENGLE. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield

Mr. ENGLE. This is a Senate bill, and inasmuch as we had the bill before us, rather than let it be delayed we just pushed on. It originated on the other side. There is no harm in passing it, because the expense has been incurred already.

Mr. BYRNES of Wisconsin. The Secretary has the discretion to make the investigation.

Mr. ENGLE. But this bill tells him to do it.

Mr. BYRNES of Wisconsin. I do not know who the author of the bill is, but he could have gotten the information by simply writing a letter to the Department and they would have advised him whether they thought it was the necessary and proper thing for them to investigate, without coming to the Congress. Does not the gentleman agree?

Mr. ENGLE. Yes, but perhaps the author would think that this bill would put a little fire under the Secretary that was not there before.

Mr. BYRNES of Wisconsin. I would hate to estimate the cost of putting that fire under the Secretary. It certainly is a pretty costly fire, and I would venture to say an unnecessary fire. The horrible part of it all is that the taxpayers are the ones who have to foot the bill.

The point I wish to make, Mr. Speaker, is that this bill is an example of useless, unnecessary waste of the people's money.

I withdraw my reservation.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to make a full and complete investigation of the advisability of establishing Fort Clatsop, located in Clatsop County, Oreg., as a national monument.

SEC. 2. As soon as practicable after the date of the enactment of this act, the Secretary of the Interior shall report to the Congress the results of such investigation and study made by him under the first section of this act, together with such recommendations as he deems appropriate. Such report shall contain specific findings with respect to (1) the national historical importance of the proposed memorial, (2) the size, present status and condition of Fort Clatsop, and (3) the estimated total cost of establishing such memorial.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PINE RIDGE SIOUX TRIBE OF INDIANS

The Clerk call the bill (H. R. 5838) to provide that payments be made to certain members of the Pine Ridge Sioux Tribe of Indians as reimbursement for damages suffered as the result of the establishment of the Pine Ridge aerial gunnery range, and to provide a rehabilitation program for the Pine Ridge Sioux Tribe of Indians.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PLAN FOR CONTROL OF PROPERTY OF MENOMINEE INDIAN TRIBE

The Clerk called the bill (H. R. 9280) to provide for the formulation of a plan for control of the property of the Menominee Indian Tribe, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I would like to make an inquiry or two concerning this legislation, inasmuch as the information I have available indicates that the Department of the Interior is opposed to enactment, and that the Bureau of the Budget concurs in the recommendation.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield.

Mr. REUSS. I am the author of this bill. I can readily understand how the gentleman from Michigan [Mr. FORD], might have come to that conclusion by a quick reading of the report. I think, however, my explanation of what happened will set the gentleman's mind at ease. The original report of the Department of the Interior, dated February 24, 1956, which is contained in report No. 2246, did, indeed, as the gentleman has suggested, oppose the bill in its condition at that time. Thereupon an amended bill was introduced containing additional language. That amended bill, which bore the number H. R. 10634, was referred to the Department of the Interior. On May 3, 1956, the Department of the Interior wrote a report on the amended language contained in H. R. 10634. That letter of May 3 is contained on pages 6 to 8 of the report No. 2246. In that May 3 report the Department said that if two amendments were made in the language of H. R. 10634 there would be no objection on the part of the Department of the Interior.

Those amendments in the exact language formulated by the Department of the Interior were made and then that total language was substituted for the original bill to which the Department of the Interior had objected. Therefore it can truly be said that the objections made by the Department of the Interior have been met in the bill, as amended, which is now before this House.

Mr. FORD. In other words it would appear to me that what we really have before us is H. R. 10634, as amended.

Mr. REUSS. That is correct; the gentleman from Michigan states that accurately. The Committee on Interior and Insular Affairs preferred to use the original number and substitute for the language of H. R. 9280 the language of H. R. 10634, as amended, to meet the requirements of the Department of the Interior.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield.

Mr. LAIRD. The Menominee Indian Reservation is located in my congressional district, and I would just like to state that this bill H. R. 9280 has been amended in line with the recommendations of the Department of the Interior, of the Menominee Indian Tribe, and of the Menominee Indian Study Committee which was created by action of the Wisconsin Legislature in 1955.

I think that the gentleman from Michigan on close examination of the bill will find that everything following the enacting clause of H. R. 9280 has been stricken, and in lieu thereof there has been inserted the amendments suggested by the Department of the Interior and the Wisconsin Menominee Indian Study Committee.

I do agree with the distinguished gentleman from Michigan [Mr. FORD], that the title of the bill is somewhat misleading. The title was not amended by the committee and if the gentleman has no objection I think it should be changed. The title presently reads: "A bill to provide for the formulation of a plan." This bill does not provide for the formulation of any plan; that was provided for under Public Law No. 399 passed by the 83d Congress. This bill merely relates to the plan which the Menominee Indian Tribe is required to formulate by Public Law 399. If there is

no objection I would like to suggest a change in the title to read: "Relating to the formulation of the plan for control of the property of the Menominee Indian Tribe."

This bill as amended by the committee merely provides that the plan formulated by the Minominee Indian Tribe, as provided in Public Law 399 of the 83d Congress, will be submitted to the Secretary of the Interior by December 31, 1957. It further provides that the Minominee Indians must include in their plan of control and operation provisions for sustained yield management of the tribal forest.

The tribal representatives have testified that no hardship will be involved by requiring submission of their plan of operation on or before December 31, 1957. The Minominee Indian Tribe and the Wisconsin State Study Committee are also on record favoring sustained yield management of the tribal forests.

I do want to call attention to the House that in agreeing to this bill today we cannot assume that the December 31, 1958, termination date for Federal supervision of the Minominee Indian Reservation can be met. It is possible that after the important studies underway in Wisconsin are completed further amendments to Public Law 399 of the 83d Congress will be most necessary.

Mr. FORD. I appreciate the statements made by the gentlemen from Wisconsin. They have straightened out the situation so that the history of this legislation is understandable.

I have no objection to the consideration of the bill and I certainly have no objection to the amendment of the title if that is desired by the gentleman from Wisconsin [Mr. LAIRD].

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield.

Mr. REUSS. I am sure there is no objection on my part to the proposed minor change in the title of the bill just suggested by the gentleman from Wisconsin [Mr. LAIRD].

Mr. FORD. Mr. Speaker, I withdraw my reservation of objection.

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

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 6 of the act entitled "An act to provide for a per capita distribution of the Menominee tribal funds and authorize the withdrawal of the Menominee Tribe from Federal jurisdiction." approved June 17, 1954 (Public Law 399, 83d Cong.), is amended by striking out the last sentence thereof and inserting in lieu thereof the following: "There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as the Secretary shall require in order to compensate such specialists and otherwise assist the tribe in preparing such studies and reports."

SEC. 2. Section 7 of such act of June 17, 1954, is amended to read as follows:

"SEC. 7. The tribe shall as soon as possible formulate and submit to the Secretary a plan for the future control of the tribal property and service functions now conducted by or under the supervision of the United States, including, but not limited to, services in the field of health, education, welfare, credit, roads, and law and order, and for all other matters involved in the proposed ultimate withdrawal of Federal supervision. The Secretary is authorized to provide such reasonable assistance as may be requested by officials of the tribe in the formulation of the plan heretofore referred to including necessary consultations with representatives of Federal departments and agencies, officials of the State of Wisconsin and political subdivisions thereof, and members of the tribe: *Provided,* That the responsibility of the United States to furnish all such supervision and services to the tribe and to the members thereof, because of their status as Indians, shall cease on December 31, 1958, or on such earlier date as may be agreed upon by the tribe and the Secretary. The plan shall contain provision for a viable economy for the tribe, for a method of compensating enrolled members of the tribe who may wish to sell or otherwise dispose of their beneficial interests in the tribal property, and for the preservation forever of the tribal assets of forest (on a sustained yield basis), water, soil, and fish and wildlife. To the extent necessary, the plan shall provide for such terms of transfer pursuant to section 8 of this act, by trust or otherwise, as shall insure the continued fulfillment of the plan. The Secretary, after approving the plan and after securing the approval of the plan by the Governor of Wisconsin, shall cause the plan to be published in the Federal Register."

SEC. 3. Section 8 of such act of June 17, 1954, is amended to read as follows:

"SEC. 8. The Secretary is hereby authorized and directed to transfer to the tribe, immediately following the date of publication in the Federal Register of the plan formulated pursuant to section 7 of this act, the title to all property, real and personal held in trust by the United States for the tribe: *Provided, however,* That if the tribe obtains a charter for a corporation or otherwise organizes under the laws of a State or of the District of Columbia for the purpose, among any others, of taking title to all tribal lands and assets and enterprises owned by the tribe or held in trust by the United States for the tribe, and requests such transfer to be made to such corporation or organization, the Secretary shall make such transfer to such corporation or organization. The Secretary is also authorized and directed to transfer to the tribe, or to a legal entity organized by the tribe, clear and unrestricted title to all buildings and roads equipment utilized on the Menominee Reservation in all cases where there is any uncertainty respecting ownership by the tribe."

With the following committee amendment:

Strike all after the enacting clause and insert the following language: "That section 7 of the act entitled 'An act to provide for a per capita distribution of Menominee tribal funds and authorize the withdrawal of the Menominee Tribe from Federal jurisdiction,' approved June 17, 1954 (68 Stat. 250), is amended to read as follows:

"'SEC. 7. The tribe shall as soon as possible and in no event later than December 31, 1957, formulate and submit to the Secretary a plan for the future control of the tribal property and service functions now conducted by or under the supervision of the United States, including, but not limited to, services in the fields of health, education, welfare, credit, roads, and law and order, and for all other matters involved in the withdrawal of Federal supervision. The Secretary is authorized to provide such reasonable assistance as may be requested by officials of the tribe in the formulation of the plan heretofore referred to, including necessary consultations with representatives of Federal departments and agencies, officials of the State of Wisconsin and political subdivisions thereof, and members of the tribe: *Provided,* That the responsibility of the United States to furnish all such supervision and services to the tribe and to the members thereof, because of their status as Indians, shall cease on December 31, 1958, or on such earlier date as may be agreed upon by the tribe and the Secretary. The plan shall contain provision for protection of the forest on a sustained yield basis, and for the protection of the water, soil, fish and wildlife. To the extent necessary, the plan shall provide for such terms of transfer pursuant to section 8 of this act, by trust or otherwise, as shall insure the continued fulfillment of the plan. The Secretary after approving the plan, shall cause the plan to be published in the Federal Register. The sustained yield management requirement contained in this act shall not be construed by any court to impose a financial liability on the United States.'"

SEC. 2. Section 8 of such act of June 17, 1954, is amended to read as follows:

"'SEC. 8. The Secretary is hereby authorized and directed to transfer to the tribe, on December 31, 1958, or on such earlier date as may be agreed upon by the tribe and the Secretary, the title to all property, real and personal, held in trust by the United States for the tribe: *Provided, however,* That if the tribe obtains a charter for a corporation or otherwise organizes under the laws of a State or of the District of Columbia for the purpose, among any others, of taking title to all tribal lands and assets and enterprises owned by the tribe or held in trust by the United States for the tribe, and requests such transfer to be made to such corporation or organization, the Secretary shall make such transfer to such corporation or organization. The Secretary is authorized, in his discretion, to transfer to the tribe or any member or group of members thereof any federally owned property acquired, withdrawn, or used for the administration of the affairs of the tribe which he deems necessary for Indian use, or to transfer to a public or nonprofit body any such property which he deems necessary for public use and from which members of the tribe will derive benefits'."

The committee amendment was agreed to.

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

Mr. LAIRD. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Amendment offered by Mr. LAIRD: Amend the title of the bill to read: "Relating to the formulation of a plan for control of the property of the Menominee Indian Tribe and for other purposes."

The amendment was agreed to.

A motion to reconsider was laid on the table.

TULALIP RESERVATION, WASH.

The Clerk called the bill (H. R. 11456) to authorize the partition or sale of inherited interests in allotted lands in the Tulalip Reservation, Wash., and for other purposes.

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

Mr. METCALF. Mr. Speaker, reserving the right to object, I want to make a statement as a member of the committee. I voted for this bill only because of the urgency that has been demonstrated. I want to call the attention of the House to the fact that this permits a complete termination of Federal guardianship over Indian property.

Under the complex heirship situation there may be many Indians who have an

interest in a piece of property. Some may be illiterate, many will not have been adjudged competent. Yet any single one of these coowners, under the provisions of this bill, can force all the others into court, have the property sold, and require all the owners to accept the proportionate share of whatever the property brings at an auction sale. Rights that the Indians enjoy such as exemption from taxation would be cut off. In many cases service would be by publication and Indian coowners who are incompetent to handle their own affairs by definition would be served by publication and no one appointed to represent them.

Many Indians who are illiterate, who are incompetent, under such legislation as this could have their property taken away from them. If it were not for the urgency of the bill and the fact that this particular tribe of Indians, as stated in the report, is competent and the Indians themselves are competent to administer their property, I would feel it necessary to object.

I do not want this body, Mr. Speaker, to feel this bill sets a precedent for further termination or the proper means of disposing of the Indian heirship problem. It is better to handle these matters under comprehensive legislation such as many of us have pending in the Committee on Indian Affairs.

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

There was no objection.

Mr. ENGLE. Mr. Speaker, I ask unanimous consent that the bill, S. 3920, an identical bill to the House bill, be considered in lieu of H. R. 11456.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. ENGLE]?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That any owner of an interest in any tract of land in the Tulalip Reservation, Wash., in which any undivided interest is now or hereafter held in trust by the United States for an Indian, or is now or hereafter owned by an Indian subject to restrictions against alienation or taxation imposed by the United States, may commence in a State court of competent jurisdiction an action for the partition in kind or for the sale of such land in accordance with the laws of the State. For the purpose of any such action the Indian owners shall be regarded as vested with an unrestricted fee simple title to the land, the United States shall not be a necessary party to the proceeding, and any partition or conveyance of the land pursuant to the proceedings shall divest the United States of title to the land, terminate the Federal trust, and terminate all restrictions against alienation or taxation of the land imposed by the United States.

SEC. 2. Notwithstanding the provisions of the constitution and charter of the Tulalip Tribes of the Tulalip Reservation, any lands that are held by the United States in trust for the Tulalip Tribes, or that are subject to a restriction against alienation or taxation imposed by the United States, or that are hereafter acquired by the Tulalip Tribes, may be sold by the Tulalip Board of Directors, with the consent of the Secretary of the Interior, on such terms and conditions as the Tulalip Board of Directors may prescribe, and such sale shall terminate the Federal trust or restrictions against alienation of taxation of the land: *Provided,* That the proceeds from the sale of any tribal lands acquired otherwise than by purchase shall be deposited in the Treasury of the United States to the credit of the Tulalip Tribes and shall not be expended until otherwise specifically provided by Congress.

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

A similar House bill (H. R. 11456) was laid on the table.

A motion to reconsider was laid on the table.

ROSEBURG, OREG.

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8123) authorizing the Administrator of General Services to convey certain property of the United States to the city of Roseburg, Oreg., 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:

Page 1, line 3, strike out "section 2 of this act" and insert "such reservations and restrictions as may be necessary to protect the interests of the United States."

Page 2, strike out all of section 2.

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

PRIVATE CALENDAR

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the call of bills on the Private Calendar be dispensed with at this time due to the fact that the committee did not receive reports from the Government Printing Office in time to consider such reports.

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

Mr. FORD. Mr. Speaker, reserving the right to object, I can understand the committee's problem in that regard, but I wonder if it would not be possible to put the Private Calendar over for a period less than the full 2-week period inasmuch as we are getting toward the end of the session? There are some bills on this calendar which might get lost in the last minute rush lest we get them from here over to the other side of the Capitol.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, the gentleman from Michigan and the gentleman from Alabama and I had a brief conference on the floor in relation to the inquiry made by my friend from Michigan. I told both of my colleagues that I would ask unanimous consent that it be in order to call the Private Calendar on Monday next. The gentleman's request is a very fair one, to which I responded favorably immediately. The position of the gentleman from Alabama is absolutely correct. I do not know what caused the delay. The Public Printer has been very cooperative. They have done a remarkable job throughout the years, and I am sure there will be no more delays in the future in connection with reports being printed in adequate time for the objectors committee to consider them, as it is their duty to do so. The objectors committee on both the Consent Calendar and the Private Calendar perform an outstanding task for the House. It is work that they assume over and above their work to their districts and their committee work, and it is very burdensome. I want each and every Member of the objectors committee on the Consent Calendar and the Private Calendar to know that the leadership on both sides profoundly appreciate the work that they are doing, which is really beyond their line of duty.

Consequently, Mr. Speaker, I ask unanimous consent that it be in order for the Private Calendar to be called on Monday next.

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

There was no objection.

CLAIMS OF VATICAN CITY FOR LOSSES AND DAMAGES CAUSED BY UNITED STATES ARMED FORCES DURING WORLD WAR II

Mr. GORDON. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 10766) to authorize the payment of compensation for certain losses and damages caused by United States Armed Forces during World War II.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized to pay the sum of $964,199.35 to the Vatican City in full and final settlement and discharge of all claims of the Vatican City for losses and damages caused by United States Armed Forces in the Papal Domain Castel Gandolfo during the course of hostilities conducted by such forces against German armed forces in Italy in 1944.

SEC. 2. There is hereby authorized to be appropriated the sum of $964,199.35 to carry out the purposes of this act.

The SPEAKER. Is a second demanded?

Mr. MORANO. Mr. Speaker, I am not opposed to the bill, but in order to get a hearing, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. GORDON. Mr. Speaker, H. R. 10766, to authorize the payment of compensation for certain losses and damages caused by United States Armed Forces during World War II, is a measure which I hope will receive the unanimous support of this House. Its purpose is to compensate the Vatican for losses and damages caused by United States Armed Forces during World War II. During the course of attacks by United States planes on military targets near the Papal Domain Castel Gandolfo, the papal domain was accidentally damaged on four different occasions—on February 2, February 10, May 31, and June 4, 1944. The original claim made by the Vatican for the damage was in the amount of

$1,525,810.98. The Foreign Affairs Committee has reduced this amount to $964,199.35. This reduced amount is the exact amount which the United States Army Claims Service considers a reasonable assessment.

Mr. Speaker, I believe that this bill is an eminently fair and just one and constitutes an action in keeping with our American tradition of equity and justice. As evidence of the bipartisan support which this bill has, I would like to point out that this bill was introduced by the distinguished majority leader of the House, the Honorable JOHN W. MCCORMACK, and an identical bill, H. R. 10767, was introduced by the distinguished minority leader, the Honorable JOSEPH W. MARTIN.

The amount in this bill is small, but the good will involved in it is large. It deserves our wholehearted support.

Mr. Speaker, I yield 5 minutes to the distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, the pending bill, H. R. 10766, is a deserving measure and one that should pass both branches of the Congress and be signed by the President. A similar bill, H. R. 10767, was also introduced by my distinguished friend from Massachusetts [Mr. MARTIN], the minority leader. So, this bill should properly be known as the McCormack-Martin bill.

The report of the House Committee on Foreign Affairs clearly presents the justification for the passage of this bill. Former Speaker MARTIN and I received a memorandum from the State Department, which is as follows:

WAR DAMAGE TO PAPAL DOMAIN CASTEL GANDOLFO

In a letter of July 10, 1943, President Roosevelt wrote to Pope Pius XII as follows:

"By the time this message reaches your Holiness a landing in force by American and British troops will have taken place on Italian soil. Our soldiers have come to rid Italy of fascism and all its unhappy symbols, and to drive out the Nazi oppressors who are infesting her soil.

"There is no need for me to reaffirm that respect for religious beliefs and for the free exercise of religious worship is fundamental to our ideas. Churches and religious institutions will, to the extent that it is within our power, be spared the devastations of war during the struggle ahead. Throughout the period of operations the neutral status of Vatican City as well as the Papal domains throughout Italy will be respected.

"I look forward, as does Your Holiness, to that bright day when the peace of God returns to the world. We are convinced that this will occur only when the forces of evil which now hold vast areas of Europe and Asia enslaved have been utterly destroyed. On that day we will joyfully turn our energies from the grim duties of war to the fruitful tasks of reconstruction. In common with all other nations and forces imbued with the spirit of good will toward men, and with the help of Almighty God, we will turn our hearts and our minds to the exacting task of building a just and enduring peace on earth."

On February 2 and 10, May 31, and June 4, 1944, the Papal Domain Castel Gandolfo was hit by bombs dropped by United States planes incidental to an attack upon legitimate military targets in close proximity thereto.

A property damage claim for $1,523,810.98 was presented by the Vatican City authorities on December 10, 1948. According to a survey by the United States Army Claims Service, a fair and reasonable assessment of the property damage, based upon the costs of labor and materials for April 1945 is $964,199.35. It is understood that the principal reason for the difference between the Vatican figure and the Army figure is that the latter does not take account of the cultural and artistic value of the destroyed or damaged property.

The Vatican City authorities were subsequently informally informed that since the papal domains were not territory of a neutral state but had the status of a neutral diplomatic mission located in the territory of a belligerent (just as, for example, the Swiss Embassy in Berlin), there exists no legal basis on which to recommend to the Congress the payment of the claim.

It is believed that any payment to the Vatican City should be made as a matter of grace so that it cannot be regarded as a precedent.

The message that the late President Roosevelt sent to Pope Pius XII, particularly in looking "to that bright day when the peace of God returns to the world," is just as applicable today as it was when sent by the late Franklin D. Roosevelt to His Holiness, Pope Pius XII, on July 10, 1943.

The enactment into law of this bill will carry out a moral obligation on the part of our Government. It is also an act which brings about a feeling of understanding that cannot be estimated in terms of material values.

I want to express my appreciation to the members of the House Committee on Foreign Affairs for reporting this bill, as a result of which the bill is now before the House for consideration. I strongly urge the passage of the bill. I hope, with the passage of the bill in this body, the Senate will quickly consider and pass the same.

Mr. MORANO. Mr. Speaker, I yield myself such time as I may consume.

Mr. MORANO. Mr. Speaker, I am very pleased that this bill and an identical bill, H. R. 10767, were introduced by our distinguished majority leader, the Honorable JOHN W. MCCORMACK, JR., and the distinguished minority leader, the Honorable JOSEPH W. MARTIN, respectively. I know it is typical of both sides of the aisle to join together when it comes to foreign policy considerations. I fully support this bill which will compensate the Vatican City for the damage sustained to the papal domain Castel Gandolfo during World War II from bombs dropped by United States planes during attacks upon targets close to Castel Gandolfo.

I feel that this gesture on the part of the United States Government is one which is really typical of our American way of life. Fundamentally, we judge matters on the basis of what is morally right and morally wrong. It is morally right that the United States compensate the Vatican for this damage. Although it is a small amount of money involved in this bill, it means a great deal to Castel Gandolfo which people from all over the world and from all walks of life have taken such great pleasure and spiritual joy in visiting.

I feel that the sum agreed upon by the committee of $964,199.35 is a fair compromise. It represents the assessment of the damage made by the United States Army Claims Service based upon the prevailing conditions as of April 1945.

I hope that this bill will receive the unanimous endorsement that it justly merits.

Mr. GORDON. Mr. Speaker, I move the previous question.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. GORDON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

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

There was no objection.

DANGEROUS EROSION OF STATE SOVEREIGNTY BY DECISIONS OF SUPREME COURT

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. IKARD] is recognized for 30 minutes.

Mr. IKARD. Mr. Speaker, the past 15 years have witnessed dangerous erosion of State sovereignty by decisions of the Supreme Court. This has been accomplished by reading into acts of Congress an unexpressed intention to supersede State law. In so doing the Court has turned its back on the salutary principles announced by Chief Justice Marshall and followed for more than a century. In *Cohens* v. *Virginia* ((1821) 6 Wheat. 264, 443), Marshall enunciated the tests to be applied in determining whether Congress has so exercised its powers as to control and limit State laws for the punishment of crime.

To interfere with the penal laws of a State—

He wrote—

where they are not leveled against the legitimate powers of the Union, but have for their sole object the internal government of the country, is a very serious measure, which Congress cannot be supposed to adopt lightly or inconsiderately. The motives for it must be serious and weighty. It would be undertaken deliberately and the intention would be clearly and unequivocally expressed. An act * * * ought not to be construed as to imply this intention, unless its provisions were such as to render the construction inevitable.

For sixscore years, the Supreme Court faithfully adhered to this doctrine. In 1937, Chief Justice Hughes declared on behalf of a unanimous Court in *Kelley* v. *Washington* ((1937) 302 U. S. 1, 10) that—

The principle is thoroughly established that the exercise by the State of its police power, which would be valid if not superseded by Federal action, is superseded only where the repugnance is so direct and positive that the two acts cannot be reconciled or consistently stand together.

But in 1941, the Supreme Court cavalierly thrust these precedents aside. By a 6 to 3 decision it struck down the Pennsylvania Alien Registration Act in *Hines* v. *Davidowitz* ((1941) 312 U. S. 52, 67). In attempting to justify this decision, Mr. Justice Black disposed of prior cases to his own satisfaction by saying:

> There is not—and from the very nature of the problem there cannot be—any rigid formula or rule which can be used as a universal pattern to determine the meaning and purpose of every act of Congress. This Court, in considering the validity of State laws in the light of treaties or Federal laws touching the same subject, has made use of the following expressions: conflicting; contrary to; occupying the field; repugnance; difference; irreconcilability; inconsistency; violation; curtailment; and interference. But none of these expressions provide an infallible constitutional test or an exclusive constitutional yardstick. In the final analysis, there can be no one crystal clear distinctly marked formula. Our primary function is to determine whether, under the circumstances of this particular case, Pennsylvania's law stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress.

Mr. Justice Stone vigorously dissented in an opinion in which two other Justices joined. He pointed out that the existence of national power to conduct foreign relations and negotiate treaties does not foreclose legislation dealing exclusively with aliens as such. This Court has consistently held that treaties of the United States for the protection of resident aliens do not supersede such legislation unless they conflict with it. He went on to say:

> As construed and applied by the opinion of the Court the Federal act denies to the States the practicable means of identifying their alien residents and of recording their whereabouts and it withholds from the States the benefit of the information secured under the Federal act except insofar as it may be made available to them on application to the Attorney General.
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> * * * * *
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> Every act of Congress occupies some field, but we must know the boundaries of that field before we can say that it has precluded a State from the exercise of any power reserved to it by the Constitution. To discover the boundaries we look to the Federal statute itself, read in the light of its constitutional setting and its legislative history.
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> * * * * *
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> But no words of the statute, or of any committee report, or any congressional debate indicate that Congress intended to withdraw from the States any part of their constitutional power over aliens within their borders. We must take it that Congress was not unaware that some 19 States have statutes or ordinances requiring some form of registration for aliens, 7 of them dating from the last war. The repeal of this legislation is not to be inferred from the silence of Congress in enacting a law which at no point conflicts with the State legislation and is harmonious with it.

Within a year this decision was followed by another which paralyzed State power in a field equally vital to the welfare of its citizens—the enforcement of sanitary standards in the manufacture of food products. By a bare majority, the Court held in *Cloverleaf Butter Company* v. *Patterson* ((1942) 315 U. S. 148), that Alabama could not seize spoiled packing stock butter held by a manufacturer for the production of renovated butter. The reason assigned for this startling conclusion was that it conflicted with a Federal law which authorized the Secretary of Agriculture to inspect renovated butter sold in interstate commerce. To be sure, Congress had not expressed any intention to supersede State law. Enforcement of Alabama's statute would not have interfered in any way with Federal inspection. Nevertheless, by some mysterious course of reasoning the majority came to the conclusion that Congress hardly intended the intrusion of State authority during the very preparation of a commodity subject to the surveillance and comprehensive specifications of the Department of Agriculture. Once more Justice—now Chief Justice—Stone dissented, together with three of his colleagues. He pointed out that the decision was, in his words, "a radical departure from the salutary principle that Congress, in enacting legislation within constitutional authority, will not be deemed to have intended to strike down a State statute designed to protect the health and safety of the public unless the State act, in terms or in its practical administration, conflicts with the act of Congress or plainly and palpably infringes its policy." Bluntly he insisted that "not only is there a complete want of conflict between the two statutes and their administration, but it seems plain that the Alabama statute both by its terms and in its practical administration aids and supplements the Federal regulation and policy. Consequently, there is no room for any inference that Congress by its enactment, sought to stay the hands of the State in the exercise of a power with which the Federal act does not conflict."

Mr. Justice Frankfurter said of the decision that "if ever there was an intrusion by this Court into a field that belongs to Congress, and which it has seen fit not to enter, this is it."

But Chief Justice Stone was fighting a losing battle. In the decade since his death the Court has pursued ever more relentlessly the course of reducing the States to insignificance. This has been particularly true in the field of labor legislation. The first step in this direction was taken in 1945, while Stone was still on the bench. In *Hill* v. *Florida* ((1945) 325 U. S. 538), the Court, in a sweeping decision denied the authority of Florida to require a business agent of a labor union to be a citizen of the United States for more than 10 years, to be a person of good moral character, who has not been convicted of a felony; to require such business agents to be licensed with the payment of an annual fee of $1, and to require labor unions to file a written report with the Secretary of State disclosing its name, the location of its offices and the names and addresses of its officers. In vain, Mr. Justice Frankfurter protested that—

> The rights Congress created, the obligations it defined, the machinery it devised for enforcing these rights and securing obedience to these obligations, all were exclusively concerned with putting the strength of the Government against this (forbidden) conduct by employers * * *. There is not a breath in the act referring to any aspect of union activity unrelated to employer interference therewith. By refusing to legislate beyond that, Congress did not forbid the States from so legislating."

Next the Court ruled that the New York State Labor Relations Board had no jurisdiction to certify a union as collective bargaining representatives of foremen—*Bethlehem Steel Co.* v. *New York State Labor Relations Board* (1947) 330 U. S. 767).

It underscored its complete departure from the principles followed from the time of Chief Justice Marshall to that of Chief Justice Hughes by saying that—

> Congress has not seen fit to lay down even the most general of guides to construction of the act, as it sometimes does, by saying that its regulation either shall or shall not exclude State action.

It has overthrown the certification of a union as a bargaining agent for employees of a local telephone company, on the ground of supposed conflict with the National Labor Relations Act, even though the National Labor Relations Board had not undertaken to determine the appropriate bargaining representative for the employees of that company—*La Crosse Telephone Corporation* v. *Wisconsin Employment Relations Board* ((1949) 336 U. S. 18). It struck down the strike vote provisions of Michigan's labor mediation law which was designed to avert strikes with the States by requiring approval of a strike by a majority vote of the employees before it could be called, *Automobile Workers* v. *O'Brien* ((1950) 339 U. S. 454). Although three members of the court noted that the national emergency provisions of the Taft-Hartley Act indicated that the principle of collective bargaining should to some extent be subordinated to the public interest, and found no indication in that act that the States were not equally free to protect the public when in State emergencies, the Court denied the authority of Wisconsin to protect its people against interruption of essential public utility services by banning strikes which would cause such interruptions—*Bus Employees* v. *Wisconsin Employment Relations Board* ((1951) 340 U. S. 383). And the Court has not been content to strike down State laws which by dubious inferences it has found in conflict with an imputed although unexpressed intention of Congress. It has denied the authority of State courts to afford a remedy for conduct which was forbidden by both State and Federal law. In *Garner* v. *Teamsters Union* ((1953) 346 U. S. 485) it held that a State court could not enjoin picketing intended to coerce an employer into compelling or influencing his employees to join a union in violation of both Federal and State statutes which forbade such coercion. One sentence in this opinion shows how far the Court has moved from the principle formerly applied—that State laws were superseded only in case of direct and positive conflict with Federal law:

> We must spell out—
>
> The Court said:
>
> from conflicting indications of congressional will the area in which State action is still permissible.

Acting on the same tenuous inferences it reversed a State court decision enjoining picketing in a jurisdictional dispute between two unions which violated the State law against restraint of trade—*Weber* v. *Anheuser-Busch Inc.* ((1955) 348 U. S. 468).

Serious as these cases are in their denial of State power to deal with the particular problems involved, they pale into insignificance in comparison with the flagrant and indefensible denial of State power in the recent Nelson case—*Pennsylvania* v. *Nelson* ((1956) 350 U. S. 497). There the Court reversed the conviction of Steve Nelson, an acknowledged member of the Communist Party, for violation of the Pennsylvania sedition law.

Despite the fact that Congress had inserted a provision in the criminal code declaring that "Nothing in this title shall be held to take away or impair the jurisdiction of the courts of the several States under the laws thereof," the Court said that the Federal statutes touched a field in which the Federal interest is so dominant that the Federal system must be assured to preclude enforcement of State laws on the same subject. Despite the fact that 42 States have sedition laws, and that the sponsor of the measure declared at the time of its adoption that it would not affect State laws, the majority of the court held that "the scheme of Federal regulation" is "so pervasive as to make reasonable the inference that Congress left no room for the States to supplement it." Disregarding the fact that the Attorney General of the United States had advised that the State laws did not impede enforcement of the Federal law and urged that they be upheld, the majority of the Supreme Court concluded that "enforcement of State sedition acts presents a serious danger of conflict with the administration of the Federal program."

There is not a word in the Smith Act which justifies the decision in the Nelson case. As Justice Reed pointed out in his dissenting opinion:

> In the responsibility of national and local governments to protect themselves against sedition there is no dominant interest. * * * Mere fear by courts of possible difficulties does not seem to us in these circumstances a valid reason for ousting a State from exercise of its police power. These are matters for legislative determination.

Obviously, decisions based on such nebulous grounds are not legal decisions; they are dictated by disapproval of the policy of the State laws in question. As a recent writer in the Michigan Law Review puts it:

> It is obvious from a reading of the opinions that a judge's determination on the issue of preemption is profoundly influenced by view as to the wisdom or constitutionality on other grounds of the State act in question. * * * Stern disapproval of the State laws, moreover, stands out all through the majority opinions in *Hines* v. *Davidowitz* and *Commonwealth* v. *Nelson*. Since judges, like many other informed persons, differ sharply on the question of how best to meet the problem of internal subversion, it may be confidently predicted that considerations of this kind will continue to influence the decisions of these cases. (Hunt, Federal Supremacy and State Antisubversive Legislation, 53 Michigan Law Review 404 (1955).)

These cases are having many serious consequences. The greatest evil is, of course, the breakdown of State authority and State responsibility over matters of direct and immediate concern to its own people. But in addition to the State laws which are nullified under this doctrine, the tenor of such decisions, and the fact that they rest so largely on subjective judgments rather than on objective legal standards, encourages resistance to every State law in any field even remotely affected by Federal law. Thus, even where State authority is eventually upheld, its enforcement may be stymied during years of expensive litigation.

Moreover, these decisions are multiplying the burdens of Federal courts and Federal prosecutors.

With Federal dockets already congested, and backlogs of undecided cases growing ever longer, it is folly to close the doors of State courts on matters of immediate local concern which they are peculiarly well fitted to handle.

The remedy lies in the hands of Congress. There is now pending in the House of Representatives a bill, H. R. 3, introduced by Representative HOWARD W. SMITH, of Virginia, which is designed to furnish that remedy. The bill states clearly that—

> No act of Congress shall be construed as indicating an interest 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.

It further stipulates that—

> 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 an express provision of such act and such provision of the State law, so that the two cannot be reconciled or consistently stand together.

Thus, this bill would put an end to the practice of striking down State statutes because of supposed inconsistency with purposes read into Federal statutes by implication. No longer could the court justify its refusal to enforce State law by the claim that in so doing they were carrying out the will of Congress. In any case where a State law would be invalid even if Congress never legislated on the subject, this bill would not save it. It would affect only those cases where the States have power to legislate so long as they do not come in conflict with Federal law.

It would not give the States power to do anything they do not already have constitutional power to do. It would not allow them to defeat the expressed will of Congress in any matter on which Congress is competent to legislate. Under the supremacy clause, State laws would still be suspended to the extent that they conflict with express provisions of Federal law. It would simply prevent the frustration of State law by extravagant extension of Federal law on the basis of vague inferences as to the supposed intention of Congress. It would deprive the Supreme Court of the opportunity to kill State laws under the pretense that it is carrying out the policy of Congress.

If this doctrine of preemption is carried to its logical conclusion, the result can only be that the States will shortly be stripped of all of their authority, and the Federal Government would be made completely supreme in every field. It it not at all inconceivable that the States could be deprived of their authority to punish criminals, to levy taxes, and to act for the general welfare of their people.

Mr. Speaker, it is time for Congress to act in a way that will make it clear that we respect the historic position of our States in the Federal Union and to provide that no statute passed by Congress have the effect of repealing a State law unless there is a clear conflict between the two. History has shown us that there is little question but what the best and most effective form of government is that which is the closest to the people and that in many fields the States can act more effectively and efficiently than can the Federal Government. If the States are to be anything more than mere provinces completely subservient to Federal law, then it is necessary that we reaffirm in the States their constitutional rights.

Mr. Speaker, if the integrity of our whole constitutional form of government is to survive, the sovereignty of the States must be maintained.

COMMERCIAL APPLICATION OF ATOMIC ENERGY

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 20 minutes.

Mr. BAILEY. Mr. Speaker, so many bills on the commercial application of atomic energy have been put into the hopper during the current session that I find it difficult to keep informed on even a small part of them. Some of these bills are without question necessary to the national welfare, but others would astonish Nostradamus. His rhymed prophesies were arousing great interest 4 centuries ago; if he were alive today some of the atomic-energy proposals going into the hopper—without rhyme or reason—would make him look like a person completely devoid of imagination.

There is no denying it, atomic energy opens the door to new hopes and promises that can fulfill many of mankind's dreams. In looking into its potential, however, we must exercise every care to avoid the extreme dangers that are also present in the field of fissionable materials. Mythology explains that when Pandora opened the forbidden box she let out all the evils that have since plagued man. Only Hope remained inside the box. There is ample hope within the atom, but we must handle it with caution and not become so greedy about enjoying its benefits as to risk its incipient dangers.

One pitfall which could quickly react to the decided disadvantage of this Nation if the hurry-up proposals were adopted without due regard to other considerations is the economic peril which lies directly ahead. The United

States is in no financial position to underwrite an unnecessary multibillion dollar undertaking at this time. Despite the preelection promises of the so-called economy administration, the national debt has risen in the past 3 years. So long as the cold war continues, we need not look for any sharp reduction in this deficit; it is therefore incumbent upon all Members of Congress to attempt to effect savings wherever possible outside the defense budget.

I do not object to the Federal Government's vast expenditures for an atomic defense program. It is necessary to assure our own survival. We must continue to invest whatever sums are necessary in weapons of destruction so long as the Soviet menace threatens. By retaining superiority in this field, we may be able to avert further aggression on the part of the Communist horde.

The proposal to make Federal funds available for the rapid development of electrical energy through fissionable material is completely unrealistic at this time. Some protagonists of the all-out atomic energy program apparently desire to have the Government go into the electric utilities business on a large scale through this device. Others are willing to promise Federal funds as a stimulant to private development of the reactor program. Before committing the Federal Treasury to further outlays in this regard, a little commonsense must be injected into the affair. Representatives from coal States have for some time been aware of the fact that somebody along the line is trying to promote an industry that could put coal miners out of jobs if enough Federal funds were poured into the project. It is time that our colleagues from other areas take a look at what is going on so that they will be able to recognize the danger that can confront their people, too.

One of the bills that has come up for grabs recently is the measure to provide Government-financed disaster insurance for areas in which reactors would be installed. I strongly resent bureaucratic entry into this field of private enterprise. If the atomic power plants are too dangerous for private insurance companies to underwrite the risks, then such plants should not be established until the hazards can be reduced—through research conducted at experimental stations. There is no reason to speed the establishment of an atomic electrical industry. There is enough bituminous coal in this country to last for a thousand years. If certain isolated areas in this country are so in need of a less expensive power than is now available, I would prefer to subsidize transportation of coal so that steam plants would generate electricity at predetermined costs rather than to embark on this spending spree into the uncharted spaces of atom land. It would certainly be less expensive to the taxpayer. As for those portions of the populace which presumably would benefit by bringing reactors into their areas, I question whether they would welcome such a plan if all of the involved factors were made known in advance. For instance, if a resident of your community realizes that the rates of insuring against disaster potential in a reactor are so high as to make Government contribution necessary, it is highly improbable that he would be willing to subject his family to such conditions. Tell him what some of the leading scientists have to say about the dangers to the mind, as well as to the body, that are inherent in atomic radiation. Tell him how contaminated objects must be disposed of. Read to him the recent statement of the scientist who told the Royal Society of Health in England that, if widespread disaster is to be avoided, then the atomic waste produced at a plutonium plant in that country must not be dumped into the sea for 600 years.

On May 22 the United Press reported that a building in Cincinnati contaminated by radioactivity in 1951 is still not safe for human use. Contaminated machinery was crated in lead and shipped to Oak Ridge for atomic burial. Do the people who are earmarked to welcome reactors into their communities understand the attendant dangers? Under the circumstances it is reasonable to assume that beneficiaries would prefer to pay the going rate for power generated by conventional fuels rather than to subject themselves, their families, their friends, and future descendants to the indescribable horror that might follow an accident in an atomic electric power plant.

Keep in mind also, if you will, the fact that very little saving will be effected in the price of electric power regardless of how much progress is made in the development of reactor plants. Fuel accounts for only about one-sixth of the cost of getting electricity into your home, so savings are going to be very small regardless of the advances that may be made in the power plant in the years ahead.

Mr. Speaker, I think that it is about time we put a clamp on the perpetrators of this sideshow. Let us get the facts to the people on the atom as a fuel for generating electricity. When this is done, then maybe we can get down to the rational business at hand on Capitol Hill.

Under special permission to extend my remarks, I submit for the RECORD the following statement by Mr. Tom Pickett, executive vice president of the National Coal Association, to the Joint Committee on Atomic Energy on May 18, 1956. This statement is particularly pertinent in that it sets forth some reasonable limitations which should be adopted if the Government insists on providing indemnification against the disasters that might result from a large-scale reactor program.

STATEMENT OF TOM PICKETT, EXECUTIVE VICE PRESIDENT, NATIONAL COAL ASSOCIATION, TO THE JOINT COMMITTEE ON ATOMIC ENERGY, MAY 18, 1956

Mr. Chairman, my name is Tom Pickett. I am executive vice president of the National Coal Association with offices in the Southern Building, 15th and H Streets NW., Washington, D. C. The National Coal Association is the trade organization of the bituminous coal mine owners and operators, whose total production is two-thirds of all the commercial bituminous coal produced in the United States.

When at an appearance before this committee in February of this year, I set forth at some length the position of the bituminous coal industry with respect to the development of atomic energy. Since the purpose of the present hearing is to determine what legislation is necessary to cope with the possibility of atomic disasters in the power program, I will not repeat the details of the coal industry's position which have previously been submitted. However, in general, the coal industry recognizes the need for Government support of the national laboratories to conduct the basic and applied research in atomic energy; recognizes the need for continuation of the Government's power demonstration program up to certain limits; recognizes that public interest requires atomic energy be utilized principally in ways or processes that contribute efficiently to the energy requirements of this Nation and the world; and recognizes that, in so doing, the national laboratory effort be directed toward minimizing fuel processing costs, increasing the safety factors against the public hazard and developing high temperature materials of construction.

Let me remind you at this point that the United States is one of the few nations of the world blessed with sufficient reserves of fossil fuels to meet the Nation's power requirements at low cost for centuries to come. In the United States the most economic source of steam generated electric power in the foreseeable future will be plants fueled by coal, oil, or natural gas. The coal industry stands ready to meet the Nation's power needs for many centuries to come, without subsidy in any form and without endangering the safety of our citizens.

We are concerned, as we believe all citizens should be, with the problem immediately under consideration, and we hope that our views will be of some assistance to this committee in determining upon a proper course of action.

Within certain limits, we believe the Government should undertake to indemnify, to the extent that money can compensate for the injuries and loss of life which may arise, against injuries and damages which may occur in the operation of nuclear power reactors.

From the information available at this time, it seems apparent that the extensive development of nuclear power cannot go forward unless the Government either (1) agrees to indemnify the operators of such plants against liability arising from disasters, or (2) undertakes the ownership, construction, and operation of all nuclear plants. It appears that insurance against atomic disasters will be available in amounts limited to $50 million or $60 million per disaster, whereas the possible liabilities range from hundreds of millions of dollars to billions of dollars.

It would seem that it matters little to the people who may be affected by an atomic disaster whether the nuclear power program proceeds under private enterprise with Government indemnity or under outright Government ownership. In either event, the burden of risk must fall upon Federal Government because no other possible adequate source of indemnity is available. The development of atomic energy should be kept within the principles of our free enterprise system insofar as it is possible to do so. Keeping the nuclear power program within the principles of the free enterprise system to the greatest extent possible will result in a lower financial burden on the Federal Government. For these reasons, the bituminous coal industry feels that the Federal Government should provide indemnity against liabilities arising out of atomic disasters within certain limits to be prescribed by law.

The limitations upon the Government indemnity should include a requirement that the owner or operator of a nuclear facility should be required to purchase insurance to the greatest extent available, and Government indemnity should be available only in-

sofar as the actual liabilities exceed the insurance purchased.

Government indemnity should be available only for one of each basic type of the reactors which constitute a part of the present atomic energy development program. The legislation enacted should not authorize Government indemnity for plants which may be subsidized under a simple expansion of the present experimental program. If such an expansion of the experimental program becomes necessary, the Congress should reserve to itself an opportunity to reconsider the disaster indemnity question by requiring new legislation at that time. This opportunity to reconsider will be available if the legislation now under consideration is limited as herein set forth. In the present state of uncertainty it would by unwise to commit the Government to such an unusual program for an extended period of time.

We want to emphasize here two points. First, Government indemnity against disaster, and all other subsidies of atomic development, should be available only for plants which will produce new information, information which will supplement existing knowledge and contribute to the advancement of the nuclear power art. The Government should not subsidize in any way projects which appear to duplicate each other.

Second, Government indemnity against atomic disasters, and all other subsidies of atomic development, should not be available to nuclear power plants which may be constructed after atomic energy is considered to have passed the experimental stage and reached the competitive stage. If and when the development of the atomic energy art reaches the point where it can contribute to the energy requirements of this Nation on a competitive basis, then all Government subsidies should cease.

We think that Congress should require that experimental and developmental nuclear plants constructed with the aid of Government indemnity against disaster liabilities, or with the aid of other Government subsidies, be constructed in isolated areas remote from large centers of population. It is probably true that the over-all operational costs of such plants would be somewhat greater because the power produced would have to be transmitted longer distances. However, it has been stated by many authorities that nuclear power can be expected to be competitive first in remote areas where conventional fuels are not readily available. Therefore, requiring a reasonable degree of isolation from large concentrations of prospective disaster victims would give actual operational experience in those areas where these plants are expected to have their earliest break-even point, as well as minimize the hazard to the public.

The overall operational costs of isolated plants may be somewhat greater if the power produced has to be transmitted longer distances to reach the point of consumption in large metropolitan centers. However, these plants cannot be justified on the basis of economics, because everyone expects that the power which they produce will cost more than power from conventional fuels. The only justification for the construction of these plants is found, not on the basis of economics, but on the basis of research. Since they are research projects, the requirement of isolation would in effect be a protection to the public in the research and development program. The fact that this protection might cost an additional sum of money should not deprive the public of this protection, inasmuch as it in no way detracts from the progress which might be attained in the atomic energy art.

We doubt very seriously that the Government has any moral right to subject its citizens to all the risks attendent upon an atomic disaster, especially where those risks can be minimized by the payment of a reasonable price for additional protection. If and when the atomic energy art advances to the point where there can be some reasonable estimate of the public risk involved, then a decision can be made as to whether or not such plants are justified in close proximity to large centers of population. As stated in the Columbia University report on Financial Protection Against Atomic Hazards, published in March 1956, "Should atomic accidents happen at such frequency that they become a real threat to the economy, we can then reexamine the question of full protection. Indeed, we can then reexamine whether the rapid development of peaceful atomic energy is worth the cost."

Under date of February 11, 1956, there appeared in the publication Human Events an article entitled "Nuclear Nonsense," which was written by David Shea Teeple, a former assistant to AEC Chairman Lewis L. Strauss. We believe Mr. Teeple's views on the propriety of isolation of experimental plants warrant repetition here. He said:

"Generally, when we change techniques of manufacturing, it is because we achieve a better or a cheaper product. Are either of these yardsticks applicable to the development of atomic power? The product is going to be the same—the hazards are going to be increased, and the cost is going to remain constant or, if anything, increase.

"Why, then, the hysterical rush to develop this program? What is wrong with pursuing the problem in an orderly, scientific fashion, in isolated sites already established for that purpose?

"Some of us have spent many an hour inside reactor buildings and know that every conceivable safety device is employed. The possibility of disaster is remote but nevertheless ever present. The old saying still applies to the effect that nothing can be made so foolproof that a big enough fool can't disrupt it."

Industry normally includes in the competitive cost of production the expense of the risk involved in the particular type of enterprise. The public liability risk is relatively small in most industries. However, where the risk is great the premium for liability insurance is substantial. For example, the explosives industry pays a high premium for insurance against public liability in its manufacturing, handling, and transportation.

It is obvious that no actuarially sound rate can be established for atomic-disaster insurance over and above the limited amount available from private enterprise until such unfortunate time when experience will have provided an indication of the total cost of such disasters. In addition, the reactors being planned under the present program could not bear the cost of such insurance even if it could be determined on a precise basis, because they are expected to be noncompetitive even without the insurance cost. Under these circumstances it seems reasonable for the Government to assume, for the limited number and type of experimental reactors already discussed, the additional subsidy of the undetermined cost of the indemnity under discussion.

Notwithstanding these considerations, we should not entirely lose sight of the healthy principle already endorsed by the AEC that "financial assistance to private power reactors should be in a form which can clearly be identified and measured." Unless the amount of Government subsidies involved in the production of atomic power is measured and made public, the public will never be in a position to evaluate the economic desirability of a Government-financed atomic power development program. The legislation now under consideration should provide machinery to establish, with the most accuracy possible under the circumstances, the reasonable cost of the free indemnity being furnished by the Government. This legislation should also direct that all official calculations of comparable costs of electric generation include such reasonable cost of the indemnity subsidy for atomic powerplants.

We feel there are a large number of vital problems with respect to which the Government should secure the greatest possible amount of information before enacting legislation dealing with the atomic disaster situation. Before such legislation is enacted, it should first be determined whether the Government will merely indemnify the nuclear reactor operator against his liabilities to the public arising out of an atomic disaster. As an alternative, will the Government attempt to afford financial compensation to the public for all of the actual damages which may result from such a disaster, including those injuries for which recovery cannot be had under existing law because they cannot be proved to be the direct result of the particular disaster in question, or for other reasons with which existing law is unable to cope. We agree with the Columbia University report, previously referred to, which states that "in discussions of the problem to date, the vulnerable position of the public has not been sufficiently articulated." Whatever legislation is enacted should attempt to define the injuries and the damages for which compensation will be paid by the Federal Government. Existing law and legal concepts may be sufficient to determine the damages arising as a direct and immediate result of any blast which might occur in an atomic reactor. However, new concepts, based upon yet-to-be-developed information and techniques, will be required to determine the extent of actual injuries arising out of the escape of radioactive poisons in an atomic disaster.

Under date of April 16, 1956, the chairman of this committee delivered an address before the northeastern regional meeting of the American Bar Association. In that address he listed in detail a number of the perplexing problems which should be considered by the Congress in connection with this matter, if proper consideration is to be given to the public interest. We commend that speech to the attention of this committee, and point out that the questions therein raised are not mere legal braintwisters, they are questions which must be solved if the public is to be relieved of any substantial part of the financial burden of atomic power disaster. For example, if the Government decides to grant only indemnity against liability under existing law, how can the victims of an atomic disaster prove negligence in the operation of a reactor? How can damage from radiation be proved, in the face of the statute of limitations? Will the cost of evacuation and decontamination of a contaminated area be recoverable? If radiation causes damage to the genes in a parent, to whom does the right of action belong, the parent or the deformed child?

We do not have the answers to these questions and the many equally difficult questions which can be raised in connection with legislation to reimburse the public for injuries and damages caused by nuclear reactors. They should be answered in a manner which will furnish adequate financial protection to the general public before the Government proceeds with the construction or subsidization of atomic power reactors near large centers of population.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BEAMER, for 30 minutes, on Tuesday, June 12.

Mr. THOMPSON of Louisiana (at the request of Mr. MCCORMACK), for 60 minutes, on Wednesday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. SMITH of Wisconsin and to include extraneous matter.

Mr. MACHROWICZ and include extraneous matter.

Mr. ROGERS of Texas.

Mr. METCALF in two instances and to include extraneous matter.

Mr. BONNER and to include an editorial and extraneous matter.

Mrs. FRANCES P. BOLTON (at the request of Mr. HIESTAND) and to include extraneous matter.

Mr. VURSELL and to include extraneous matter.

Mr. VAN ZANDT and to include extraneous matter.

Mr. BOGGS and to include extraneous matter, notwithstanding the fact it exceeds the limit and is estimated by the Public Printer to cost $880.

Mr. POLK (at the request of Mr. ALBERT).

Mr. WATTS and to include a speech by the gentleman from Kentucky [Mr. CHELF].

SENATE BILL REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1873. An act to increase the minimum postal savings deposit, and for other purposes; to the Committee on Post Office and Civil Service.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3255. An act to amend the Classification Act of 1949 to preserve in certain cases the rates of basic compensation of officers and employees whose positions are placed in lower grades by virtue of reclassification actions under such act, and for other purposes;

H. R. 8225. An act to authorize the addition of certain lands to the Pipestone National Monument in the State of Minnesota; and

H. R. 9822. An act to provide for the establishment of a trout hatchery on the Davidson River in the Pisgah National Forest in North Carolina.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3515. An act to amend the National Housing Act, as amended, to assist in the provisions of housing for essential civilian employees of the Armed Forces.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On June 1, 1956:

H. R. 11177. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1957, and for other purposes.

On June 4, 1956:

H. R. 1671 An act for the relief of Clement E. Sprouse;

H. R. 1913. An act for the relief of Mrs. Anna Elizabeth Doherty;

H. R. 2216. An act to amend the Act of June 19, 1948 (ch. 511, 62 Stat. 489), relating to the retention in the service of disabled commissioned officers and warrant officers of the Army and Air Force;

H. R. 3996. An act to further amend the Military Personnel Claims Act of 1945;

H. R. 4229. An act to provide running mates for certain staff corps officers in the naval service, and for other purposes;

H. R. 4437. An act relating to withholding for State employee retirement systems purposes, on the compensation of certain civilian employees of the National Guard and the Air National Guard;

H. R. 4569. An act to provide for renewal of and adjustment of compensation under contracts for carrying mail on water routes;

H. R. 4704. An act to provide for the examination preliminary to promotion of officers of the naval service;

H. R. 5268. An act to amend section 303 of the Career Compensation Act of 1949 to authorize the payment of mileage allowances for overland travel by private conveyance outside the continental limits of the United States;

H. R. 6268. An act to facilitate the construction of drainage works and other minor items on Federal reclamation and like projects;

H. R. 7679. An act to provide for the conveyance of certain lands by the United States to the city of Muskogee, Okla.;

H. R. 8477. To amend title II of the Women's Armed Services Integration Act of 1948, by providing flexibility in the distribution of women officers in the grades of commander and lieutenant commander, and for other purposes;

H. R. 8490. An act authorizing the Administrator of General Services to convey certain property of the United States to the city of Bonham, Tex.;

H. R. 8674. An act to provide for the return of certain property to the city of Biloxi, Miss.;

H. R. 9358. An act to require the Administrator of Veterans' Affairs to issue a deed to the city of Cheyenne, Wyo., for certain land heretofore conveyed to such city, removing the conditions and reservations made a part of such prior conveyance; and

H. R. 10251. An act to authorize the Administrator of Veterans' Affairs to deed certain land to the city of Grand Junction, Colo.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 58 minutes p. m.) the House adjourned until tomorrow, Wednesday, June 6, 1956, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1922. A letter from the Secretary of the Army, transmitting a report of the number of officers on duty with the Department of the Army and the Army General Staff as of March 31, 1956, pursuant to section 201 (c) of Public Law 581, 81st Congress; to the Committee on Armed Services.

1923. A letter from the Attorney General, transmitting the report of the Interdepartmental Committee for the Study of Jurisdiction Over Federal Areas Within the States; to the Committee on Government Operations.

1924. A letter from the Assistant Attorney General, transmitting a printed copy of the report of the Interdepartmental Committee for the Study of Jurisdiction Over Federal Areas Within the States; to the Committee on Government Operations.

1925. A letter from the Comptroller General of the United States, transmitting a report on the audit of the United States Section, International Boundary and Water Commission, United States and Mexico, Department of State, for the fiscal years ended June 30, 1954 and 1955, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

1926. A letter from the Comptroller General of the United States, transmitting a report on review of compensation and pension program, Washington offices, Veterans' Administration, July 1954, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

1927. A letter from the Assistant Secretary of the Interior, transmitting for informational purposes, a contract which has been negotiated with National Park Concessions, Inc., for the temporary operation of the McKinley Park Hotel, Mount McKinley National Park, Alaska, covering the period May 14, 1956, to September 30, 1956; to the Committee on Interior and Insular Affairs.

1928. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation entitled "A bill to provide a uniform premium pay system for Federal employees engaged in inspectional services, to authorize a uniform system of fees and charges for such services, and for other purposes"; to the Committee on Post Office and Civil Service.

1929. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, transmitting additional information relating to the case of Andrew Foh Chung Jean, A–7841161, involving the provisions of section 6 of the Refugee Relief Act of 1953, and requesting that it be withdrawn from those pending before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

1930. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, transmitting additional information relating to the case of Purita M. Johnson, A–6072679, involving suspension of deportation, and requesting that it be withdrawn from those pending before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

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. SMITH of Wisconsin: Committee on Foreign Affairs. Part 2, minority views on H. R. 11356. A bill to amend further the Mutual Security Act of 1954, as amended, and for other purposes; (Rept. No. 2213).

Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 8657. A bill to amend the act of June 22, 1948 (62 Stat. 568), and for other purposes; without amendment (Rept. No. 2261). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 10504. A bill to allow a homesteader settling on unsurveyed public land in Alaska to make single final proof prior to survey of the lands; without amendment (Rept. No. 2262). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 10946. A bill to provide for the disposition of surplus personal property to the Territorial government of Alaska until December 31, 1958; with amendment (Rept. No. 2263). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H. R. 11592. A bill to establish rules of interpretation governing questions of the effects of acts of Congress on State laws; to the Committee on the Judiciary.

By Mr. ABERNETHY (by request):

H. R. 11593. A bill to revise the act for the retirement of public school teachers in the District of Columbia; to the Committee on the District of Columbia.

By Mr. ALLEN of California:

H. R. 11594. A bill to amend the District of Columbia Alcoholic Beverage Control Act; to the Committee on the District of Columbia.

By Mr. BARRETT:

H. R. 11595. A bill to amend the Refugee Relief Act of 1953, as amended, to provide for the allocation of unused visas; to admit certain aliens afflicted with tuberculosis; and to provide relief to certain aliens under that act, and for other purposes; to the Committee on the Judiciary.

By Mr. BARTLETT:

H. R. 11596. A bill to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900 (48 U. S. C., sec. 381); to the Committee on Interior and Insular Affairs.

By Mr. COON:

H. R. 11597. A bill for the sale at fair market value of the McNary Dam townsite to the port of Umatilla, Oreg., and for other purposes; to the Committee on Government Operations.

By Mr. DINGELL:

H. R. 11598. A bill to provide certain increases in annuity for retired employees under the Civil Service Retirement Act of May 29, 1930, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HORAN:

H. R. 11599. A bill to provide that the Secretary of the Army shall purchase certain oil paintings of the Nez Perce Indian leaders for display at the site of the Chief Joseph Dam in the State of Washington; to the Committee on Public Works.

By Mr. HUDDLESTON:

H. R. 11600. A bill to limit and regulate the appellate jurisdiction of the Supreme Court of the United States; to the Committee on the Judiciary.

By Mr. HYDE (by request):

H. R. 11601. A bill to provide for examination, licensing, registration and regulation of dispensing opticians and optical technicians in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. McVEY:

H. R. 11602. A bill to amend the act entitled "An act to authorize the coinage of 50-cent pieces to commemorate the life and perpetuate the ideals and teachings of Booker T. Washington" to authorize the coinage of 50-cent pieces in connection with the celebration of the centennial anniversary of the birth of Booker T. Washington; to the Committee on Banking and Currency.

By Mr. O'BRIEN of New York (by request):

H. R. 11603. A bill to amend certain financial provisions of the Organic Act of the Virgin Islands; to the Committee on Interior and Insular Affairs.

By Mrs. PFOST:

H. R. 11604. A bill to provide for the maintenance of production of tungsten, asbestos, fluorspar, and columbium-tantalum in the United States, its Territories, and possessions, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. POWELL:

H. R. 11605. A bill to amend the Organic Act of the Virgin Islands; to the Committee on Interior and Insular Affairs.

H. R. 11606. A bill to amend the Organic Act of the Virgin Islands; to the Committee on Interior and Insular Affairs.

H. R. 11607. A bill to amend the Organic Act of the Virgin Islands; to the Committee on Interior and Insular Affairs.

By Mr. REUSS:

H. R. 11608. A bill to amend the act entitled "An act to authorize the coinage of 50-cent pieces to commemorate the life and perpetuate the ideals and teachings of Booker T. Washington" to authorize the coinage of 50-cent pieces in connection with the celebration of the centennial anniversary of the birth of Booker T. Washington; to the Committee on Banking and Currency.

By Mr. TOLLEFSON:

H. R. 11609. A bill to provide that the Secretary of the Army shall purchase certain oil paintings of Nez Perce Indian leaders for display at the site of the Chief Joseph Dam in the State of Washington; to the Committee on Public Works.

By Mr. TRIMBLE:

H. R. 11610. A bill to promote and to establish policy and procedure for the development of water resources of lakes, rivers, and streams; to the Committee on Public Works.

H. R. 11611. A bill to provide for the establishment of the Pea Ridge National Military Park, in the State of Arkansas; to the Committee on Interior and Insular Affairs.

By Mr. VINSON:

H. R. 11612. A bill to authorize the Secretary of the Navy to dispose of certain vessels, and for other purposes; to the Committee on Armed Services.

H. R. 11613. A bill to authorize the loan of naval vessels to the governments of the Federal Republic of Germany, Greece, Portugal, Spain, and friendly Far Eastern nations, and for other purposes; to the Committee on Armed Services.

H. R. 11614. A bill to extend the authority of the Administrator of Veterans' Affairs to appoint and employ retired officers without affecting their retired status; to the Committee on Armed Services.

By Mr. DINGELL:

H. J. Res. 633. Joint resolution to authorize the Secretary of Commerce to sell certain war-built tankers; to the Committee on Merchant Marine and Fisheries.

By Mr. FRELINGHUYSEN:

H. J. Res. 634. Joint resolution to establish a joint congressional commitee to investigate racketeering and related activities within certain labor unions; to the Committee on Rules.

By Mr. BOGGS:

H. J. Res. 635. Joint resolution providing for a study of the possibility and desirability of establishing a university of the Americas; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BENTLEY: Resolution of House of Representatives of the State of Michigan memorializing the Congress of the United States to implement the Tripartitie Declaration of the United States, Great Britain, and France guaranteeing the borders of Israel; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 or rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COUDERT:

H. R. 11615. A bill for the relief of Bertha Gabriel Y. Martinez Gomez; to the Committee on the Judiciary.

By Mr. HALE:

H. R. 11616. A bill for the relief of Frederika Anna Elizabeth Leitl; to the Committee on the Judiciary.

By Mr. McCULLOCH:

H. R. 11617. A bill for the relief of Carmela Andreone Hoover; to the Committee on the Judiciary.

By Mr. SMITH of Virgina:

H. R. 11618. A bill for the relief of Mrs. Katherine E. Colbert and her minor children Larry C. Colbert and Barbara A. Colbert; to the Committee on the Judiciary.

By Mr. WALTER:

H. J, Res. 636. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

H. J. Res. 637. Joint resolution to waive certain subsections of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; to the Committee on the Judiciary.

H. J. Res. 638. Joint resolution to facilitate the admission into the United States of certain fiancees of United States citizens; to the Committee on the Judiciary.

H. J. Res. 639. Joint resolution for the relief of 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:

1101. By Mr. ASHMORE: Petitions of Paul E. Smith and 912 other residents of Duncan, Lyman, Greer, Landrum, Greenville, Travelers Rest, Taylors, Tigerville, Pelzer, Belton, Simpsonville, Owings, Gray Court, Woodruff, Fountain Inn, Marietta, and Slater, S. C., urging enactment of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

1102. By Mrs. CHURCH: Resolution of the General Federation of Women's Clubs in annual convention at Kansas City, Mo., recommending that clubs study carefully the details of the report of the second Hoover Commission and resolving that the General Federation of Women's Clubs support congressional action which would implement those provisions in the report which are in accord with duly established policies of the general federation; to the Committee on Government Operations.

1103. By Mr. HALE: Resolution of the Thomas W. Cole Post No. 19, the American Legion, Sanford, Maine, requesting consideration by the Committee on Veterans'

Affairs of the war veterans security bill, H. R. 7886, and favoring its prompt passage; to the Committee on Veterans' Affairs.

1104. By Mr. VORYS: Petition of 45 residents of Ohio, urging immediate enactment of a separate and liberal pension program for veterans of World War I and their widows and orphans; to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

Address by Hon. Marion B. Folsom, Secretary of Health, Education, and Welfare

EXTENSION OF REMARKS

OF

HON. CHARLES E. POTTER

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Tuesday, June 5, 1956

Mr. POTTER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by Hon. Marion B. Folsom, Secretary of Health, Education, and Welfare, before the annual meeting of the President's Committee on Employment of the Physically Handicapped on May 17, 1956.

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

ADDRESS BY MARION B. FOLSOM, SECRETARY OF HEALTH, EDUCATION, AND WELFARE, BEFORE THE ANNUAL MEETING OF THE PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE PHYSICALLY HANDICAPPED, DEPARTMENTAL AUDITORIUM, UNITED STATES DEPARTMENT OF LABOR, WASHINGTON, D. C., MAY 17, 1956

It is a privilege and personal pleasure to meet today with the President's Committee. I want you to know the important work you are doing is deeply appreciated by all of us in the Department of Health, Education, and Welfare.

The President's Committee and our Department are both working toward a common goal for the handicapped person—a useful, productive place in life. One of the essentials in this common cause is an active and forceful program of public education about the people who are handicapped and their rightful place in the world of work, because lack of public understanding and acceptance still presents great obstacles to vocational rehabilitation. Your Committee is carrying on an effective program to tell the American people the facts about our handicapped citizens, and for these efforts we are grateful.

Our mutual concern for handicapped people raises many questions about the broader problems of disability among our people—problems which should be the common concern of businessmen, organized labor, and your local, State, and Federal Governments.

This century has seen a tremendous breakthrough in medicine, just as in air flight, nuclear energy, and many other fields. Medical research and preventive medicine have opened great new frontiers. Dramatic advances in curative medicine and surgery, too, have made it possible for thousands of individuals to survive illnesses and injuries which would have been fatal a few decades ago.

For example, around the time of World War I, the death rate for young diabetics at age 20 was 400 per 1,000. In other words, about 3 out of 5 survived. Then came insulin. Experience in the last few years shows that 99 out of 100 live.

Nevertheless, the diabetic persons' problems of living today are still serious. When he applies for a job, he must say, "Yes, I am a diabetic." And the employer must ask himself, "Will I hire a diabetic?"

For these and many hundreds of thousands of other disabled persons, the progress of medicine has brought new problems of living. This very success in medical science contributes to the mounting number of handicapped people who have survived serious illness and injury only to find that there may be no place for them in our social, industrial, or business life.

Disability raises many problems far beyond the direct question of medical care—problems which are felt more keenly each day in our homes, offices, and factories. These problems are reflected in the work of your local, State, and national governments, and in the taxes you pay to support them. The so-called catastrophic illnesses and injuries mean more than a catastrophe of the body. They mean the financial collapse of thousands of hard-working, thrifty families every year. When income is halted while medical costs mount and living expenses continue, then another family faces destitution.

As a nation, we provide some measure of financial protection against this hazard through a variety of means—the voluntary and private charity groups, various forms of insurance, workmen's compensation, and others. Through the public assistance agencies, we try to see that no person in serious want is ignored and that basic financial needs are met. To the extent that money payments can help, we have taken many steps in the right direction.

However, we are now reaching a stage of greater maturity, I believe, in our approach to many social problems. In the administration of public-assistance programs, for example, we have enough experience to realize that cash payments, by themselves, are not a satisfactory solution for either the people who receive them or the taxpayers who provide them. Our efforts so far have been to alleviate the effects of personal misfortune—but we have only recently begun to move against the causes.

With this in mind, the President this year recommended that Congress enact legislation which would lend the support of the Federal Government to this concept of getting at the causes of public dependency. The administration has proposed an approach which will encourage research to produce more facts, along with a broadening of public welfare services to help people overcome their problems and advance to a place of self-support and dignity.

There is no better example of the constructive results of this approach than the experience of the vocational-rehabilitation program. In recent years, this program has given an increasing amount of its attention and resources to restoring and reestablishing disabled people who are dependent upon public assistance.

The State rehabilitation agencies are contending with an enormous problem, in relation to their resources, for disability ranks high among the causes of dependency. About 1 million people, including some 325,000 dependent children, must look to the public assistance agencies for support because the family breadwinners are disabled—some of them with permanent impairments, others with short-term conditions. Payments by the public welfare agencies to maintain these individuals have reached nearly a half billion dollars annually.

No one knows, of course, just how many of these disabled men and women could be rehabilitated. But as experience accumulates, it becomes increasingly evident that an all-out effort in rehabilitation could make a substantial reduction in the number of disabled people who must depend upon public support.

The financial gains for both the disabled men and women and the public would be substantial. In 1955, over 11,000 disabled people who had been on the public assistance rolls were rehabilitated and placed in employment. To leave them on the welfare rolls would have cost almost $10 million a year. To rehabilitate them cost less than $8 million. Estimates indicate that these persons will pay in Federal income taxes alone much more than the funds spent on their rehabilitation. Far more important than the economic advantages, however, are the human rewards for a life of independence and self-reliance.

The value of this program has been widely recognized, but this recognition has not always been followed by adequate support. One of the first legislative proposals made by the President was to expand and improve this program. Congress enacted a new Vocational Rehabilitation Act without dissent in either the House or Senate—a rare occurrence on such important legislation.

Under this broadened act, the program already has made progress toward its goal of bringing the Nation's rehabilitation resources abreast of the needs of the handicapped. The Office of Vocational Rehabilitation reported an increase in the number of disabled people restored last year and another increase is expected during the current year. Meanwhile, we have been building a foundation for much greater advances in the future.

To take full advantage of the new act, the Federal and State Governments and many voluntary groups have joined in a cooperative effort to bring more and better services to those who are disabled. Nearly 150 nongovernmental organizations have launched projects—some to expand the range and volume of their services, others to undertake research and other developmental work—to widen the horizons for the whole field of rehabilitation.

These voluntary groups include such fine organizations as the crippled children's societies, Goodwill Industries, and their nationwide system of affiliates, local units of the American Heart Association, and many others. In these projects now going forward with the support of the Federal and State rehabilitation agencies, the voluntary organizations are investing their own funds as well.

Several research projects are seeking answers to employment problems. In New York, a project is now under way to analyze hiring practices among a representative group of employers. Another investigation is aimed at learning the extent to which a rehabilitation team can improve the employment outlook for persons who are confined to their homes.

In Massachusetts, another study will try to find improved techniques for preemployment evaluation and work preparation of those who have chronic rheumatic disease. In California, the vocational rehabilitation agency has sponsored a project to develop ways of speeding the rehabilitation of injured employees under workmen's compensation.

In making grants for these special projects, our Office of Vocational Rehabilitation

has the benefit of the advice and recommendations of a National Advisory Council on Vocational Rehabilitation—an outstanding group of national leaders in medicine, education, rehabilitation, industry, and labor. In helping to shape the direction of this new research and demonstration program, the Advisory Council has performed a valuable public service for which we in the department are grateful.

Many other benefits of the new Vocational Rehabilitation Act are becoming apparent each day. Under the new training grant provisions of the act, 90 colleges, universities, and special institutions have joined forces with the Office of Vocational Rehabilitation to augment their teaching programs in rehabilitation and to develop new ones. From these schools, located in 30 States, will come the bulk of the professional workers we must have to provide more and better rehabilitation services in the coming years.

Services for the blind, particularly in the vending-stand program, have been greatly strengthened by the 1954 act. The cooperative work between the Department of Labor, our own Department, and the President's committee—which long has been important in developing new job opportunities for the handicapped—has been recognized formally by the act. Out of this new relationship came a series of cooperative projects during the past year—all aimed at improving job opportunities for those who are disabled.

Another portion of the new law provided for staffing each Employment Service office with at least one person specially qualified to direct placement efforts for the handicapped.' Under this provision, the United States Employment Service and the State employment services have substantially increased the number of handicapped individuals placed in jobs.

The progress made under the new law during the past year and a half has been possible because many persons and organizations have devoted themselves wholeheartedly to the interests of the handicapped men and women of this country. Many of the people in this auditorium this afternoon have played important parts in this progress.

We have a responsibility now to look at the situation in its entirety and to understand the size of the task still before us. If the vocational rehabilitation program is to achieve its full potential, if it is to accept all the people needing services each year, then we must increase by 300 percent the number of persons restored to employment annually.

This constitutes tremendous growth, and it cannot be accomplished overnight. We are, however, dealing with a problem whose magnitude we have only recently begun to appreciate. Growth will be measured each year—and our task now is to provide for full, healthy growth each year.

Under the new act, Congress has voted increased funds for rehabilitation each year and has indicated its support of expanded services to restore more disabled persons. In this State-Federal program, the degree to which the States give their support—financial and in other ways—provides the key to successful expansion. Many States already have responded vigorously to the opportunities provided in the new law. In less than 2 years, the amount of State financial support has increased by more than 50 percent for the country as a whole. But some States still have not seized the opportunities that are open.

There are great variations among the States in the funds invested in this constructive work. To illustrate: the per capita expenditure for vocational rehabilitation in one State is 26 cents. At the other end of the scale, one State is devoting only 3 cents to rehabilitation of its handicapped people. It is noteworthy that there seldom is a relationship between the amount devoted to rehabilitation and the per capita income of the States concerned. In fact, some of the low-income States are far surpassing the higher-income States in the funds they are investing to rehabilitate their disabled people.

The rate of growth of the rehabilitation program reflects to a large degree the extent to which we have been successful in our educational efforts. Even today, rehabilitation is not always recognized widely and used effectively. Thus, there is a challenge in public education for all of us and, particularly, for the President's Committee, which has done so much to foster a better understanding of handicapped people.

It is important that we help the public to understand the many ways in which the restoration of disabled people is contributing to the progress of our country. The rehabilitation and reemployment of handicapped men and women is not simply a question of doing something for them. They, in turn, are doing much for us.

Last year, in the midst of a growing shortage of engineers, 212 disabled people completed their rehabilitation programs and went to work as engineers—proving that a man can have a disability and still be a good engineer. In the same year, another 60 were restored to the practice of medicine and surgery.

As a result of last year's rehabilitation effort, our country acquired 74 chemists, 163 trained nurses, 370 laboratory technicians, 390 draftsmen, and nearly 1,300 teachers. Thousands of other disabled people now are performing just about every type of work found in this country. Our national life has been enriched and our productive might has been strengthened because these trained individuals had a chance to reestablish themselves in useful work.

In the years ahead, hundreds of thousands of men and women will win their battles with illness and injury. They will travel the difficult road to recovery and rehabilitation. Most of them will be looking toward that all-important day when they are ready for a job.

At that critical point, their futures will rest with the employers of the Nation. At that time, an employer must decide whether a welfare payment or a useful job is the answer. This should be a challenge to American business and industry, large and small.

I join the President's Committee in its appeal to the Nation's employers to recognize the ability that so often seems obscured by a disability.

For the wonderful work which the Committee is doing, and for this opportunity to participate in your meeting today, I thank you.

Civil Servant From 18th Texas District Awarded for Outstanding Service

EXTENSION OF REMARKS
OF
HON. WALTER ROGERS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 5, 1956

Mr. ROGERS of Texas. Mr. Speaker, today the Department of Agriculture is presenting awards for superior service to those employees of the Department who have made outstanding achievements in their roles as public servants. It is with a great measure of pride that I am able to announce that one of these awards is being given to Miss Nettie Sims, of Clarendon, Tex., in the 18th District of Texas, an employee in the county office of the Farmers Home Administration in Texas.

Miss Sims is being presented with the United States Department of Agriculture superior service award for "her unusual efficiency and dependability in conducting the duties of a county office clerk so that borrowers are given prompt, courteous service."

Mr. Speaker, in paying tribute to Miss Sims I would like to pay tribute to that great army of hardworking, conscientious, able Federal employees who carry on the work of Government and deal directly with the people. I have always been very firm in the belief that the people are entitled to every proper consideration and courtesy when doing business with any Government office and, for the most part, employees in the Federal service strive to give that kind of service. I am glad that the highest award for such service goes to one of these workers in the district I have the honor to represent in the Congress. I congratulate Miss Sims in being thus recognized, and I am sure her achievement will be a great inspiration to all Federal employees to strive ever to do a better job for the people whom it is their duty to serve.

Address by Hon. Clifford P. Case, of New Jersey, at Dinner of Paterson Branch, NAACP

EXTENSION OF REMARKS
OF
HON. H. ALEXANDER SMITH
OF NEW JERSEY
IN THE SENATE OF THE UNITED STATES
Tuesday, June 5, 1956

Mr. SMITH of New Jersey. Mr. President, my distinguished colleague, the junior Senator from New Jersey [Mr. CASE], on Monday, May 21, 1956, at the Alexander Hamilton Hotel, in Paterson, N. J., made an address to the Paterson branch of the NAACP.

I ask unanimous consent that the address be printed in the RECORD.

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

EXCERPTS FROM REMARKS BY SENATOR CLIFFORD P. CASE, REPUBLICAN, OF NEW JERSEY, PREPARED FOR DELIVERY AT DINNER OF PATERSON BRANCH, NAACP, MONDAY, MAY 21, 1956, AT ALEXANDER HAMILTON HOTEL, PATERSON—SENATOR CASE RECEIVING A CIVIL RIGHTS CITATION FROM THE BRANCH

Meetings such as this play a significant part in helping men and women of America find ways of bringing equality and justice to all Americans. But, in addition, they also make a contribution to the foreign policy of this country; for it is by evidence of such concern and such progress that other nations recognize the worth of our democratic form of government.

Let us not forget that all through the world, nations are stirring. They are restless, watching closely the movements of the two major powers—United States and Russia—and evaluating whose example offers them the best chance for self-realization—for the fullest flowering of their potentiality. Each day they read in their newspapers of

events in the field of racial relations in this country. A Government official who visited our office recently after a tour through Africa told us that such news was reported at length and with great prominence and that unfortunately, most of it emphasized the conflict and violence of racial relations.

This is not a criticism of the press; if we want a better press with the nations of the world, we must do the things which earn it. We cannot convince the colored people of the world that we are their friends as long as we deny the colored people of this Nation the rights accorded to all others. We can only win friends by deeds, not declarations.

We had a chance to see this in practice in Washington this week. President Sukarno, of Indonesia, one of the new and uncommitted nations of the world, came to Washington at the invitation of President Eisenhower. He addressed Congress warning that the mainspring of the nations of Asia and Africa is the drive toward freedom and that unless these aspirations are recognized "no amount of thinking, no torrent of words, and no Niagara of dollars will produce anything but bitterness and disillusionment."

After a tremendous welcome by the people of Washington, the Indonesian President responded with this comment—and I think it bears repeating—"Today I am in Washington for the first time in my life and I feel that here, and I am sure in all America, democracy is a reality. I saw the faces of the people along the street and the hospitality given me.

"Look here, I am a brown man, an Indonesian, an Asiatic. I am the son of a nation only recently emerged into the world of national existence. Yet you accept me as a friend; you accept me as a human being and perhaps you accept me as a brother."

That word "perhaps" bothered President Eisenhower and he indicated this at a meeting Thursday night. He emphasized that the secret for success of the foregn policy of the United States is to convince other nations that "we are all brothers under the skin." He said that if we, as a nation, "can convince every other nation that when they refer to us as a brother, they won't have to say 'perhaps,' they will see a real democracy."

About this there can be no doubt. We are making progress toward this ideal—it is slow; it is hard, but we are moving in the right direction. And with this progress comes great responsibility, for Negroes now are pioneers—the first to enter a white school or college; the first to become a policeman or city councilman; the first to stay at a particular hotel or attend a certain theater.

The record made by these trailblazers is bound to have great effect on the acceleration of progress toward our ideal. The path cut by them will be traveled by thousands of others who have waited long to obtain the full benefits of our country. They must be strong; they must be dignified; they must radiate integrity. A great stake rests on their shoulders.

We have before us many fine examples already, and in thinking about our Nation's foreign policy, there are, for example, Ralph J. Bunche, the Under Secretary of the United Nations, and J. Ernest Wilkins, Assistant Secretary of Labor for international affairs. Mr. Wilkins, in addition, was recently honored by election as chairman of the judicial council of the Methodist Church, the highest lay body of the church. We all recall the late Walter White, for so many years head of the NAACP as well as a representative of the United States abroad, officially and unofficially. Their achievements are the greater because of the handicaps they have surmounted.

Their presence on the international scene as citizens of the United States should go far toward convincing the two-thirds of the world populated by people of other colors that we are trying in this country to prove that we are all sons of God and that recognition will be accorded by accomplishment, and not color.

Indeed, the united voice of American Negroes raised against the distortions of international Communist propaganda is a great demonstration of courage and foresight by your people.

All Americans concerned about the attitude of other countries toward us are in the deepest debt to those Negro leaders who have spoken out firmly against Communist racial propaganda used against our Nation overseas.

Our Negro leaders have denounced the ceaseless efforts of the Communists to paint all Americans with the brush of bigotry, and to make us lose face with the nations of Africa and the Middle and Far East. We have our faults, but we are struggling toward their elimination. It is palpable nonsense for the Soviets, with their slave camps, their programs and their grinding down of all minorities to the will of Moscow, to set themselves up as the champion of civil rights. The American Negro has recognized this false propaganda for what it is, and his forthright rejection has benefited his country, even more than himself.

In my heart, there is the constant hope that you and I will yet enjoy the day when no Negro mother in America need to tell her son that he is "different"; that he cannot enter the school or profession of his choice, or the polling place of his district. When Negro mothers can be spared this painful hour, I will be glad to join you all here for a dinner of thanksgiving. Until then, we must continue to strive toward this end.

Statement Re Encouraging the Construction of Passenger Ships

EXTENSION OF REMARKS
OF
HON. HERBERT C. BONNER
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 5, 1956

Mr. BONNER. Mr. Speaker, when we last met on Thursday, May 31, I introduced a bill (H. R. 11554) to amend certain provisions of title XI of the Merchant Marine Act, 1936, as amended, to facilitate private financing of passenger vessels in the interest of national defense, and for other purposes.

The Merchant Marine Act of 1936, and all major maritime legislation subsequently enacted, has recognized the vital importance of passenger ships in the American merchant marine.

We have been repeatedly advised by our highest defense authorities that, because of its potential for troop transport, the national security demands an adequate modern passenger ship component in our active oceangoing merchant fleet. Such ships are expensive, complicated, and take a long time to create by either new construction or conversion. Yet, they are needed immediately in the event of emergency.

Only three new passenger ships have found their way into the privately owned merchant marine since World War II. Fortunately, today, with an upsurge of consciousness of the necessity for replacement of our merchant fleet, we are assured of the new construction of several modern passenger vessels as replacements in existing services. Even so, the introduction of these fine, more advanced and larger vessels will still leave us seriously deficient in the passenger carrying category.

I have just been advised, within the past 2 weeks, that from the standpoint of initial mobilization requirements, the Joint Chiefs of Staff estimate that there is, today, a deficiency of 15 large passenger vessels in the active merchant marine.

This situation prevails at a time when passenger travel by ship is increasing, but in the important passenger trade between the United States and the tourist mecca of northern Europe, American passenger ships in 1954 were carrying only about 18 percent of the waterborne traffic. Today the percentage is undoubtedly even less, in view of the new foreign ships which have entered the service.

There are only two American flag passenger ships in the North Atlantic service and one of them is becoming obsolete. Forty-one foreign passenger vessels are now taking the bulk of this business.

With higher incomes creating an expanding market for homes, durable goods, and many items once considered luxuries or nonessentials, have come new opportunities and new demands for travel. Within the past week I have read that 2 million Americans will visit Europe this year. And rehabilitation of European economies is making it possible for our friends across the Atlantic to visit the United States in increasing numbers. Yet this country, providing most of the travelers, has no transatlantic passenger ships to compete for the growing one-class tourist trade.

The Merchant Marine Act of 1936 provided for direct Government financing to aid in building up our merchant fleet on essential trade routes. Within the past several years this authority has been implemented by additional authority aimed at providing for private financing of merchant marine operations. It was the goal of the sponsors of this legislation that the Government be relieved of the necessity for requesting appropriations for the direct financing of necessary shipping projects and that the greatest possible participation therein be made available and distributed to private interests. This law, which is title XI of the Merchant Marine Act of 1936, provides for 90 percent Government guaranty of ship mortgages on 75 percent of the cost of a new vessel. However, all testimony on the legislation bore out the unlikelihood of securing the use of private investment funds in new ventures involving special-purpose vessels unless the Government would insure 100 percent, of the loan covered by the mortgage. Accordingly, as an incentive for needed new construction the law provides for full Government mortgage insurance on loans for the construction of special-purpose vessels. Whatever the reasons may be the term "special purpose" has been construed as not covering passenger vessels, despite their limited purpose and despite their special adaptability for immediate military use in time of emergency.

The bill I have introduced, H. R. 11554, would place passenger vessels in a position to receive the same Government guaranty of privately financed construction as other special-purpose vessels. Existing provision for 100 percent Government financing will still be available as an alternative to the attraction of private capital.

It is too soon to tell just how successful Government-insured private financing is in comparison with direct Government financing which has been responsible for the present strength of our merchant marine. One thing has become clear, however. That is that the extremely specialized nature of passenger ships, the long period of construction, and their great cost is clearly a deterrent to attracting the use of private funds without the maximum of Government guaranty.

There is at least one well-qualified operator ready, able, and willing to initiate a new type of passenger service on an essential trade route in the North Atlantic not now served by an American-flag operator, whose plans may be frustrated if the Government is unable to participate in the venture to the extent of insuring his mortgage over the long pull, and for reasons of policy is unwilling to provide direct Government mortgage aid.

There are indications of other passenger services which could be expanded or initiated under private financing methods if the special problems of the passenger trades were recognized by according the same degree of Government insurance as is provided in the case of other special-purpose vessels.

Despite the present demands for transocean passenger accommodations, it is unreasonable to expect that private investment sources should make available its funds in great amount for long periods of time and also assume a heavy portion of unsecured risk on a national asset such as a modern version of the great steamship *United States*. The development of atomic energy and other advanced ideas in ship propulsion and design make understandable the reluctance of private interests, such as insurance companies, to enter upon extensive long-term commitments in an industry which has traditionally been one of feast and famine.

Yet the Government's stake and its need is both real and immediate as long as deficiencies in our mobilization base exist.

Foreign Aid

EXTENSION OF REMARKS
OF
HON. JAMES G. POLK
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 5, 1956

Mr. POLK. Mr. Speaker, the foreign aid bill, H. R. 11356, authorizing an appropriation of $3,563,475,000 for foreign aid during the next fiscal year is unacceptable to me and I believe it should be recommitted to the Committee on Foreign Affairs for further study and further reduction in the total amount of authorizations. I am aware that the committee has recommended $1,109,000,000 less than was requested by President Eisenhower, and for this I wish to congratulate and commend them. Nevertheless, I believe the whole question of foreign aid should be further reexamined and reconsidered in the light of present-day world situations and conditions. Changing world conditions make it obvious that policies and practices that may have been justified in 1948 or 1950, or even later, are no longer sound arguments for foreign aid in 1957.

It is a well-known fact that today many of the so-called NATO countries are presently enjoying very substantial economic prosperity.

Most of these countries have declined to comply with their military commitments for the defense of Western Europe. Under these conditions why should we continue foreign military assistance to those countries who are no longer willing to spend money for their own protection? Greece, Turkey, and Iran have continued to show an interest in national defense and probably deserve the $170 million defense support allotted to them.

How can anyone defend the proposition to give Tito, of Yugoslavia, $30 million for defense support? Only last Saturday Tito is reported to have said in Moscow, "Never again will our two countries be divided." He was speaking of Russia and Yugoslavia; and all prudent and realistic appraisals of Tito should convince us that in time of trouble between the United States and Russia he would most certainly be found at the side of and in support of communism. How can our State Department and the administration be so naive as to believe the United States will ever receive any benefit from the military assistance scheduled for Yugoslavia next year? Should war arise between the United States and Russia, this military assistance most certainly would be used against us.

I am in favor of an appropriation to finance the export and sale for foreign currencies of surplus agricultural commodities or products. In view of the very generous authorizations for other purposes carried in this bill, I question the advisability of the provision that not less than $250 million shall be used for this purpose in 1957. For the present fiscal year the amount specified for this purpose was not less than $300 million. Why not make it $300 million for 1957?

I have noted the statement in the committee report No. 2213, beginning near the top of page 9, on the question of the Status of Forces Treaty and Agreements. The report states:

> The committee considered an amendment to this bill which would require the President to terminate any assistance being furnished under the Mutual Security Act to a nation which exercises criminal jurisdiction over United States service personnel stationed within its boundaries by reason of any treaty or international agreement. This proposal was not accepted by the committee.

I would be remiss in my duty as a Representative if I did not express my resentment against the fact that American boys are being tried in foreign courts and imprisoned in foreign jails. I am firmly convinced this should not be permitted. I believe the Committee on Foreign Affairs and the House of Representatives and the United States Senate should forthwith take suitable action to insure that the United States shall exercise exclusive criminal and civil jurisdiction over all American military personnel stationed in foreign countries. The President has full authority now to take such action. In view of the failure of the administration to act in this disgraceful situation, it is the duty of Congress to act, and to act now.

Mineral Leases in Superior National Forest in Minnesota

EXTENSION OF REMARKS
OF
HON. LEE METCALF
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 5, 1956

Mr. METCALF. Mr. Speaker, on page A4177 of the May 24 daily CONGRESSIONAL RECORD, the gentleman from Arizona [Mr. UDALL] called our attention to Warren Unna's excellent summary of Republican Giveaways in the current issue of Harper's magazine.

Mr. Unna devoted one section to The Gifts Already Given.

In this section he included a mineral lease now being developed by agencies of the Department of the Interior with the International Nickel Company of Canada, Ltd.—Inco—for lands in the Superior National Forest in Minnesota.

Mr. Unna put it this way in his article:

> (3) At least one parcel of the National Forest in Minnesota has gone into private hands through a secret long-term lease.
>
> International Nickel Co., anxious to justify investing $56 million for nickel and copper mining in northern Minnesota's Superior National Forest, had asked the Democratic administration for a 99-year lease on 12,000 acres. It got nowhere. Once the Republicans came in, the company confronted the Forest Service with an Office of Defense Mobilization letter declaring the national welfare would be endangered if the mining were not permitted. International Nickel next visited the then Assistant Interior Secretary, Orme Lewis. In the presence of a former high-ranking Bureau of Land Management official, Lewis told the company officials:
>
> "If you gentlemen draft the kind of lease you want, we'll be glad to look it over."
>
> The 50-year option they gained is an irrevocable commitment by the Government. Yet Lewis E. Hoffman, top minerals official of the Bureau of Land Management says that as far as his records go International Nickel has only a 2-year prospecting permit, and that the memorandum of conversations with Assistant Secretary Lewis "is in the confidential file of the Secretary (McKay)."
>
> Fifty-year leases in the national forest are unheard of, yet M. A. Hanna Co., formerly headed by Secretary of the Treasury George M. Humphrey, and Kennecott Copper, have similar agreements pending with Interior for Superior National Forest land.

I have just addressed several questions on this lease to the Secretary of the Interior in the following letter:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 5, 1956.

Hon. FRED A. SEATON,
Secretary of the Interior,
Washington, D. C.

DEAR MR. SECRETARY: It has come to my attention that agencies of the Department of the Interior are now developing a mineral lease with the International Nickel Company of Canada, Ltd. ("Inco"), for lands in the Superior National Forest in Minnesota.

From what I have been able to learn of this proposal, it involves grave questions of national defense, conservation, monopoly, a critical shortage of an indispensable metal and the attendant injury to small business.

I will appreciate your answers to the following questions:

1. When will the lease become effective?

2. What provisions are made in the proposed lease for the stimulation of production during a period of emergency such as we are experiencing now? I consider this a most important question in view of the allegations of the Senate Preparedness Subcommittee in Document No. 4, 82d Congress, with respect to Inco's monopoly position in nickel production and distribution.

3. Has your Department had access to a copy of the Office of Defense Mobilization letter to the Forest Service on the desirability of stimulating nickel production in the national interest?

4. Has your Department examined the assays of samples from the diamond drillings by Inco in the Superior National Forest? If so, what did they show? Were minerals in addition to nickel and copper found in commercial quantity? What were these minerals? What royalty provisions for all minerals involved are contained in the contemplated lease?

5. In view of the current emergency, has ODM been consulted with respect to the terms of the proposed lease?

6. Is Inco to have an undivided interest in the lease? If not, what other companies will have an interest and how much?

7. In view of the Senate subcommittee's finding that Inco is "one of the most formidable monopolies the subcommittee has found," has the proposed lease been referred to the Antitrust Division of the Department of Justice for determination as to whether Inco's monopoly would be enhanced by this lease?

8. Is there a requirement in the proposed lease that the plant, which will process this ore from public lands, be located in the United States?

In addition, I would appreciate a copy of the proposed lease.

In view of the importance and widespread interest in this matter, I intend to place this letter in the CONGRESSIONAL RECORD. I shall do the same with your reply which I would like to have within 10 days.

Very truly yours,

LEE METCALF.

The introduction of Senate Document No. 4 of the 82d Congress read as follows:

The Senate Armed Services Preparedness Subcommittee has for some time been studying the effect of foreign strategic material monopolies on the preparedness program of the United States. One of the most severe shortages, both current and foreseeable, that the subcommittee has encountered has been in nickel. And one of the most formidable monopolies the subcommittee has found has been the International Nickel Co. of Canada, Ltd. ("Inco"), which produces over 85 percent of the free world's nickel.

The current shortage has resulted from the collision of a rapidly increasing civilian and military demand for nickel with the relatively fixed supply produced by Inco. The foreseeable shortage, however, is even more serious. Nickel has important alloying qualities which are indispensable in steelmaking and the production of certain types of aircraft engines. The large increases in the production of these industries, which have now become basic to our survival as a free nation, depend substantially on a similar increase in nickel production.

Yet Inco through the years has displayed, in the opinion of the subcommittee, a conservative approach to the expansion of its productive capacity. The glutted markets after World War I and the sharp decline in the demand for nickel during the depression appear to have been an important factor in shaping Inco's approach to expansion. Inco is now operating at full capacity and has professed to be unable substantially to increase its productive capacity because of vexing mining and metallurgical problems.

It is therefore essential to the preparedness program to stimulate the production of nickel from other sources. While this need has been recognized for some time by the responsible agencies of our Government, the subcommittee has observed a very leisurely approach toward accomplishing this program.

Mr. Speaker, I believe the many grave questions—including national defense, conservation, monopoly, a critical shortage of an indispensable metal and the attendant injury to small business—make it imperative that this proposed lease be carefully scrutinized.

Address by Hon. Clifford P. Case, of New Jersey, Before 78th Annual Convention, New Jersey State Federation of Labor

EXTENSION OF REMARKS
OF
HON. H. ALEXANDER SMITH
OF NEW JERSEY
IN THE SENATE OF THE UNITED STATES

Tuesday, June 5, 1956

Mr. SMITH of New Jersey. Mr. President, my distinguished colleague, the junior Senator from New Jersey [Mr. CASE], delivered an outstanding address before the 78th annual convention of the New Jersey State Federation of Labor at the Traymore Hotel in Atlantic City on May 30, 1956.

I ask unanimous consent that the address may be printed in the RECORD.

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

ADDRESS BY SENATOR CLIFFORD P. CASE, REPUBLICAN, OF NEW JERSEY, BEFORE THE 78TH ANNUAL CONVENTION, NEW JERSEY STATE FEDERATION OF LABOR, AT THE TRAYMORE HOTEL IN ATLANTIC CITY

It is always pleasant to address a labor meeting, and particularly so when our economic barometers are registering fair weather and relatively clear skies ahead. Things generally are going well. Certainly, there are soft spots in the economy where things are not working properly, but last month this Nation had 64 million people working at jobs—a new record. And each month, these working men and women are bringing home pay checks of near-record size. In addition, the cost of living has been stabilized during the Eisenhower administration so that the pay raises are real—not illusory.

Basically, the situation is good. This is a testimonial to our dynamic economy—to the leadership of our great President, to the unflagging efforts of the various segments of our economy, management, labor and capital and to the general advantages of our form of government.

This economic good health offers a fine opportunity for making further improvements in our way of life—for bringing more benefits of our economy to more people. There are some who are doing well and who have given up one of the Nation's greatest assets—vitality and enterprise. Their position is quickly stated in this way: "Things are going fine. Why look for changes now?" Such complacency is often harder to defeat than an organized campaign by vociferous interests aimed at holding back the clock of social progress.

The obstacles delaying the enactment of adequate school construction, health, housing, flood insurance, civil rights and minimum wage legislation are formidable, but not impossible. We should make progress on these basic matters and there is no better time to do so than when the Nation's economy is at an alltime high and the Nation's energies can be devoted to improving the peace. There is no credit for either Republicans or Democrats in a record of "no progress" on social welfare legislation.

It seems to me that this period is just the one in which we should constantly press forward for improvements, solid steps in the right direction. Social welfare legislation has worthy goals and, in addition, it provides resources to keep our economy rolling.

The achievement of real progress in the social welfare field, it seems to me, depends on two areas of activity: the first is the enactment by Congress of the legislation which I have just mentioned. The second is the organization of the unorganized workers in the South and elsewhere. With less than a third of our 64 million workers in organized unions there is plenty of potential.

On the legislative front, there are several bills before Congress now which could use a good shot in the arm. President Eisenhower has given us a list. The legislative department of the AFL–CIO has given us another one, not too dissimilar. There are good bills on both lists and I know many of my colleagues in the House and Senate are eager to vote on them.

What then is the problem? The major one is apathy—people are talking politics and candidates, but are not giving equal attention to the legislative issues. Another side of the problem is the deep-freezing of legislation by unsympathetic committee chairmen. I need not remind a labor meeting of the cooling-off treatment extended by the southern Democratic chairmen of such committees as House Labor, House Rules, and Senate Judiciary.

Secretary of Labor Jim Mitchell has been hitting his head against a stone wall in trying to get hearings on the tiniest pieces of labor legislation in the House. Labor groups have recognized the fine work of this New Jersey man. The Amalgamated Clothing Workers of America even nominated him for another term as Secretary of Labor, regardless of who is President. I join with President Potofsky in his evaluation of Jim as an outstanding public servant. A few days before that, President Dubinsky, of the International Ladies Garment Workers Union, praised Jim, too, and added similar words for Newell Brown, director of the Labor Department's Wage and Hour Administration. Mr. Dubinsky said that although his union had opposed Brown's appointment, Brown had turned out to be the right man in the right place and a man of integrity, intelligence, and understanding.

Such kind words from two union officials who have had some other things to say about the Eisenhower administration in the past are most appreciated. I am glad to see that as these union people get to know some Republicans better that they find they are rather nice folks. Sometimes, I feel that the Republican Party is in the same boat as some minority groups in this country and that if only we could be measured by the yardstick of individual worth, we could receive a lot more support.

In addition to speeding action in the legislative arena, there is a big job to be done by the labor unions for themselves and the Nation—that is the organizing of workers in the South. The disparity between wages and working conditions of the South and the North is a constant threat to the security of workers in this part of the country. As long as this gap continues there will be employers closing up shop here and moving South to the land of no-unions and low wages. The continuation of the South's lower economy has social and political implications for the whole country.

Unions traditionally have brought higher living standards to their members—both Negroes and whites. Accompanying this there is usually a greater interest and awareness about the right to vote. Such a change could interfere with the present security of officeholders in these districts. More Democrats with enlightened views would stand a chance for election for the first time and perhaps even a Republican could squeeze in now and then. But the big gains would be for the country at large—gains in terms of a more widespread prosperity and an alert electorate. For remember this: Laws in Congress are voted on by all, not just those from our section of the country.

There is much to be done by all of us toward bringing the benefits of our great democracy to each American. Working together in a spirit of modernization and good will, we shall make progress. This is our opportunity—and our duty.

The Need for Action on Equal Pay

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 5, 1956

Mrs. FRANCES P. BOLTON. Mr. Speaker, President Eisenhower has repeated his hope that the Congress will enact legislation to stop wage discrimination that is based upon the sex of the worker.

In his state of the Union message, the President said:

> Legislation to apply the principle of equal pay for equal work without discrimination because of sex is a matter of simple justice.

Again on May 24 the White House listed this legislation among the 28 bills which the President hoped would receive favorable action this year.

Both political parties favor such legislation. Each has had equal pay planks in its platforms for many years. In this, the 84th Congress, both Republicans and Democrats have introduced bills. Four identical measures were sponsored by Mrs. GREEN, Mrs. ROGERS, Mrs. GRIFFITHS, and Mr. HAYWORTH. Identical bills expressing the administration's concept have been introduced by Mr. KEARNS, Mr. RHODES of Arizona and myself.

In my study of the similar bills I find wide areas of agreement among us. There are provisions in each which could lessen unfair competition among employers, raise living standards, contribute to maximum labor force efficiency and increase the prestige of the United States among the nations of the world. A meeting of minds would therefore not seem to be difficult.

These bills were proposed in good faith for the benefit of the women who work outside their homes. The principle of equal pay is generally accepted as a matter of simple justice. It is a basic principle of our whole free enterprise way of life, important to both employees and employers alike.

The benefit to employees, which is obvious, often obscures the gains to be made by employers if this legislation were enacted. It is to industry's advantage that workers be able to move freely, as the situation demands, from one job to another. But the artificial barrier set up by unequal wage rates prevents industry from employing workers on the most efficient basis. The widespread establishment of a rate for the job, irrespective of sex, would make a genuine contribution toward creating labor mobility and increased industrial efficiency.

Mr. Speaker, my belief that this legislation will be in the public interest prompts me to urge that the Committee on Education and Labor, to which these bills are assigned, schedule hearings with all possible speed. The hearings will focus public attention upon the need for this legislation and will produce greater understanding of the subject.

I hope people everywhere—especially the leaders of those fine organizations which have worked so hard for this legislation in the past—will request their Members of Congress to act on equal pay before the close of this session.

Development of St. Lawrence Seaway

EXTENSION OF REMARKS
OF
HON. CHARLES E. POTTER
OF MICHIGAN
IN THE SENATE OF THE UNITED STATES
Tuesday, June 5, 1956

Mr. POTTER. Mr. President, I am sure that my colleagues in this august body, as well as the people of my own State of Michigan, are well aware of my continuous and enthusiastic support of the development of the Great Lakes as this Nation's fourth coastline. Knowing that this interest is shared to a high degree by many others, I should like to take this opportunity to insert in the CONGRESSIONAL RECORD an article which the Marine News graciously published for me in its issue of April 1956. This is the thrilling story of what enterprising and forward-looking communities of Michigan can expect from the economic impact of the development of the St. Lawrence Seaway and the opening of the Great Lakes to world trade.

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

ON TRADE ROUTE 32—PORT OF MUSKEGON
(By Senator CHARLES E. POTTER)

Almost from the time of the discovery of this Continent the St. Lawrence River and the Great Lakes have been of great importance to the history of this country. This system of waterways has provided transportation. It has played a strategic part in the wars between the early settlers. It was one of the main highways leading to the opening and exploration of the great heartland of this continent. All my life I have been interested in the activities on these lakes and thrilled by the thoughts of their potentialities as great seaways for world commerce and as a fourth coastline for the United States.

Today we are nearing the realization of that idea. The St. Lawrence Seaway will be completed soon. I fully expect that the channels connecting all the Great Lakes will be adequately deepened to provide for free passage of ocean-going vessels to the many ports situated in the Great Lakes. World trade routes have been authorized for the Great Lakes putting such ports in direct contact with ports all over the globe. I expect action will be taken which will insure the building and maintenance of an adequate fleet of United States ships to be operated on such trade routes from the Great Lakes and their ports.

As a sidelight, we will realize within a few years the completion of Michigan's Marine Highway. That would be the completion of a series of harbors of refuge being built all around the coastline of Michigan to accommodate small craft. This is of particular interest to the thousands of water tourists who then can travel the entire coastline of the Lower Peninsula with the greatest of safety and convenience.

All this means the spurring of new industry both commercial and tourist. New businesses will be born and will start to grow along our shores. With particular reference to the commercial aspect of this growing business, I have picked one Michigan city, as an example, to show the potentialities of such growth for the entire State of Michigan. Naturally my interest is broad and encompasses all of the State of Michigan, I forsee great things for many ports in our State. I have urged repeatedly that our various port cities or potential port cities along our shorelines take action now to do the necessary planning and projecting for the future so that they will be ready when this opportunity for prosperity knocks at their door. As an example, then, let us take the city of Muskegon to see what can happen in some measure to many cities in our great State of Michigan.

Muskegon, located on the eastern shore of Lake Michigan just south of the parallel bisecting Lake Michigan between the Straits of Mackinac and Gary, Ind., has one of the most ideal natural harbors throughout the lake waterway chain.

The town grew in early lumber days on the south shore of Lake Muskegon, an inland lake connected to Lake Michigan by dredged channel approximately 1 mile long. The Muskegon River, flowing into the eastern head of Muskegon Lake, was utilized in these early days to float down logs, and by 1880 Muskegon had over 16 lumber mills along this eastern and southern shore of Lake Muskegon.

With 33 sawmills, a thriving lumber port developed which built Chicago and a hundred prairie towns. But by 1890 the lumber had completely disappeared and Muskegon was faced with the problem that has pressed many similar cities of either developing new

industry or reverting to a small tourist and agricultural community.

The people of Muskegon favored industry, and with their strategic location and natural harbor advantages pushed forward to become a leading industrial center. During the last 50 years a diversified industrial economy rapidly developed.

Water transportation continued to play an important and vital part in Muskegon's program. Pig iron to supply the foundries was brought in from Gary, South Chicago, and Cleveland. Aggregates and limestone, so important to construction, were brought down from the northern peninsula. High quality sand used in the production of steel developed as an important export. Petroleum products were brought in, and about the same time oil was discovered near the head of Lake Muskegon, thus petroleum became an import and export product. Later, as the automobile industry grew in Michigan, a thriving traffic in new cars and tourist trade across Lake Michigan to Milwaukee and the Northwest became an important asset to Muskegon's development.

Using cost-per-ton figures for the various commodities averaged for the year, Muskegon's water commerce total is estimated at $250 million. A preliminary survey by the harbors department of the chamber of commerce indicated the 1955 value total would show at least $275 million. The value totals do not include car ferry shipments, since there is no reliable estimate or value due to the wide variety of products carried, and difficulty of getting value statistics.

Muskegon's 21 commodities in lakewise, foreign, and overseas shipments consisted of fish and fresh products, canned fruit juice, woodpulp, bituminous coal and lignite, motor fuel and gas, gas and oil distillates and fuel oil, crude petroleum, kerosene, residual fuel oil, building cement, limestone, crushed rock, sand and gravel, pig iron, scrap iron and steel, standard newsprint paper, manufactured metal parts, construction mining machine parts, motor vehicles, other commodities, and valued shipments.

Along with tonnage increase, 1956 will record a rise in the number of foreign flag vessels calling here. Purchase of the steamer *E. C. Collins* from the Kineman Transit Co., of Cleveland, Ohio, has been announced by Paul H. Townsend, president of Huron Portland Cement Co. The *Collins*, a 440-foot bulk ore carrier formerly owned by the Pittsburgh Steamship Division of United States Steel Corporation, was built by American Shipbuilding Co. in 1904. Huron Portland reported it had no definite plans for reconstruction of the *Collins* into a self-unloading cement carrier. The steamer *Presque Isle*, which was purchased last year by the company, is being converted from an ore carrier at Sturgeon Bay, Wis., and will be ready to sail next spring. Purchase of the *Collins* brings total number of ships owned by Huron to six. The Huron fleet calls regularly at the company's Muskegon Lake terminal.

Harbors Department of the Chamber of Commerce will launch a major drive this month to secure for the Port of Muskegon a larger part of the growing volume of foreign and Canadian wood pulp shipped in for the vast Kalamazoo Valley paper mill complex.

Woodpulp shipped to the Kalamazoo mills has risen steadily in volume since World War II and is increasing at a rate which will easily surpass the 50 to 60,000-ton level of the prewar period within a few years. Estimates see Valley wood pulp volume increasing to over 100,000 tons a year.

Surveys show the import of wood pulp to the Kalamazoo mills is the largest single commodity—including newsprint shipments—currently carried to Lake ports from overseas.

Estimates indicate the seaway will be carrying as much as 800,000 tons of wood pulp to Lake ports by time of completion of the deep-draft waterway, and that the Kalamazoo Valley, one of the top three areas in the Upper Lakes in total pulp use, would eventually take off 100,000 to 200,000 tons of this total, and possibly more.

The port of Muskegon will have a new dock available for open cargo operations by the start of the 1956 shipping season.

Emery Toth, president of the Great Lakes Dock & Material Corporation, has announced filling of swamp and water-covered land in its 1,750 feet of lake frontage on Muskegon Lake and reported that by spring it will have a completed slip 1,000 feet long and 100 feet wide, dredged to a 24-foot depth.

The slip and dock facility will be ready by this month (April) to handle all types of cargo suitable to open dock movement. About 225 feet of sheet steel piling will bulwark the dock facing, and the slip width will be extended to 240 feet in operations during the year. The existing 100-foot width is sufficient to accommodate most lakes vessels.

In addition to this development, the corporation has completed about 80 percent of fill work in the corporation building and operations area west from the new slip to a second planned slip of 180 feet in width and 800-foot length. This slip will be dredged to 24-foot depth to accommodate one ship, with the major slip area beyond that dredged to 8 feet to provide a small marina which could accommodate scores of small craft. It is expected fill work on this section can be completed this year.

A Chesapeake & Ohio Railway spur has been laid from the rail right-of-way to the main dock section adjoining the slip now nearing completion. Long-range plans call for four docks to accommodate all types of Lakes shipping. Existing facilities, with the new slip, will accommodate four vessels.

The private industry development has taken place gradually and without fanfare since 1953. The firm started filling and dredging work in September of that year, developing four acres and a dredged slip 800 feet long and 100 feet wide by 24 feet deep. By March of 1954 company offices, equipment storehouses, and other facilities were constructed on the reclaimed land. First ship to use the dock arrived April 21, 1954.

Future operations call for considerable expansion of terminal facilities. Warehousing facilities have not yet been installed and initial operations will be limited to open dock movements which do not require storage.

Plans outlined by the corporation for the Michigan Corporation Securities Commission envisage a major terminal operation, including facilities for repair, construction and renovation of vessels, the stevedoring and warehousing operations, as well as general construction work. The completed dock and slip system under present plans will accommodate five vessels.

Final figures for economic 1955 indicate Greater Muskegon has enjoyed the best year in its history in a majority of fields which make up the business picture.

The outlook for the first quarter of 1956, with total employment expected to rise over the 50,000 mark and unemployment to drop to the lowest level since May 1947, presages another boom year.

New all-time records were posted in the categories of bank debits—within nudging distance of the $1-billion mark—postal receipts, residential building, air traffic volume, utilities service expansions, department store sales, and other factors.

Total factory and utility workers' income for the year aggregated $139,938,953, second highest in history and exceeded only by the $1,600,000 margin of the record $141,538,953 of 1953.

The above figures are based upon statistics from a special year-end survey by Greater Muskegon Chamber of Commerce, and are based on an average industrial work force averaging 29,800 for the year. The special survey included some 30 industries which do not report regularly to Muskegon Manufacturers' Association and hence reflects somewhat higher figures than those recorded in the regular chamber indices. According to the special compilation, worker's average income for the year was $4,695.

Muskegon's shipbuilding program got its start 2 years ago with the local industry task of converting the former Government C–4 vessel steamship *Marine Star* into a multimillion dollar lakes passenger liner, the *Aquarama*.

Muskegon's harbor has played a vital role in the industrial development of west Michigan. With the advent of the St. Lawrence Seaway project, Muskegon's port operations offer Michigan's industry new and greater opportunities for expansion and development of world markets.

In considering the potential expansion of trade that will result upon completion of the seaway, it is interesting to note Michigan's early history. The State's economic development is traced directly to the completion of the Erie Canal which gave access to the Hudson River and the completion of the Soo locks which provided the means for Michigan's vast mineral deposits to economically traverse the lake waterways.

The seaway is the final link in this lake chain which opens new horizons to Midwest industry.

CONCLUSION

This, then, is the story of one of Michigan's port cities. This story is not the exception but rather it is an example of what many cities of Michigan may expect. Again I say, the Great Lakes are the fourth coastline for the United States. The development and realization of the potentialities of this coastline will write a thrilling chapter in our Nation's history and those cities which are prepared for it and plan for it may well play a major part in writing that chapter.

Frozen Orange Concentrate

EXTENSION OF REMARKS

OF

HON. CHARLES W. VURSELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 5, 1956

Mr. VURSELL. Mr. Speaker, with leave to extend my remarks, I am placing in the RECORD the transcript of a radio broadcast I made recently in Illinois, pointing out the great benefits that have been brought to the orangegrowers of the State of Florida, as the result of the work of our research scientists in the United States Department of Agriculture in cooperation with the Florida Citrus Commission, which I believe will be of interest to most Members of Congress:

This is your Congressman, CHARLES W. VURSELL, in my ninth broadcast in this session of Congress, on the value of agricultural research and extension service to the farmers of our country.

Today, I want to show you how research found a market that greatly increased the price of the farmers' product of an entire State, making it possible for the farmers to more than double their production of that product. I refer to one you have been using in your homes during the past few years—frozen orange concentrate.

This popular drink was developed in 1944 at Winter Haven, Fla., by the United States

Department of Agriculture and the Florida Citrus Commission. At that time there was a surplus of oranges. The price was low and orangegrowers were in a bad way financially. The growers needed a new outlet for their crop. Now let's see how this concentrate development helped that situation. Commercial production of frozen orange concentrate was increased so rapidly that production jumped from a quarter-million gallons in 1946 to 31 million in 1949, 47 million in 1952, and to 65 million in 1955, and it's still going up. That is enough to give each person in the United States 9 of those frosty little cans of frozen orange concentrate which, when reconstituted with water, would make 36 glasses of orange juice for each person in this country.

But that's not all. Every gallon of concentrate uses one 90-pound box of fresh oranges. In 1948, Florida produced 58 million boxes of oranges, but only 8 million went into the frozen concentrate since it was just getting started. But by 1952 the story was different. That year Florida produced 72 million boxes of oranges and 32 million went into the frozen concentrate. In 1955 they produced 88 million boxes and 44 million or about half of the crop went into concentrate. In other words, this one piece of research has developed a new market for half of the entire Florida orange crop, which has almost doubled as a result of the development of the concentrate, and the orange-growing farmers are happy.

There are several reasons why frozen orange concentrate has been such a success. One of these is that it tastes like fresh orange juice. Then, too, it is so easy to handle. The housewife does not have to squeeze the oranges. She just opens a can of frozen concentrate, adds three cans of water, stirs it up a little, and she has delicious, ice-cold juice. This development has given the children and adults of this country a wholesome, nutritious orange drink with the fresh juice taste and the vitamin C content of fresh orange juice.

After a satisfactory product was developed, it was necessary to solve a number of problems in transporting and distributing it, from the processing plant to the consumer. Railroad cars refrigerated with ice did not provide sufficiently low temperatures for the ideal handling of the frozen concentrate. This fact stimulated the development of mechanically refrigerated railroad cars and trucks which can provide any temperature desired.

There are also large savings in transportation costs to the producer and consumer. For example, 1 carload of frozen concentrate contains the equivalent of 12½ carloads of fresh oranges. Transportation costs, including refrigeration, from Lake Wales, Fla., to Chicago is about $715.50 for a carload of concentrate. But this same movement for the 12½ carloads of fresh oranges would cost over $8,000, or more than 11 times as much.

With the solution of the transportation problem it became necessary to provide more freezer storage space in warehouses. Wholesale frozen food distribution plants had to be established and properly equipped. Research people helped determine the best design for these facilities and the most efficient equipment for handling products in such facilities. Frozen food cabinets had to be installed in retail stores throughout the country.

The development of the new product of satisfactory quality, convenient to use, and the facilities necessary to handle it properly throughout the marketing channel brought a tremendous expansion in the market for Florida oranges. Since the juice keeps indefinitely in frozen storage, Florida orange juice became available throughout the year, instead of only a part of the time. With lower transportation costs the area of distribution increased. With its convenience to serve, consumption was increased both in the home and in public eating places and soda fountains where dispensers were installed. Research people even helped with the development and installation of the dispensers in order to make sure that a satisfactory product was served, and that their use would increase sales.

The research which went into the development of this new product, and the research to provide proper transportation, storage, handling, and marketing facilities cost the United States Department of Agriculture about $300,000. The success of the program is indicated by the fact that the housewife is now paying less for frozen orange juice than she paid for orange juice 8 or 9 years ago, despite the rise in the general level of prices. At the same time Florida growers have received an average on-tree price during the past 8 seasons of $1.44 per box, which is more than twice the amount received in the 1947 season. Florida orange production during this same period has increased by 62 percent. Hence, the growers are not only receiving a better price per box, but they also have more boxes to sell. Yes, research pays back big dividends.

I have recited the frozen orange concentrate story today because it shows clearly what research can do to help us find new and more profitable uses for our agricultural products. But we should not wait until the surpluses are breaking the backs of our farm people before we start the research. I'm in favor of keeping our research going all the time in the hope that we may be able to prevent some of the surpluses from developing.

For example, our scientists are now working on a tomato powder, as well as powders from other fruits and vegetables. Right now these things are mostly peeps around the corner but they are encouraging peeps, and our committee believes it would be a dividend-paying investment for us to continue research in these promising agricultural fields. The results will not only help our farmers and consumers, but will also contribute to the steadily rising standard of living of all our people.

Our Attitude on the Trial of Young Rumanian Anti-Communist Patriots

EXTENSION OF REMARKS

OF

HON. THADDEUS M. MACHROWICZ

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 5, 1956

Mr. MACHROWICZ. Mr. Speaker, on the night of February 14–15 of last year a group of young anti-Communists, in utter desperation at being unable to contribute in any organized anti-Communist action, decided to act by themselves. They seized the Red-occupied Rumanian Legation in Bern, Switzerland.

They had information that the new political setup in the Kremlin was in the process of sending fresh instructions to their various organizations and agents in the free world, one of these being the MVD chauffeur of the enslaved Rumanian Legation. They thought a raid in that Communist den would surely yield valuable clues in that direction. In fact it uncovered the espionage activities of the Red diplomats. An entire arsenal was found in the legation: a shortwave radio transmitter, automatic guns, all kinds of projectiles, time bombs, rockets, and a large quantity of ammunition.

During the time the young men held the legation the tension and excitement were at their height in Bern. The morning after the coup about 2,000 Swiss were gathered in front of the building and 200 Swiss police surrounding it. As the young patriots refused to surrender at first, the Swiss authorities, under heavy pressure from the Communists, organized a veritable siege against these lone anti-Communists, surrounding the premises with barbed wire and bringing up an infantry battalion and an armored tank.

The young patriots had made a vow to obtain the release of five men from Communist jails, a cross section of the persecuted leaders of the Rumanian resistance behind the Iron Curtain, among whom was the heroic Bishop Suciu. In these five men, they were symbolically asking the liberation of their people from the curse of Soviet slavery. It was a cry of these patriots which stemmed from the same source as that of a Patrick Henry, as it voiced the eternal struggle for individual freedom and national independence.

Finally, after 42½ hours, this action, which had caused such an impact on public opinion, came to an end. The young men, before entering the police car, in full view of the crowd, nailed upon the wall of the legation the insignia of Free Rumania. And inside they left a note saying, "We shall return."

As an immediate result of the Bern affair, the authorities in Sweden, alerted by this incident, on closer investigation uncovered also an important spy ring centering around the Rumanian and Czechoslovak Communist Legations in Stockholm, thus bringing an added proof of the results of the action in Bern. In a recent report by Newsweek, on information furnished by the young patriots, the Swiss police sized two fat dummy accounts in an obscure farmers' bank in the mountains of Switzerland. The Communists were using the money to run far-reaching spy nets in West Europe. The accounts have been traced back to Bucharest.

On information given by the League of Free Rumanians, the Armstrong Circle Theater gave a television show, the Five Who Shook the Mighty, the story of the Bern incident. It will be repeated June 26 with the latest additions, after the trial of the young anti-Communists, which will take place in Bern, Switzerland, from June 11 to June 21.

It is an experience of deep meaning to talk to the disinherited and to find in them an unshaken faith in the ultimate victory of freedom and its values, while many of those more fortunate around them in the free world seem indifferent to it and tired of everything, even the truth. The flame of resistance burns in the oppressed. Here we have fresh proof that this spirit cannot be killed. The miracle is that this seed of liberty is germinating in the youth who have undergone for 10 years intensive Communist indoctrination.

Reports from Rumania tell of anti-Communist resistance groups in high

schools. One lad of such a group is one of the boys who are going on trial June 11 in Switzerland. These youthful heroes, members of the League of Free Rumanians, now in prison awaiting their trial, considered life no longer worth living in face of the complete oblivion and abandonment of their country by the free world. They were willing to risk their lives and liberty in a blow against their country's oppressors, themselves directly, as being the only way they could be useful; that is, by focusing world attention on the tragedy of Eastern Europe. It was a dramatic demonstration of the revolutionary spirit of freedom fermenting under the boot of Soviet despotism. These young men, who recently fled their country, were messengers of widespread popular feelings and of the embedded hostility to communism of that Latin country.

Let us help these youthful patriots who risked their lives and willingly took calculated risks to prove that the Soviet Union carries on against the free world constant espionage and subversion.

Let us encourage other patriots to bring out with them vital documents by aiding the cause of these young men and we will encourage others to perform like acts of heroism in the name of freedom and liberty, thus producing vital intelligence that will inform the free world of premeditated acts of treachery.

These patriots have a message for the still free world. Trials throughout history have altered the course of history, and this trial can insure a great victory on the side of humanity, Christianity, and freedom.

This action of the young anti-Communists has aided freedom wherever freedom still exists. Their cause is the cause of freemen everywhere. The moral drama of these patriots, their youthfulness, the eldest among them being 31 years of age, aroused the sympathies of Europe.

The right to liberty is the cornerstone of our civilization, of its very existence and of its progress. The right to resist oppression is inherent in the foundation and development of liberty. Parts of the world and notably eastern Europe are now under the rule of absolute despotism, which has replaced the concept of equality of men and the law which is the protection of all, by the inequality of men and the persecution of all at the hands of a tyrannical Communist oligarchy.

Men everywhere behind the Iron Curtain are fighting against tremendous odds for liberty through recurring acts of resistance at the risk of imprisonment, forced labor, deportation, and death.

Our civilization needs be solidly with this struggle for liberty or lose its spiritual and political roots and driving force, disintegrate through materialistic discords and fail in its universal mission. This solidarity should express itself through a positive policy recognizing the right of the enslaved peoples to self-determination and human liberty by every moral and material assistance the free can muster for this purpose.

Let us not forget that our own great country has been founded on the passionate desire for liberty which animated our forefathers and for which they willingly died. So let us not fail to extend a helping hand and sympathetic understanding to these patriots in their fight for freedom, so similar to the fight of the fathers of our country. For our country would not be free today if they had not fought, with whatever means in their power, as do their prototypes today in the anti-Communist resistance movements, against the foreign invaders and oppressors of the people.

Annual Memorial Day Program, Altoona, Pa., May 30, 1956

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 5, 1956

Mr. VAN ZANDT. Mr. Speaker, as principal speaker at the annual Memorial Day program at Fairview Cemetery, Altoona, Pa., May 30, 1956, under the auspices of the Blair County War Veterans Council, I delivered the following address:

NINETEEN HUNDRED AND FIFTY-SIX MEMORIAL DAY ADDRESS DELIVERED BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, FAIRVIEW CEMETERY, ALTOONA, PA., 11 A. M., MAY 30, 1956

As a past commander in chief of the Veterans of Foreign Wars of the United States, it is an honor to join you, my fellow veterans, and my fellow citizens, in this Memorial Day ceremony.

Memorial Day places a serious obligation upon any speaker.

It is not an easy assignment to be our war heroes' spokesman.

Perhaps thoughtlessly we have come to regard Memorial or Decoration Day mainly as a holiday, a day set apart for amusement and recreation.

But when we pause to give thought to its purpose and significance, we become conscious that it should receive a more fitting observance.

The men we honor today marched forth into the fire and hazard of battle to secure and safeguard the rights, privileges, and benefits which we today enjoy.

The holiday-minded public needs to be halted long enough to hear and heed the words uttered at Gettysburg: "That from these honored dead we take increased devotion to that cause to which they gave the last full measure of devotion."

Memorial Day is a day of memories and a day of rededication.

We Americans know that the man who dies in the service of our great Nation makes this sacrifice in order that the hopes and ambitions of our Founding Fathers might be realized, and that the Constitution upon which our form of government is based might stand today—strong and triumphant—and as the bulwark of our Nation.

We not only pay honor to those patriotic men and women who have given their lives for America, but we pay honor to all, living and dead, who unselfishly contributed their services in order that we, our families, our children, and posterity, might enjoy the blessings of liberty.

Let us not forget the thousands of disabled veterans—many still confined to hospitals—their dependents, and the widows and orphans of those deceased veterans whose lives were shattered in our Nation's behalf.

Let us pay tribute to the doctors and nurses in our veterans' hospitals whose work is often overlooked, but who are giving the best of their energies, their knowledge, and their skills in order to help and comfort our sick and disabled war veterans.

Those whom we honor were adequate to the challenges before them.

This is a day for the living to resolve that we will be adequate to meet the challenges which are before us in 1956.

Thereby can we best honor those who have gone before.

Our basic responsibility is to determine just how we can be adequate to meet the problems before us.

How can we with assurance go forward to preserve the priceless heritage which has been bequeathed to us?

Are we accustomed to accept the blessings of a free constitutional government as a matter of course?

Do we complacently use our freedom under the protecting arm of a great government as if we, by our own efforts, had gained it?

Do we forget that thousands of men gave their lives and other thousands of men and women suffered and sacrificed to establish and maintain our free institutions?

How often have we returned thanks and expressed appreciation or gratitude to those to whom we owe so much?

We Americans write and speak and think freely.

We may worship God as we please.

We are free from unlawful searches and seizures.

We enjoy freedom of elections through which we select those who are to administer and legislate for us, and we fix conditions and limitations to their authority.

We are secure in our legitimate property rights and in the making and carrying out of plans for our lives.

These great privileges, among others—far from being a matter of course—were never enjoyed by any nation until 169 years ago.

Are the fortunate and happy conditions in which we live entirely of our own making?

They are not.

Ought we not bow and bare our heads in grateful memory and reverent homage to those brave men who gave their lives that we might have these great privileges?

They are gifts from the dead—not entirely conquests by the living.

We properly set aside certain days to commemorate individual men whose deeds have justly placed their names high upon the rolls of the great.

Most of these men received honor and distinction during their lifetimes from their fellow citizens in recognition of their services and accomplishments.

Today we commemorate no single man, but the thousands whose names are not written on the scroll of fame, who gave their all without recognition or reward, and who served as devotedly as those whose names are sung and whose deeds are acclaimed.

Our debt to them is great.

Let us pause in the comfortable and secure round of our daily activities, at least a few hours in the year, to acknowledge it.

Let us not only acknowledge our debt, but let us try to pay it.

There is one way in which we can at least make some small payment on this great debt.

These men gave their lives for our Nation and the principles upon which it was founded.

We cannot preserve our way of life, our priceless heritage, unless we know precisely of what it consists.

Our Constitution, instituted 169 years ago, has stood the acid test of time.

It has been the symbol for all people who believe in opportunity, in freedom, and in tolerance.

What a breadth of vision our Founding Fathers showed when they wrote "We, the people."

Our long journey as a nation began with steps that were slow and laborious.

These first steps were taken by American patriots who wrote a document that history has proven to be a colossal monument to freedom and free enterprise.

We have been able to preserve not only the inherited words of the Constitution, but also the living laws contained therein.

We cannot forget that in our infancy we were a weak and struggling nation, exposed to external and internal perils of the gravest character.

Until 1803, we were hemmed in on the west; first by Spain, and then France.

Until 1815 our relations with the two greatest powers of Europe—Britain and France—were stormy.

We fought wars with both, were invaded by one, and saw our Capitol burned by a hostile British Army.

Sectional, party, and class divisions shook the fragile ship of state until its timbers seemed about to break.

Many believed that no popular government could prove durable.

Even the most hopeful found the experience of administering so huge a country full of difficulties.

Yet at an early date a hopeful sentiment began to develop.

As our Nation grew stronger, our self-confidence increased.

A pride in the United States as a world example grew up in the people.

Americans began to feel that their Republic was placed upon a stage for all mankind to observe and imitate.

In the Declaration of Independence we find an expression of this idea.

Jefferson had used the words "a decent respect for the opinions of mankind."

We began to develop that respect.

But it developed only when our individual citizens grew in their respect for each other, and in turn, their international neighbors.

We can honor America's dead by understanding our heritage, and further, by preserving unity among the living.

We known, as Lincoln knew, that "a house divided against itself cannot stand."

Our heritage cannot continue to stand if we pay heed to those who cause dissension among us, wittingly or unwittingly.

There are those on the home front who would divide us, class against class, race against race, religion against religion.

There are others who would divide us from friendly nations, and who are blind to the consequences of their acts.

As we rededicate our lives to those we memorialize today, let us resolve that unity will prevail.

If ever there was a time in the history of the world that America needed to understand herself and to understand her friends and to be understood by them, it is now.

Just so long as we are vigilant toward those who would mislead us into surrendering our national heritage, just so long will we continue to be a free powerful America.

The example of suffering and sacrifice by America's sons and daughters who would not surrender our national heritage should help us to rededicate ourselves to the preservation of peace for this Nation and all mankind.

If our honored dead could tell us what reward they would wish of us, they would, I believe, with one accord say: "Continue the fight in peace for the cause for which we gave our lives."

Surely this we must be willing to do.

Let us, therefore, both for ourselves and in memory of them, pledge ourselves to the preservation of our institutions in their essential purity and integrity.

Once we in this land could sit back and rest in comparative safety.

Two oceans—one to the east and another to the west—protected us from invasion.

We felt secure in our isolation from the world.

But that was before the atomic age, before the age of aerial warfare.

London, Paris, Berlin, Moscow, Manila, Hong Kong, Tokyo are all but a short distance by plane from our own land.

Once Pittsburgh, Cleveland, Detroit could laugh at the thought of a threat from a foreign invader.

But no longer.

If ever an invader come to our shores again, it will be by air, and inland cities, as well as coastal ones, will be easy targets.

When we dropped two atomic bombs over Japan and thus blasted her out of the war, we proved that isolationism is dead and gone forever.

The world is at our doorstep for better or for worse.

Those who gave their lives while in the uniform of our armed services cannot return to protect us against new dangers.

We cannot again know the security of two oceans.

However, the courage of our war dead has made possible a way of life which gives us the opportunity to develop the peaceful use of rapid flight.

We who discovered and developed atomic power recognized its vastly greater and better side—the good it could do for humanity.

It is good for the world that this secret was entrusted to a nation that recognized a moral obligation in this trust imposed on it.

Atomic energy will change the entire economic life of the world.

Certainly when this great power has been subdued to man's will as it must be, man should reach a sort of economic heaven.

Certainly work will not be so difficult nor so tedious.

There will be few hours of labor.

Man will have more time for recreation, for play, for study, for further research.

He will have more time to educate himself, to broaden himself, to travel, to enjoy life.

Perhaps the cycle will swing back and the tempo of life will taper off.

Perhaps we will learn to take it easy with atomic energy.

But these things are of the future.

What of the moment?

We need a true, righteous, and just peace to bring this old world back to an even keel.

We need a lasting peace from war.

Here at home we need peace from internal strife.

Could all our millions of war dead around the world speak, what would they say?

Their language would be legion, but their message would be one little word—"peace."

Our heroes died to establish and maintain institutions where justice among freemen was the great objective.

They made the supreme sacrifice for the perpetuity of a government, the object of which is the freedom and welfare of the citizen, not its own power and greatness.

With the increasing complexity of our civilization, the problem of preserving the freedom of the citizen is of increasing difficulty.

This does not absolve us from our obligations to the honored dead whom we commemorate.

We cannot, with clear conscience, fail them.

The blessings of sound government, which the sacrifices of other men have provided for us, we must in all good faith and justice pass on unimpaired to those who follow us.

It would be little less than cowardly for us to provide comfort and safety for ourselves at the cost of ruin and destruction to those who are to come after us.

As good citizens and true men, we cannot rob the future for our own benefit.

Rather let us try to pass on a government better for our having lived.

Our Nation may be destroyed as thoroughly in time of peace as by ruthless enemies in time of war.

It may be destroyed in time of peace by subversive doctrine, by abandonment of fundamental principles, by surrender of the rights and privileges of the citizens, by an economy which denies to men their political freedom, or by a vicious and wasteful fiscal system which destroys individual initiative.

Perhaps it is easier to defend this fair land against alien enemies than against slowly creeping insidious doctrines, gradual surrender by a careless or inactive citizenship.

Against the armed enemy we rush forward to do our part in defense of our country.

Often peacetime undermining of our civic structure comes in such pleasing disguise as to lead many to give it welcome and encouragement.

We are apt to forget that history teaches that government by the people is not eternal and that such governments have fallen victim to internal decay due to careless and inactive citizenship.

In paying our debt to the heroes in whose honor Memorial Day is dedicated, let us be as vigilant in protecting our country against our own apathy as against foreign foes.

May we, as citizens of this great Nation, be inspired in peacetime with the same spirit of loyalty, service, and sacrifice which is demonstrated in wartime.

In our hearts, may we give assurance to our honored dead, that we make no distinction between wartime patriotism and peacetime patriotism.

The American form of government is only for those who appreciate it, who deserve it, and who are not only willing to fight for it, but also able to defend and maintain it against all enemies at home or abroad.

Let us resolve, that no matter what the cost, we will deserve our form of government, that we will protect it, and pass it on without impairment to those who are to follow us.

Tomorrow and tomorrow, next week, next month, let us take time to recall in grateful appreciation the services and sacrifices of those who have made possible for us the blessings of the free institutions which we enjoy.

Let us make Memorial Day truly a dedication day.

Minority Views on the Foreign Aid Bill, H. R. 11356

EXTENSION OF REMARKS

OF

HON. LAWRENCE H. SMITH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 5, 1956

Mr. SMITH of Wisconsin. Mr. Speaker, under leave to extend my remarks, I am including the minority views of my colleagues MARGUERITE STITT CHURCH, E. ROSS ADAIR, and myself, that

were filed to accompany H. R. 11356. The report follows:

In 3 previous years we have felt compelled to express our strong conviction that passage of a multibillion-dollar mutual security bill of this nature was not and could not be the answer to our basic national need for peace and security.

In our minority report on the Mutual Security Act of 1953, 3 years ago, we asked the following questions:

"What magic formula is there in this program that is going to transform millions of insecure people throughout the world into valiant, invigorated, and dependable allies? Is it United States money? No. We have tried that one many times—with no success. Is it United States armed might? No. Our forces have been bearing the brunt of the fight in Korea on behalf of the principles of sovereignty, independence, and freedom—and still the peoples of Asia waver. * * *

"It would therefore seem to us particularly essential that we evaluate the present program in the light of what similar programs in the past have failed to accomplish; and from the point of view of whether or not it offers fulfillment of pledges made to the American people." (H. Rept. 569, 83d Cong., 1st sess., pt. 2, p. 8.)

In 1954, when the Mutual Security Act attempted to exchange the existing patchwork of foreign aid programs for a permanent form, we stated with equal emphasis:

"There exists in our minds a grave and fundamental question concerning the wisdom of enacting now what is considered permanent legislation. This is particularly so in view of the unsettled world conditions which become even more unsettled with each passing day and the widespread uncertainties in high places as to our own foreign policy. The House Foreign Affairs Committee is a legislative committee, a policy committee. The sole purpose of the committee in reviewing past programs and proposed programs is to determine policy. To carry out that responsibility has been the function of the committee in bringing out this bill. But how can we determine legislative policy as a directive and framework of action for the executive branch without being fully apprised of executive branch policy to give root and substance to what, after all, amount only to the cold words of a statute?" (H. Rept. 1925, 83d Cong., 2d sess., pt. 3, p. 2.)

In 1955 we felt again constrained to speak these words:

"In the past we have urged what to us has semed natural and logical—a thorough study, a reappraisal, a redefining of foreign policies, techniques, and statutes concerned with the goal of international peace and security, which we all seek. The executive branch has not seen fit to do this before submitting this bill to the Congress; nor has the Congress of the United States itself, which is directly responsible to the people who foot the bills, make the sacrifices, and fight the wars, undertaken such an analysis." (H. Rept. 912, 84th Cong., 1st sess., pt. 2, p. 2.)

And now in 1956, with still no reappraisal of the problems, of the policies, or of the programs, we are again asked to accept a multibillion dollar authorization based on a concept whose validity is outmoded, if, in fact—as we would deny—such validity ever existed. We could only wish that we had been wrong; that our fears of the inefficiency of the approach had been proven groundless. We would be the first to hope that this mutual security legislation might have proved to be the effective weapon for American security and world peace that it was advertised to be.

Events, statements by foreign officials and expressions by our own leaders in the executive branch and in the Congress confirm the fears which we expressed in our three previous minority reports.

Nothing that has happened has changed our conviction that mutual security legislation of this nature is not and cannot be an adequate or right answer to our need for national security and world peace. The program continues to reveal an inherent failure in basic philosophic intent, a failure in direction and approach, and a failure to interpret the shifting nature of world events and to combat successfully relentless Soviet policy. It is increasingly apparent that the policy and the programs to be authorized by this legislation have proved to be not only wanting but actually self-defeating.

It is not that we have failed to pour out money and pour it out generously. One glance at the following table, listing the money yet to be obligated and spent, indicates our unrestrained generosity and spending:

Estimated unobligated and unreserved balance June 30, 1956

	Estimate in March 1956	Estimate in May 1956
Military	$297,000,000	$195,500,000
Nonmilitary	106,600,000	190,000,000
Total	403,600,000	385,500,000

Estimated unexpended balance June 30, 1956

	Estimate in March 1956	Estimate in May 1956
Military	$4,765,100,000	$5,000,000,000
Nonmilitary	1,678,200,000	1,800,000,000
Total	6,443,300,000	6,800,000,000

Source: H. Rept. 2213, 84th Cong., 2d sess., p. 6.

A complete and detailed breakdown of United States generosity will be found in the appendix to this report.

This year, with mounting dissatisfaction and disillusionment with this policy among the people of the United States and their chosen Representatives in Congress, the program in this bill nevertheless plunges along, in its frustrated way, not knowing what its future course, size, or policies will be.

We feel that this bill is particularly objectionable in that the only certainty contained in it is its duration—"permanent." Those who approve this legislation have inserted into the program the mysterious, magical formula which they call "permanent legislation" as if "permanent" were synonymous with "sound." The philosophy contained in the statement of policy in section 7 of the bill is particularly objectionable in this regard. It puts the Congress of the United States on record and commits the United States to pursue programs of assistance as long as Communist danger to the peace of the world and the security of the United States persists. In other words, the United States is to take upon its shoulders, and the American people are to assume, the tax burden of supporting the free world indefinitely. No mention is made of what other nations are to do in order to keep the free world free. No clue is indicated as to our future course with respect to the nations who do not see fit to commit themselves with the free world.

The time is long overdue when the American people—and particularly the Congress, which carries a basic responsibility for the future of this country—must face hard facts with courage. Despite the outpouring of billions of dollars, an honest appraisal of the world situation and of our relationship to it should give ample warning, even at this late date. To continue the philosophy and policies so far provided in mutual security legislation at a greater sum and for a longer period of time can only mean an ultimately disastrous continuation of the all too apparent failures of the program.

It is impossible to list in this brief report, either all inclusively or at sufficient length, the total reasons that call for serious questioning and opposition to House Resolution 11356, the Mutual Security Act of 1956, currently under consideration. Suffice it to say that even former strong proponents of the program—and certainly the American people—are now demanding a reappraisal and rescrutiny of the purpose and policy, based on the following disturbing record:

1. It has failed in its futile attempt to make an appropriation of money a solution for a problem.

2. It has failed to expand the area of the world which may be called free world. On the contrary, that area is being steadily constricted while the area of uncommitted or neutral nations is steadily expanding. "Neutralism" makes it easier for the Communists to increase their influence while the efforts of the free world are made more difficult.

3. Despite the mutual security program we have failed to convince peoples seeking their freedom and newly independent nations that we are sincere in opposing colonialism.

4. It has proved deficient in wise programing, sound fiscal practices, satisfactory presentation to the Congress, adequate implementation of congressional intent, and understanding execution in the field. This is amply indicated by the testimony of the Hon. Joseph Campbell, Comptroller General of the United States, before the Senate Foreign Relations Committee on the mutual security program on May 21, 1956.

Further, this bill reflects the increasing tendency to lump money, areas, and programs together, thus giving blank check authority to the Executive. Because of the diffusion of delegated power which this bill makes possible, both the President and the Congress are steadily losing control of the spending and operations of the program.

5. It has failed to achieve for the free world the expected defense against Soviet military power. The North Atlantic Treaty Organization was organized as a defense against Soviet military power. The North Atlantic Treaty Organization is losing power when it should be increasing it.

The Secretary of State, in a news conference on April 24, 1956, stated "Broadly speaking, it is our view, and I think has been our view, that an organization of this kind [NATO] either grows or tends to dry up." With each Soviet smile, another crack appears in the NATO armor.

6. It has failed to solve the problem of how to reach the peoples themselves in the underdeveloped nations.

7. It has intermingled the valuable technical cooperation program, which is a sharing of knowledge, skills, and know-how with the peoples of the underdeveloped countries, with a huge military program that deals with arms and the implements of war. These are two totally different programs in magnitude, in philosophy, in intent, and in approach.

Study should be made of how best to emphasize the importance and long-range character of the technical cooperation program. Some thought should be given to separating this vital program from the other phases of the mutual-security program. In fact, the advisability might be considered of setting it up as an independent agency.

8. It has failed to consider sufficiently the present importance and the potentialities of our Latin American neighbors. The peace and security of the Western Hemisphere is vital to the preservation of the entire free world.

9. Finally, it has failed to convey to the world, and even to our friends, the real meaning of American traditions, principles, and ideals—those attributes which have made us a great Nation and a great people.

In the face of this honest questioning even by former proponents of the program and

by the public, and in the face, as well, of what seems to us also an undeniable failure in principle, policy, and performance, we cannot go along with the proposal to appropriate more billions for a longer time for more extensive programs of the same nature. What is needed is a stern, realistic reappraisal. In fact, returning from a recent study mission around the world, the Subcommittee on the Far East and the Pacific of the House Committee on Foreign Affairs stated with sober emphasis in its report:

"If it is to succeed, the United States must do more than reappraise its programs; it must subject to minute rescrutiny its policy and its determination" (H. Rept. 2147, 84th Cong., 2d sess, p. 212).

There has been introduced in the Congress a concurrent resolution calling for a congressional committee, 6 members from the Senate and 6 from the House, to study, reevaluate, and give relentless judgment on the policies and programs that have been carried on under this mutual security legislation; and to produce, following such study, sound suggestions for better implementing our national desire for peace and security.

We urge the Congress to join with us in insisting upon a rescrutiny of our foreign policies and programs as the basic need of this hour. What is actually now at stake is not the mere continuation of programs or appropriations, but the very peace and safety of this country and the whole free world.

LAWRENCE H. SMITH.
MARGUERITE STITT CHURCH.
E. ROSS ADAIR.

On the Understanding of Aging, by Hon. Edith Green, of Oregon

EXTENSION OF REMARKS
OF
HON. LEE METCALF
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 5, 1956

Mr. METCALF. Mr. Speaker, on May 31 our colleague the gentlewoman from Oregon [Mrs. GREEN] presented an important and timely address on one of the major problems of this generation—that of our aging.

She spoke at a community meeting sponsored by the Arlington Soroptomist International Club and the Silver Age Club.

As Mrs. GREEN points out, we are undergoing a "quiet revolution." There are four times as many Americans over 65 today as there were 50 years ago, and the number of people over 65 is increasing twice as fast as the total population. There are 14 million people over 65 in America today. There will be 21 million by 1975.

Until recently, far too little attention was paid to their special problems, which include inadequate average incomes, job discrimination, housing and medical care.

But there is a growing awareness of the needs of our older people and of our responsibility to them. Mrs. GREEN'S bill to set up a special agency devoted to comprehensive study of and action on the problems of aging is evidence of this.

Because we all share Mrs. GREEN'S concern for what is rapidly becoming our neglected generation, I call my colleagues' attention to her address, which follows:

ON THE UNDERSTANDING OF AGING

Members of the Soroptimist and Silver Age Club, when your chairman invited me to join you tonight I was very glad indeed to have the opportunity, even though it commits me to stand before you for a few minutes and talk on a subject of which, very honestly, I know far too little. I'd be more embarrassed to admit this if knowledge of the real facts and problems of aging were widespread. But my ignorance is, I'm afraid, shared by young and old across the country. We just don't know much—not nearly enough—about one of the biggest things that is happening to us; as former speakers have said, we, as a nation, are growing older. But because we have so much to learn and since this is an occasion for learning together, I was very pleased to come and willing to display my scanty understanding of the subject. I am told, too, that there is to be a question and answer period after I finish. That is what I came for—I have a lot of questions to ask.

I understand I'm to talk, for a few moments, though, before the questions start. Let me say frankly, that my experience in the short time I have been in Congress has made me much more aware of the problems of the elderly citizens. The most vivid single lesson I have learned came this past fall and winter after the end of the session, when I was in Portland and working in my office there. Day after day, there in Portland, the reality of this subject unfolded itself to me in the real, living people who came through my door—a steady stream of older people, coming to talk to me about their specific problems and, sometimes (more generally), about the challenges facing older people. In those months, as I talked with these friends and neighbors, I think I learned a great deal. First of all, I learned how little I knew, and how much needs to be done and how little I or any of us have so far been able to do. Many of these people had problems on which, I am sorry to say, I could offer little help. With some, I was gratified to be able to do something. But when I came back to Washington, I came back with a new awareness of how much there is to do, and how urgent it is that we begin to do some of these things—to start now.

It seems to me that a gathering like this one, a few years ago, would have been a rarity. Today, thoughtful people are increasingly thinking about, discussing the puzzling questions raised by the facts of growing older. In a few more years, I hope, such conversation will become commonplace; and by then, we will understand a great deal more than we do now.

Of course, we have made progress. We've even got some shiny new words—like gerontology. And, because words are the coin of discourse, new ones are a sign of educational prosperity—not, I hope, of educational inflation. They mean, I trust, that we are learning something. It's high time. Twenty-five hundred years ago, in the brilliant culture of classical Greece old age was given comfort and honor—Plato entrusted the leadership of his ideal society, for instance, to a council of elders (to whom a 40-year-old vice president would have been unthinkable, if you will pardon a little campaigning). In some primitive societies, whatever the time and place, special reverence and privilege for old age has been a frequent characteristic. So, as our 20th century high civilization begins a belated concern with old age, we are only catching up with 400 B. C. and with the civilization of darkest Africa.

What I would like to do, however, is not to survey our progress in dealing with this tremendous upsurge of longevity in our Nation, encouraging as progress is. Instead, I would like to dwell for a moment on the basic condition on which progress, now and in the future, depends. Beyond that I want only to examine briefly some of the major fields in which local and nongovernmental groups are at work—like the Soroptimists here and across the Nation, and many groups of older people like your Silver Age Club who have joined together in many cities for mutual pleasure and usefulness—projects like the recreation centers that are in successful operation in New York, for instance, and in my own city of Portland, Oreg., or the retired businessmen's group in St. Louis that has done such fine work in counseling and advising young businessmen out of their own experience and wisdom. And I want to say a word about the role and responsibility of government, as I conceive it, in this great human and social adventure that is overtaking us.

THE DIMENSIONS OF UNDERSTANDING

I say "great human and social adventure." I think that's what it is. We live in an age when life expectancy has increased explosively. We live in an age in which more and more of us are living longer and longer. Children being born today can expect to live a third again as long as their grandparents born in 1900. Those new years—this gift of added life—are the stuff of a great adventure. Along with them we are gaining new knowledge of the meaning of growing older. We are learning, for instance, that getting old and old age are purely relative notions; that modern gerontology bears out the old proverb that "you are only as old as you feel," for the facts are that aging is a process that begins in youth; that psychologically and physically we begin to slow down in the late twenties and early thirties. So in a sense most of our life is spent aging; and the added years we are being given in our contemporary society are simply a prolongation of the best years of our lives, our maturity. And these are not simply rose-colored views. They are what the experts say aging can and should mean if we understand it and if we age wisely and gracefully.

But if growing old is to be a rewarding adventure—if we are to use well these added years we are gaining—a great deal of change needs to be made in our social and individual outlooks. More than that, of course, there have to be some drastic changes in some of our habits and institutions—in some of the facts of life. We have to begin to live and plan our lives around the change in life span.

But the facts of life are usually a product of our understanding of life—in the field of aging as in other fields. It seems to me that, in confronting the challenges of growing older what we need now, above all, is new and greater understanding. That is what I meant a little earlier by referring to the basic condition on which progress depends. We are all going to school (in a sense) and the name of our course is on the understanding of aging. Sometimes I think that as a society we are dangerously near flunking the course. But I'm an optimist—I think we'll learn. People like you here tonight who are actually doing something—learning at first hand—are at the head of the class. We all have much to learn from you.

I say that our progress depends on understanding. Well, what is it we have to grasp, to comprehend? It is, I think, what I have sometimes called the quiet revolution. That's part of the trouble, of course—it's the noisy revolutions that get attention—and this is a quiet one. I don't want to repeat to you a lot of statistics—I am sure you know them as well or better than I do. Yet, I think we all have to learn them, relearn them—repeat them over and over until we genuinely understand them in the fullest sense. Until they have become for us facts with the urgency they warrant and the kind of urgency only facts felt and understood really have for us.

THE FACTS OF UNDERSTANDING

So at the risk of repeating the familiar, let us go over together a few of the familiar facts that mark this quiet revolution—for quiet though it is, it is truly a revolution. There are four times as many Americans over 65 today as there were 50 years ago. In fact, the number of people over 65 is increasing twice as fast as the total population. If over 65 is old people (and that phrase itself needs some reunderstanding) then there are 14 million old people in America today—by 1975 there will be 21 million. Those figures and the millions of older Americans they stand for are the ultimate reality of the situation we are dealing with.

Yet ours is a society too much geared to youth in its values, its habits, its prejudices and fashions, its allocation of resources. It is a society that has delayed too long its adjustment to the quiet revolution. Old age is becoming more and more important to more and more of us—yet we have neglected, to a truly shocking extent, to adjust our society to that change.

Let us simply review some of the inventory of facts that bear out that statement. Our older people have far too little money income. Their average family income is only about two-thirds that of younger families. In recent studies, the figure for an emergency budget—not even a minimum, decent standard, mind you, but an emergency standard of living—the figure for an emergency budget for a city couple to exist on has been estimated at $1,200 a year. Yet among older people, over a fourth of all couples, a third of all single men, and a half of all single women, live on incomes below even this emergency figure.

There are other facts to be learned and learned again. We know that the homes of older people are, consistently, inferior to those of their younger neighbors. We know that for older people with no homes of their own, living circumstances are often difficult or even desperate, spiritually as well as physically. Yet even the inferior homes that so many of our older people must live in are beyond their means. The cold, hard figures indicate that the cost of housing, for most of them, consumes a third or more of their income. Contrast this with the familiar rule of thumb that no one should spend more than a fourth of his income on housing. The obvious conclusion is that older people are spending far too large a share of their scanty incomes just to obtain a home, however inferior it may be.

We know that too often the position of older people in the community reflects our out-of-date understanding and our outmoded values and prejudices. Too often, older people do not get the respect and social recognition they deserve—too often, they are ignored and shunted aside. Their needs for recreation and social life are sometimes neglected, their willingness and ability to contribute to the community wasted. Medical care and group medical insurance are limited and expensive. Although older people are only one-twelfth of the population, they occupy one-fifth of the hospital beds. Yet 2 of every 5 older people cannot meet their medical bills even for present inadequate levels of care. Voluntary medical insurance plans include hardly a third of our older citizens. Yet, in the face of these sad statistics, it is precisely our older people who most need adequate medical care and have the least financial resources for obtaining it. With the problems they face and their inability to meet their needs, is it any wonder that mental illness among older people is increasing more than three times as fast as the national average?

JOB DISCRIMINATION: AN OBJECT LESSON

And to this audience of all groups, I need not spell out the shortcomings of job opportunity, the sad facts of job discrimination. We all know that the number of older people in jobs is declining drastically; and that the obstacles of discrimination are geting higher and harsher at ever earlier ages. In 1890 more than two-thirds of all men over 65 were gainfully employed. Today, only 4 in 10 hold jobs. Able and experienced workers find too often that they are automatically barred from a new job at 45, even at 35 or younger. These prejudices are far too widespread. Many school systems, in spite of the shortage of qualified teachers, will not hire a teacher over 40 or 45. In Government, which should lead the way in elimination of discrimination, I am sorry to say such policies are far too common. Some of us in Congress have been trying for several years successfully to write into law prohibitions against discrimination on account of age in civil service. For when the schools, the armed services, the civil service, in their hiring, discriminate against the older worker, we can hardly expect private employers to lead the way.

It is precisely here, though, in an area we are most familiar with and whose facts we know most about, that my point about the importance of understanding can be brought home most clearly. For the job problem of the older worker is, to a very great extent, a product of poor understanding and poor education. Here is one of the crucial sectors in which the breakthrough of the quiet revolution must come. Not only is job opportunity an ideal point for understanding and education to strike—it is a very important barricade, morally and psychologically as well as economically, that must be stormed and captured if the quiet revolution is to be won.

Job discrimination is for the most part a product of poor education. Why do employers discriminate against older workers? You have had some experience with this and I will be interested to know if your experience bears me out. It is said that older workers lack physical steadiness and dexterity. But there are ample facts to show that workers as old as 70 can be as steady physically as the young. It is said that older workers are more prone to injury. The facts show just the opposite. It is said that they have poorer absentee records. The facts show just the opposite. Their efficiency and their reliability, contrary to misunderstanding and prejudice are equal or even superior to those of younger workers. In an economy in which skill, reliability and maturity grow constantly more important than sheer physical energy, the older worker should be more and more sought after.

If he is not, why not? The answer is simple. There is a job of education to be done, understanding to be communicated. This is, I think the most important single job presently to be done in our education for aging, as a society. And you are doing it. If I can presume to advise you as to what you can do—and I think it is presumptuous, in light of your interest and achievements—I would tell you to go on just as you are. What you are doing is the great job of education of yourselves and your community—and crucially, of employers who must themselves learn the facts about the value of older workers. As they learn those facts, they will learn others. They, and you, and others like you across the country, as you continue to interest yourselves in these issues, will bring about that "understanding of aging" which is the basic condition of progress. In the best sense you are propagandists—persuaders propagating important and much needed facts, promoting understanding of our quiet but enormously significant revolution.

And that is what we need—to make these important and pressing facts familiar facts of our existence; to develop a sense of shock at the facts of neglect and underprivilege; to become so aware of and impressed by these facts that, grasping them, we are immediately impelled to act vigorously to do something about them. That is what I mean by "understanding of aging."

I do not want to dwell further on this subject of understanding. But I do want to take a few moments to apply it. Where does understanding as we acquire it, lead us?

In the field in which you have done the most, it is leading us, I think, toward some substantial progress. We know, of course, that educating employers is not the whole of our problem. Often, older people have real problems of adjustment or retraining to prepare for new jobs. In a pilot study in New York State for instance, a special section was set up in the employment service, to give better and more intensive job counseling and retraining to older people than was ordinarily done in the employment service. The results were impressive: Of the older people who went through this special placement service more than twice as many found jobs as among those who went through only the regular placement service. Plainly, this indicates a need for improved job placement service.

Also, we know that industrial pension plans, for instance, sometimes discourage an employer from taking on older workers. So studies are being made to learn how, without damaging pension systems, older workers can be brought in to the job and into the pension system. These are details, of course. There are many others. But I believe we are on our way to reversing the trend—the doors of job opportunity, which for decades have been closing, are going to swing open again. People like yourselves, doing the work and gaining the knowledge, all over the country, are going to bring this about.

I would like briefly, too, to mention an activity in which the Soroptimists of my own city of Portland have been doing some fine work. Working with the city's bureau of parks and public recreation they have for some time been maintaining and operating a recreation center for Portland's older women. A variety of special social events and a regular program of craftwork are among their activities. Every month, the center has become a more important part of the social life of its members. Every month the center serves nearly a thousand women and monthly attendance in craft classes runs to several hundred with activities that range from making lampshades to aluminum artwork. The Soroptimists recreation center fills a real place in the social life of our older women. And again, let me point out it is doing more than filling a present social need—it is serving as a center for building understanding, for educating, for propagandizing. And so, it is contributing to the massive social adjustment that we must make. It is significant that the center, in Portland, has drawn visitors, who come to observe and learn, not only State officials working in related fields, but observers from Germany, the head of a working girl's program in Greece, an adult education director from Singapore.

THE PLACE OF GOVERNMENT

The programs and experiments we have talked about are primarily local—the people of the community, young and old together, working to adapt to the new society. And this is as it must be. We live locally, after all, our needs and our problems are local. Adjustment and acceptance of this revolution must be molecular—a change in every community, and every neighborhood—and must depend on genuine local understanding and effort. But there is a role for government, too. And before I end I would like briefly to touch on that, because, as a Member of Congress, it particularly concerns me.

Of course, anything that government does is, in the last analysis, only possible and only worthwhile if it promotes and cooperates with local activity. But there are many ways in which government has a very special

and important role to play. In the field of housing, for instance, there is an obvious need for government. The size and scale of our housing needs and the problems of financing them have long been admitted to require government participation. But only this year, for the first time, it looks as though we will get what has long been overdue—a Government housing program that clearly and specifically recognizes the housing needs of older people. Housing bills in both the Senate and the House deal with this. The housing programs of the past have simply not been designed for the needs of older people; the conditions for FHA-guaranteed mortgages, for instance, have not been suitable for older people to buy homes; the limitations on single people in public housing projects have kept the many older people who live alone from taking advantage of this low-cost housing they should be eligible for. Now, however, the proposals call for mortgage terms adapted to the circumstances of older people; for special Government loan programs for building nonprofit housing especially designed for older people, with few or no stairs, nonskid floors, handrails, and the other conveniences that can make so much difference. Provision is to be made for older people, single or couples, in low-cost public housing. And increasingly, the designers and the builders are giving thought to the special needs and problems of older people and some real advances are being made.

Now here is one good example of a responsibility Government can and should accept. It is an example, too, of the interdependence of Government and local action. For in housing, success depends on cooperation between local housing authorities and local builders and the Government. But this is only one example. We should think of the role of Government in broader terms. I think we are beginning to do so. In a social change as great and complex as this one we need thinking and planning, and coordination on a large scale. Government should have a major responsibility here. We need, too, a kind of nationwide conversation—a national classroom—in which this understanding of aging can be stimulated and promoted. When problems get national attention focused on them—when they begin to occupy the attention of Government and, so, the news of politics and Government—that kind of national education is greatly stimulated. We are beginning to get this now, and the housing debate is only one example. Of course, there are differences of opinion and arguments in Government on how to proceed. That is understandable and all to the good. Argument is the road to education. For example, the administration is opposed to this expanded housing program for older people; it wants a much more limited concession to the housing needs of the aged. The majority in Congress, however, seems inclined to move more boldly, recognizing, I think, the real size and importance of the problem. And, of course, being part of the majority in Congress, I take that view.

THE NEGLECTED GENERATION

This present concern with the housing problems of older people is encouraging—but it is late in coming. All our concern with the aging is on a badly delayed schedule. The fact is, we are in a painful transitional stage in our social policies and we have not yet caught up with the realities that make transition necessary. My mail bears this out—and I am sure every Member of Congress has the same experience. Letter after letter brings me the problems of the older people whose circumstances have left them unprovided for in our current programs—often very bitter problems indeed. These are people whose primary earning years are behind them—whose middle years came while our social policies were only beginning and were even more inadequate than now. For most of them, health insurance and other such benefits now becoming available were simply not to be had when they might have established eligibility.

Even now, less than half of all men, a third of all women over 65, are covered by social security. And the benefits many of them draw are based on the low schedules of past years, completely out of tune with present high living costs. My mail tells me over and over of the difficulties of getting by with scanty benefit payments—or even worse, of people who, through technicalities or their special circumstances, simply do not qualify. It is all very well to say that these probems will be eased after a few more years of operation of the social-security program and of expanded private-pension programs. This is cold comfort to the many people who are trapped in the shortcomings and the failures of our present benefit programs, here and now. And even for the long run, there must be substantial improvements in the social-security system to make it live up to its name and provide real security for our older citizens. The current effort in Congress to lower retirement age for women to 62 and to authorize disability payments beginning at age 50 is an example of what we must do—and more—if we are to have real social security.

Meanwhile, the present generation of older people, the first wave of the quiet revolution, suffers from our delay and neglect. They are in danger of being a lost generation. One of the most pressing burdens on our conscience should be the special problems of these people, now, quite apart from long term plans. Here is a special responsibility of government—for it will take wise and vigorous government action if we are to help them in time. They cannot wait; the policies of 20 years from now will do them little good.

A PROGRAM FOR ACTION

My own thinking about all these problems has led me, at least at this stage of my understanding, to a more comprehensive approach, which reflects the things I have said here tonight and which is embodied in a bill I, along with several others, have sponsored in this session of Congress. What we propose to do is set up, in the Department of Health, Education and Welfare, a special agency devoted to comprehensive study and action in the total field of the problems of aging. We feel that such an agency, staffed by professional people who can combine study with practical experience and experiment is the best and quickest way to make progress. It is, we think, a way to promote that basic education and understanding and at the same time to set in motion some of the practical programs that understanding must produce. Because the field is new and complex, we are willing to make a modest start—but above all, we want to make a start. Here again, we disagree with the administration. It has appointed a "Federal Council on Aging" to study the field. We feel that, too often, these study groups are only a way to postpone serious action and tend to have the effect only of discouraging the kind of specific, concrete action we are urging. This Federal Council, for instance, is simply an additional duty for men who have regular jobs in the different Federal agencies concerned. They expect to hold a conference of Federal and State officials this June. Now we don't object to conferences—we think the more discussion and publicity and exchange of ideas there is the better. In fact, our bill calls for a major conference, after several years, to evaluate our experience from the actual working program we propose. For instance, we want to provide some limited funds—a few million dollars for the first 5 years—for grants to the States, working with the Bureau of Older Persons—to get some expanded action and programs stimulated, so that we will have more experience on which to confer—real knowledge as the basis for a conference. But we disagree with the administration in its position that part-time councils, and conferences are a substitute for action and experience. We don't feel that they have given sufficient serious consideration to the need for such an agency and program, any more than we feel they are sufficiently bold in moving to meet the housing problem for older people.

But the important and encouraging thing here is, in spite of disagreement and what we feel is the administration's lack of vigor and imagination—the important thing is that interest in this quiet revolution is growing. We are all learning more and more, talking and experimenting more and more—we are moving toward that "understanding of aging" which—I come back to it again—is the first great step. I think the signs are abundant. And so I am hopeful that we are slowly but surely moving to that great—and overdue—social adjustment to these new facts of life. Your presence and interest here tonight—and your activities, are a further and a very important and heartwarming evidence of that same fact.

I have talked far too long for a person who admits that she knows little about this big and difficult topic. But I hope you will forgive this as simply an indication of my real interest—and because, I hope, I have talked with the purpose of promoting, as far as I can, that understanding of aging that I call the basic condition of progress.

Address by Hon. Frank Chelf, of Kentucky, Before the Lebanon, Ky., High School Graduating Class

EXTENSION OF REMARKS
OF
HON. JOHN C. WATTS
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 5, 1956

Mr. WATTS. Mr. Speaker, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a transcribed ad lib speech made by my colleague, FRANK CHELF, on Monday night, May 28, 1956, to the Lebanon, Ky., High School graduating class, of which his oldest daughter, Caroline, was a member.

The speech follows:

Superintendent Johnston, distinguished members of the school board, members of the faculty, you fine graduating class of Lebanon High School, my old and dear friends of Lebanon and Marion County, and you good ladies and gentlemen who have honored us tonight by your presence from the adjoining counties, I have had many thrills in my time, believe me, certainly many, many more than I have ever deserved. I can recall not too many years ago—but certainly enough, at that—when I was a barefooted, ragged, dirty-faced youngster out in an orphanage, and I never shall forget the greatest thrill that had ever come—the first real thrill of my lifetime. It was when Babe Ruth came to see the youngsters at the home and he was knocking fly balls out into the outfield, and as a youngster and member of the team I put my heart into catching one of those balls, because the rule was if you caught a ball you could come in and Babe would autograph it and shake your hand. Well, I want you to know, boys and girls, that I caught one of those balls. I made it my business, Jim, to catch one. And

you talk about a fellow rocking, rolling, wheeling, and dealing—I really came in from that outfield into that infield and got in there and shook Babe Ruth's hand. He autographed that ball, and today I have it as one of my most prized possessions in a glass case there on my desk in Washington. Someday, if little Frank behaves himself, I might pass it on to him. That was a great thrill.

Then, you know, 30 years ago tonight I graduated from high school, and that, too, was a real thrill. Of course, I was so young when I graduated—fact is, I was only round about 9—well Jack Benny is only 39. Well, Caroline looked at me pretty closely, so maybe it was twice 9, Caroline. At any rate, it was a happy occasion, believe you me.

And then later on, as my good friend Denny pointed out here, I had some other wonderful things happen to me—when you good people here elected me as your county attorney and later when Miss Lou agreed to walk down the aisle with me; and later on, it was a real thrill when Caroline, our first baby, came, and then Bonnie and then Frank—oh, what a wonderful thing it was. Later, yes, I had my shingle hung out; the war came thereafter and I did what I could to help win it. I shall never forget the thrill that came to me the day of our graduation from Officers Candidate School when I got my commission, and when I was promoted to a captain and later to a major. When I came back, you good people rallied around me here in Lebanon and Marion County and throughout this great Fourth Congressional District and you gave me the nomination and elected me as your Representative in Congress. Oh that was a thrill—that was the high-water mark in my life, make no mistake about it.

Then still later on, by hard work, I was permitted to serve as the chairman of a subcommittee that won some national prominence and they were kind enough to me to let it be called the Chelf Investigating Committee. All that was wonderful. It was fine, my friends, when I was permitted to meet the great Franklin Roosevelt, shake his hand and to serve with him in his Congress and later, President Harry Truman and now President Eisenhower. They were wonderful things to happen to me but I want to say to you from the bottom of my heart, the greatest thing that has ever happened to FRANK CHELF is to be permitted to come here tonight and to address this fine graduating class in our hometown—56 fine young men and women representing one for each year from the beginning of the 20th century. I think it is a good omen, Mrs. Johnston—I do indeed and I am so happy, so pleased, and I am so proud that you were able to hold your line and to keep them all together. I understood that one dropped out but later one more came and took the place. I was happy and I know that all of you thrill because of that. To me, I repeat—that is a good omen—believe me it is.

What I have to say to these fine young men and women tonight probably will be old stuff to you fathers, mothers and you loved ones and certainly to the members of the faculty and you teachers. It will be old stuff, yes, and so if you want to tune me out, go to sleep or drive out to the Parkette, it is all right with me; we will go right ahead here with this thing. I know there have been times when you wanted to say something to the youngsters but maybe they were going to a dance, going to that football game or that basketball game, or maybe they were headed out the door to class and maybe what you had to say to them didn't quite register at the time. Then on the other hand, maybe you were too busy to get it over, as I have been, and it really is a shame that I haven't had more time with my family. If you haven't seen me at home as much as I feel that I ought to be, just bear with me and please understand that you good people elected me to represent you in Washington and there are certain things that go with public life that you must make in the way of sacrifies. My family has borne the brunt of that sacrifice by my not being with them as I would like to be. My dear friends, tonight we have this happy senior class here on the stage. They can't run out on us tonight, Mrs. Johnston, they can't go to any dance and they can't get away from us until they hear my plea. We have got them cornered tonight—they can't leave us tonight—so on behalf of you fathers, mothers, and you loved ones and the members of the faculty, I am going to tell them off for you tonight for just a few moments—bless their hearts.

Yes, this is the first appearance that I have made in the way of a commencement address in 12 long years and the reason for that is when there is a rollcall in Washington that means something to our people—to our farmers—and there is a vacant seat there where CHELF sits—I think that that is just about the most inarticulate and just about the worst representation that people can have. That's the reason I have tried as best I could to stay there and be on the job when legislation that you needed most was before the Congress for action. I was trying as best I could to set an example for other youngsters who came along behind me because I shall never forget, Pauline, when I was elected to Congress that a lot of my dear friends voted for me with their tongues in their cheeks. I know they thought this boy is too young, he is a good boy, but he is too young, and they were afraid. I know in their hearts they worried about me, and that was probably the thing that drove me and made me work as hard as I have worked—certainly to my own detriment from the standpoint of my health but, nevertheless, it did drive me on and on to prove that a young man or a young woman could do a job if it was entrusted to them. I had in mind the fine young men and young women who were coming on behind me. I knew that if I didn't make good, then the people might not consider opportunities for those who followed me. Therefore, it was incumbent upon me to make a success and I had to do it.

Tonight I have no prepared speech. I am going to talk from the bottom of my heart, what's in my heart and on my mind. I don't have a prepared speech because I remember the story of Senator Barkley many years ago when he said that he was honored when he was a young county attorney to make the commencement speech to one of the little high schools in McCracken County. He worked so hard, oh, he stayed up several nights preparing his speech and he thought that he had a masterpiece when he had finished and so, on the day in question, he delivered the speech. When it was over, he waited for the congratulations and the applause and none came. He was rather disappointed; he waited a little while longer and no one came to congratulate him and even the superintendent of the schools stood by and said nothing. So finally he couldn't stand it any longer and he said: "Superintendent Jones, how did I do—did you like my speech?" The superintendent said: "Do you want the truth or do you want me to tell you something that you want to hear?" The Senator said: "I want the truth." The superintendent then said: "Well, it was terrible. There were three things wrong with it. You read it, you read it poorly, and it wasn't worth reading to begin with." So, tonight, I am just going to tell you what is on my mind and in my heart.

I was fortunate, I guess, after all is said and done. I don't claim any credit for anything that I may have been able to do because I think that those things are in the cards. Sometimes, I think that what is to be, most generally will be, but certainly we want to try to help things along, as best we can. The point I am making is this—I can remember when I was just a little fellow around about 5 years old, and shortly before Dad died—my dear, sweet old Aunt Lucy took me into the courthouse where my father was circuit judge and I saw him there on the bench (ill though he was) and I made up my mind then and there that I wanted to be a lawyer. From then on, I worked hard because I knew what I wanted to do; I knew where I wanted to go, and I charted my course and I set my sails and I worked hard for it. Well, it is something that helps and I don't think there is any doubt about that. I believe that young folks sometimes by not having their minds definitely set upon the thing that they want to do, who are willing to let it ride along until after they have graduated from high school before they will even discuss it or talk about it—sometimes these young folks allow the other fellow to get a jump on them. I believe this sincerely—that deciding early in life what one's goal is to be keeps to a minimum, shall I say, at least confusion, indecision, and certainly delays.

I am reminded of a story—speaking of confusion—about when I was a youngster working on a farm, during the summer months, a friend of mine with whom I was staying that summer asked me to go over to the neighbor and borrow a clock. He said that the clock he had there had quit running, his neighbor had three, and they were all running pretty well. So I went over to the adjoining farm, borrowed a clock, and brought it back. Well—the clock didn't seem to do so well. After about a week, everybody in the Woodward household was really in a state of confusion and almost shock over that clock. Finally, Mr. Woodward asked me to take the clock back, thank the man for its use, and tell him that he would take his own clock into town as soon as he could and have it repaired. I took it back and told him what Mr. Woodward had said. He thanked me for bringing it back but he said, "Frank, I will tell you something, that is a good clock and it runs; it does all right but the trouble with it is, I forgot to tell you about its peculiarities and idiosyncrasies." He added: "You know, that clock runs well but I forgot to tell you that when both hands stick up to high noon and it strikes 3, that means it is 6 o'clock." When you fine young men and women have both hands up at high noon, I don't want you striking 3 and saying it is 6 o'clock. That is most confusing.

There are five things that I would suggest here tonight. Your parents have traveled the road before you. I have no secret formula to offer to you for success, though I wish I could give you one. I know that the teachers do not have a secret formula for you. We can't wave a magic wand. If we could save you one tear or one disappointment, we would be delighted to do it.

While I am talking, I want to congratulate you fathers and you mothers tonight, for raising such fine young men and young women. I know of the heartaches and the sacrifices a lot of you have made. I know of those things and I am sure this fine class does, too. By the same token, I want to congratulate the members of the faculty—each and every one of the teachers—for the wonderful, magnificent contribution, the selfless devotion to duty given throughout all the years that this class has been in school and other classes who have gone before and the ones who are yet to come. I, personally, want to thank them on behalf of you good people assembled here tonight for the love and the devotion given and the sacrifices that they also have made. Young men and young women, you may not realize it now but the time will come when you will appreciate them all the more and with each passing year, they will become more dear to you. I know that maybe you haven't thought

about it, but I am sure that you realize that every one of them, with their qualifications, their intelligence, their ability, and their integrity, could go to Louisville and get a job there with almost any organization or company and make twice, three times, maybe four times the salary that we are able to pay them here. This is not because we don't feel that they are not worth it here but because after all is said and done, the tax dollar can go only so far. I want to say this to you—and thank heaven, I am not on the ballot tomorrow and nobody can say it is politics. I do think you are entitled to know that I have always been for some form of Federal aid to education. I am for it now and I shall continue to be, because I think that you good people are the most underpaid and, sometimes, I am afraid the least appreciated folks that we have—and you are the ones who mold the character of our future citizens. I have not forgotten you and I know that these parents here will always remember what you have done for their loved ones.

Yes, I repeat, young men and young women, that I can't give you a magic formula but if I can save you one heartache or one tear—just one—I will be grateful for this opportunity tonight. I know that when Caroline last fall wanted me to take her out to Columbia, Mo., to see Christian College which she hopes to attend this fall, we became lost—hopelessly lost. We got off the main road and we were floundering. I pulled into a filling station and I asked the man if he had ever been to Columbia, Mo., and he said yes, he had traveled the road before. I asked him to get me straightened out and get me on the right road. He did and we went on without losing any more time at all. It was just that simple. As you travel life's highway, if you become doubtful, if you momentarily lose your bearings, if you get a wee bit "off stroke," or if you feel that you need some advice or counsel, don't hesitate to go to your father, to your mother, to your grandmother, or to some member of the faculty, or even write me. I would be delighted and would consider it a real privilege, an honor, and a pleasure to try to advise and counsel you even by mail, to try to help you, to guide you.

As you travel along life's highway—or any highway, for that matter—if you watch your guideposts and signposts, you are not as likely to wreck or to get into trouble or to get hurt, if there is a sign that says "dangerous curve ahead," "slow down," "deadend street," "roadblock," or a "one-way bridge." Those suggestions that I would make would be five—and only five—and the first roadsign that I would suggest is that you take the Lord into your confidence; let Him be a part of your life, let Him be a partner in your business and always remember the Golden Rule and say a prayer each day. Youngsters of 18, 19, and 20 in World War II prayed and they did it unashamedly, too. No. 2, I would suggest to you that you work hard, work very hard. There is no, absolutely no, substitute for hard work. Speaker RAYBURN of the House of Representatives has often said that he doesn't want the most intelligent man from a given congressional district to come to represent his people in Congress but has said: "Give me the man with average intelligence, just average intelligence, but one who will work hard—real hard and I'll show you one of the most successful Representatives in the United States of America."

As you will remember, I told you good people when you elected me 12 years ago to Congress that there were probably 350,000 people in Marion County and in the Fourth District who were smarter than I, but that I guaranteed you one thing—if you would send me there, nobody would work any harder or as long as I would to try to give you the representation to which you were entitled and to try to make up the difference in what I may lack in the way of experience, training, brains or talents. No. 3, I would say not to hold grudges, not to hate. That reminds me of a story about the old gentleman who was at a revival meeting, sitting there, 105 years old—Uncle Jim, by name. The minister said: "Is there anybody here in the sound of my voice in the church-house tonight that can truthfully stand up and say to all mankind and everybody here assembled that he loves everybody, that he has no ill-will toward anyone, that he holds no grudge against anybody?" Finally old Uncle Jim stood up, tottered on his cane, and said: "Parson, I love everybody and I don't hate anybody." The minister said: "Tell everybody—we want to know the formula, Uncle Jim, because we all need to know." Uncle Jim said: "I've outlived all of the dang rascals." Now, you don't have to do it that way—you don't have to feel like Uncle Jim. You want to do it honestly from the bottom of your heart.

The fourth road sign is to be honest, be fair, keep your word—let your word be your bond. Then you won't have to explain—you won't get caught in any lies. Elbert Hubbard says: "Never explain, your friends don't need it and your enemies won't believe you anyhow." You know, I have developed a theory over the years, and I will pass it on to you for what it is worth. I have often said—never ask a friend to do something that will hurt him spiritually, morally, mentally, physically, socially, financially, politically, or any other way. A man just doesn't ask his friend to do something he knows in his heart is going to hurt him. If you will remember that, I think it will help a little bit, too.

Last, but not the least, of the five signposts—let us be courteous, kind, and sympathetic—to the blind, to the lame, the halt, the widow, the orphan, the aged, the infirm, the sick, the indigent, and to the downtrodden. You do that, and you just don't know the real deep-down satisfaction and joy that you will have. I was in Washington the other day, walking down the street, and a man came up to me. I thought he was a typical panhandler. He tapped me on the arm, and said: "Mister, can I have a little money for some food?" I gave him some money, and then I turned to walk away. He stopped me, and said: "My friend, I appreciate this very much. I am down on my luck now—I haven't got a dime but I am going to remember what you did for me tonight, and when I am back in my luck I am going to pass this on to some other poor unfortunate fellow." That stopped me in my tracks. I turned around and I looked at that man—it really impressed me. That was the first time in all of the years that I have been trying to help folks that I had had that kind of an answer. I guess the reason it startled me was because it was that sort of thing that I wanted to do myself—to try as best I could, within my limitations, to help others. Be kind, be sympathetic, be understanding, say a kind word to people. Courtesy is the least investment that you will ever have to make on anything and it will pay you the greatest dividends. The fact is, courtesy costs you absolutely nothing and the dividends that come back to you are wonderful. It reminds me of the story about the preacher who had been away because of an operation for quite some time. He was gone about 2 months, and when he came back he gave a rousing sermon that morning in church. When it was over everybody was impressed, and one of the members of the congregation came to him and said that it was a wonderful sermon, that it was magnificent, the finest he had ever preached. The preacher said: "Now, listen, save those compliments for the young minister who took care of you while I was away—it will give him some incentive, some inducement, and some encouragement to go ahead and to develop; why, those compliments for us old duffers is just like pouring water on a duck's back." She replied: "Yes, parson, but the ducks, they like it."

The ducks—we all—like a compliment, and it doesn't cost us anything. Let's hand one out occasionally as we go along. I am told by a fine old gentleman, Mr. Ancil Basham, of Louisville, Ky., now in his late eighties, that some 60 years ago my father, Caroline's grandfather, made this statement: "It is never too soon to do a kindness because you never know how soon it will be too late." That is really something to think about. I appreciate very much this grand old gentleman's writing me and telling me about that phrase which my father had coined.

Don't ever let anybody tell you that you are living in terrible times in the atomic age. You ought to thank God that you were born when you were because all the world is looking to America today for leadership and for guidance. We are one of the few countries that are left that have freedom, decency, democracy, and Christianity—that haven't been gobbled up behind the Iron Curtain. Those poor people who are behind the Iron Curtain are looking, praying, and hoping that some day, somehow, praise God, America will show the way to those who have no freedom. How can we show the way, Jim? We can't show the way unless you youngsters who are coming on now will take over because the job is going to be yours. You graduates of high schools, and, later on, of college—it will be your job. You stand on the threshold of life—young, eager, able, and sincere, and you want to do a job. You have it within your power this minute to make it a good life, a decent life, and a better life—a Christian life, on the one hand, or you can make it a bad life, a sorry life, a miserable life—a complete failure, on the other hand. It is within your grasp. Your parents and your teachers have done all they can for you. You are just about to be on your own.

Remember one thing more, please. Kentucky is the second State in the Union to grant to you at the age of 18 the right of suffrage. Tomorrow is election day. I am not on the ballot and I thank the Lord that I am not because, as I say, I don't want to be accused in any way, shape, form, or manner of bringing in politics, but I do think that since you are about ready to cast your first vote, no matter whom you vote for, vote for somebody tomorrow. Please do that and always set aside and dedicate an election day as a memorial day to our forebears who at Valley Forge, Yorktown, and New Orleans fought and won for us our liberty—and for those fine young men and women who gave their all in World War I in St. Mihiel and the Argonne Forest—and for those brave young men and women in World War II who gave their lives at Guadalcanal, in Sicily, Italy, and at the Normandy beachhead, so that we could be free and could vote—and later on, in Korea, to the tune of a million casualties in blood and $200 billion in gold and in treasure in order to preserve and protect the integrity and the decency and the Christianity of this freedom that we have. Oh yes, we inherited it but we have to fight this day and age in order to preserve and protect it. Tomorrow, please go vote for somebody and, as I say, every election day, dedicate that day as a memorial to those who willingly gave their lives that we—you and I—may be free.

And now I want to take this opportunity, once again, to recap the five road signs: (1) Take the Lord into your confidence; (2) work hard; (3) don't hate anybody; (4) be honest, be fair—let your word be your bond; (5) be courteous and kind. If you observe these, I will certainly have no worries about your success.

I want you to know that this night has been for me a decided honor, a real privilege. It has been a real thrill to have been

able to come here to be with you on this occasion. In conclusion may I say—make friends and keep them always. As a lad, I learned this little poem:

"Making friends is a lot of fun,
Shaking hands with everyone,
Hearing what each has to say
As we meet them—day by day
Swapping smiles and trading cheer
Makes us happy while we're here
'Cause all the joy of life depends
Just on the art of making and keeping our friends."

I want to congratulate you for the splendid job that you have done and I hope and pray that the Master above who holds in the hollow of His hand the destiny of all men, all lodges, and all nations will keep you, that He will cause His face to shine upon you and give you peace, happiness, prosperity, contentment, long life, and success. Good luck. And may the Lord of Hosts bless you always.

Testimony of Cotton Industry Before Committee on Agriculture

EXTENSION OF REMARKS
OF
HON. HALE BOGGS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 5, 1956

Mr. BOGGS. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following testimony of the cotton industry before the Committee on Agriculture:

MR. GATHINGS. Mr. J. P. Henican, Jr., New Orleans Cotton Exchange.

Mr. HENICAN. May I ask Mr. Knell, who is representing the New York Cotton Exchange, to come to the witness stand with me? We will give testimony for both exchanges.

Mr. GATHINGS. Both of you want to make a statement?

Mr. HENICAN. We will talk together.

STATEMENT OF J. P. HENICAN, JR., NEW ORLEANS COTTON EXCHANGE, NEW ORLEANS, LA., ACCOMPANIED BY FRANK J. KNELL, NEW YORK COTTON EXCHANGE, NEW YORK, N. Y.

Mr. HENICAN. We of the cotton exchanges very definitely believe that this amendment will broaden the futures markets, and therefore make them more serviceable to the respective commodity industries.

Mr. Chairman, whereas I am president of the New Orleans Cotton Exchange, I am also a partner of Merrill, Lynch, Pierce, Fenner & Beane, so I am interested in all commodities, other than cotton, but, having been born in New Orleans, my No. 1 commodity is cotton. I think I know it best.

As said, I am interested in all commodities, as a partner of Merrill, Lynch, Pierce, Fenner & Beane, so what I believe of cotton I believe also of the other markets.

We think that this amendment is going to broaden the volume in the markets, and therefore make them more serviceable to the various commodities industries.

Mr. GATHINGS. The exchange will handle considerably more business, sir?

Mr. HENICAN. Yes; we think so, sir.

Mr. GATHINGS. What percentage increase in cotton will you anticipate?

Mr. HENICAN. That is very difficult to say, because I think it will depend entirely on the conditions in the market place at any particular time.

On that score, Mr. Chairman, there are 2 or 3 gentlemen here who represent cotton mills, and who would use the market under these conditions.

Mr. Emmett from Dan River Mills is here, Mr. Kirby from Dominion Textile Co., Canada, is here in the room, too, at the present time. Also, Mr. Robinson is here. He is the mill man representing the ACMI, American Cotton Manufacturers Institute.

Those people are vitally interested in the amendment, and make use of the markets on the basis suggested by the amendment. I think they are far more capable of intimately explaining to you how they will make use of these markets under the amendments.

I think it is very difficult to explain to you now how the volume will be increased, because it will depend on the conditions in the market place at any particular time.

Last October there was a 2-cent break in the cotton market. That break caused prices to go below the Government loan level. I think under those conditions we could say these people would have been in the futures market had they been allowed to do so. If this present amendment had been in effect, and if they had not been limited to a maximum of 30,000 bales of speculation.

I do not entirely agree with what Mr. Kauffman said about only a relatively small amount of organizations would be interested in this amendment because as the director of the commodity activities of Merrill Lynch, I receive frequent calls from people in the butter and egg business, for example, and in other commodities, that are investigating the possibility of pricing their commodities on an extended period.

They are not familiar with the present CEA Act and want to discuss it. When it is pointed out to them they are limited to certain positions in the market, they then do not go into the positions. I do not think that those kind of people consult with the CEA. Therefore, the CEA does not come in contact with those inquiries.

Mr. GATHINGS. We would like to hear from these individuals who are interested in this amendment. But we do not want to preclude either of you gentlemen from proceeding with your statement.

Mr. HENICAN. That is why we asked them to come, so you could hear them, as to the practical use of the proposed amendment.

Mr. GATHINGS. Do you want to ask any questions?

Mr. ABERNETHY. I would like to ask one question. How many cotton mills in the United States have a normal annual consumption of 30,000 bales or more?

Mr. HENICAN. Mr. ABERNETHY, frankly, I do not know the correct answer to that question. But as a rank guess, I would say in excess of 100 mills consumed or processed an excess of 30,000 bales annually.

Mr. ABERNETHY. Well, are there any?

Mr. HENICAN. Any?

Mr. ABERNETHY. Yes.

Mr. HENICAN. Well, certainly.

Mr. ABERNETHY. Have you any idea how many?

Mr. HENICAN. I think there might be in excess of 100.

Mr. ABERNETHY. There are a lot of them?

Mr. HENICAN. Yes.

Mr. ABERNETHY. I did not think there were so many.

Mr. HENICAN. But you ask these gentlemen when you have them on the stand.

Mr. ABERNETHY. Mr. Chairman, would it be all right to put that question to the audience and see if anyone back there could give a direct answer to it?

Can anyone in the audience give us a direct answer to that question?

Mr. HENICAN. Mr. Robinson, how many cotton mills consume in excess of 30,000 bales of cotton a year?

Mr. ROBINSON. I was going to say 100 mills. That is a guess. I do not know. But there are numerous cotton mills, large enough to use 30,000 or more, that is, of bales.

Mr. ABERNETHY. Might we identify who the witness was that answered that question?

Mr. GATHINGS. Would you state your full name?

Mr. ROBINSON. Ralph S. Robinson, member of the cotton committee of the American Cotton Manufacturers Institute.

Mr. GATHINGS. Thank you.

Mr. Robinson, you are an assistant to Mr. Jackson, are you?

Mr. ABERNETHY. That is the organization with which Mr. Robert Jackson is connected?

Mr. ROBINSON. Yes, sir; that is correct.

Mr. ABERNETHY. One of my constituents, incidentally.

Mr. GATHINGS. Mr. MCINTIRE.

Mr. MCINTIRE. Mr. Henican, I was impressed with Mr. Kauffman's statement of the fact that if this bill were passed, this broadening of the trading area, that it would have to be encompassed somewhat by some regulation in order to keep it within bounds.

You mentioned that you are in charge of some of the commodity work of Merrill Lynch, Pierce, Fenner and Beane, and that concern I am sure is known widely for its part in trading activities, and is a member of these exchanges, I am sure.

Mr. HENICAN. That is right.

Mr. MCINTIRE. Now, in representing clients who wish to trade in commodities, to what extent does a broker for a member, as Merrill Lynch, assume some responsibility in making sure that the client whom they are representing in the trading activity stays within the boundaries of the regulations laid down by CEA.

Mr. HENICAN. Mr. MCINTIRE, we do that very, very actively. In other words, as a partner of Merrill Lynch, I do not want to lose my capital and, therefore, I want to keep these positions in bounds and well margined, depending upon the credit ability of the client, or the integrity of the client, his history in the industry and so on.

And we do not want to take undue risks. So, therefore, even if it is General Motors that wants to buy unlimited number of contracts, for example, we would limit our risks. We would try to spread our risk and supervise it to that extent, very definitely so.

That is why I like to use the word that the processor or manufacturer will be allowed to buy a reasonable percentage of his year's requirements, or anticipatory requirements, a reasonable percentage.

What is that reasonable percentage? I think it will vary, depending on each individual organization. And I like to put it on a personal basis for each account, very definitely so.

Mr. MCINTIRE. Do you think that it is a moral obligation then that rests very heavily on the broker that they not permit their client to, participate in any trading activities that is in violation of the trading principles that surround that commodity on the Board?

Mr. HENICAN. Very definitely so; very definitely.

Mr. MCINTIRE. I am not acquainted with any provision of the law which perhaps penalizes that broker, but do you not think he ought to have some responsibility under the law that if he permits a client to violate the trading practices of board that should subject him to perhaps being thrown out as a client that that brokerage concern ought to bear some of that responsibility, too?

Mr. HENICAN. Very definitely, Mr. MCINTIRE, because the way I personally feel about it is that if I allow my client to violate the law the controlling exchange is coming back to me for the violation and I subject myself to suspension, expulsion, fines, and so on.

Mr. MCINTIRE. Would you have any objection, as you see this responsibility on the part of a broker, of the law providing that the broker should be suspended if they permit their client to do any such thing as that?

Mr. HENICAN. Yes, sir.

Mr. MCINTIRE. You would be in accord with that?

Mr. HENICAN. Yes, sir.

Mr. MCINTIRE. Thank you.

Mr. HENICAN. Mr. McINTIRE, I am not going to allow any customer to buy an unreasonable amount, I mean to take an unreasonable market position on my books and to clear those contracts for him beyond his normal year's requirements or ability to finance, very definitely so. Merrill does not want that risk. I personally do not want that risk.

Mr. McINTIRE. I think that is a sound position. And thank you very kindly.

Mr. ABERNETHY. Do you feel that the language recommended by the Department improves the bill?

Mr. HENICAN. Yes; in substance. I have a disagreement on the question of liquidation. I recognize the fact that there are people who will purchase large amounts, possibly, to try to manipulate prices or influence prices to their own personal benefits. And, therefore, we have to provide safeguards to regulate or supervise those type of people. There is no doubt about that.

But, nevertheless, as a broker, I do not want to be too controlled as to liquidation, for example. You see, the proposed amendment says, "provided they liquidate in accordance with the provisions laid down by the CEA," the CEA Administrator.

For example, if there is a position in my books that is in financial difficulty, I do not want to have to go to Mr. Kauffman and have him say, "You can only liquidate under certain conditions." I want to get rid of that position as fast as I possibly can, to save my capital.

Mr. ABERNETHY. Let me put it this way: I can understand your position there.

Would you say that the language proposed by the Department is reasonable?

Mr. HENICAN. Generally reasonable; yes.

Mr. ABERNETHY. But you would prefer the language of the bill?

Mr. HENICAN. No; I would not.

Mr. ABERNETHY. You would not?

Mr. HENICAN. No. I think we can go a little further than the language in bill H. R. 9333. I think we can go a little further than that for protection.

Mr. ABERNETHY. You say a little further—do you mean as far as the recommended amendment goes or even further than that?

Mr. HENICAN. No, no; than the original bill, H. R. 9333. We go further than that—than H. R. 9333—to give the CEA supervision. I recognize that the CEA must have certain supervisory authority to take care of people who do not play the game fair. I do not want to be too restricted about the restriction, because as I say, of financial difficulties that they may come into play. I do not want Mr. Kauffman to tell me how I must liquidate.

Mr. GATHINGS. Do the regulations now provide liquidation that you would be willing to work out with?

Mr. HENICAN. There are no restrictions in the present act.

Mr. GATHINGS. In the language here contained in this recommendation here would broaden the authority in the Department by using these words "that such purchases made and liquidated in conformity with such regulations as the Secretary of Agriculture may prescribe."

That is broader authority than they have today.

Mr. HENICAN. That is correct. I do not know of any restrictions that tells us how we have to liquidate under the present act.

Mr. KNELL. There are none at all.

Mr. HENICAN. None today.

Mr. ABERNETHY. But this would reach all of the act now—that amendment would; would it not?

Mr. HENICAN. I do not know. I am not an attorney. And, therefore, I do not know whether this applies to the whole act or only section "C."

Mr. HAGEN. It just applies to "C."

Mr. GATHINGS. It is an amendment to "C."

Mr. HENICAN. I would like to point out one thing.

Mr. ABERNETHY. Before you do that, may I go back and ask one question and then I will be through. I want to put to you the same question I put to Mr. Kauffman.

Is there any benefit in your opinion, directly or indirectly, for the consuming public in this legislation?

Mr. HENICAN. Yes, sir.

Mr. ABERNETHY. What is it? I am not trying to trap you.

Mr. HENICAN. No; I know that. Don't you think it might be advisable for me to forego that answer, because there are 2 or 3 men here who have the responsibility of acquiring raw materials for their factories and therefore for the public.

Mr. ABERNETHY. I am perfectly agreeable to that.

Mr. HENICAN. Therefore, they are better able—they are experts in that line—they can tell you how they may be able to make sheets and pillow cases, et cetera, cheaper—

Mr. ABERNETHY. All right.

Mr. HENICAN. They are trying to acquire raw material every day. They live with it every day. And, therefore, I think they are more capable.

There is one thing I want to comment on. There has been a certain amount of fear, I think, indicated, that these large positions in the futures market might adversely affect the price from time to time. But it is factual that any of these people can acquire unlimited amounts of cotton in the form of actual cotton or actual grain without supervision, without any supervision whatever.

I think it would be better for them, better for the general market place, if they are allowed to acquire this with the supervision. Mr. Knell and I went through 2 or 3 rather bad experiences and Mr. ABERNETHY no doubt remembers what we refer to as the Jordan year when the price for cotton went down from 38 to 26.

At one time during that period we checked with all fo the brokers to determine whether or not the liquidation had been completed, and both of us slept that night because we were confident that the liquidation in the futures market had been completed, but the following morning when we arrived, there was about 300,000 bales of futures for sale that represented hedges against spot cotton that the banks had been financing that they wanted to protect.

We had not seen that 300,000 bales. We didn't see that position in the futures market. But it was there nevertheless. I think you made that point, sir, that it can be done now in spots. It cannot be done as conveniently or as easily as buying contracts but it can be done and these big positions can be accumulated in spots today without supervision and therefore unknown and unseen.

Mr. GATHINGS. Mr. Knell, would you make your statement?

Mr. FRANK J. KNELL. There is one point that I would like to make in regard to differences between the Commodity Administration bill now proposed, and that proposed by yourself, H. R. 9333. I seem to feel that this provision that such purchases are made and liquidated in conformity with regulations as the Secretary of Agriculture may prescribe may defeat the purpose that we are aiming at.

The question of accumulating any such line of long cotton or long commodities appears to have been approached on the idea that a mill or a spinner of any type is going into the market and is going to buy 50 or 100,000 bales at one swoop. That is not what we expect at all.

Some of the gentlemen who will testify will point out that their accumulations are arrived at piecemeal as the prices come to where they believe it reasonable to accept. And in liquidation it is much the same. When the price reaches a point where they feel that it is better for them to be in an even position in futures and take the spots, they are liquidated piecemeal.

It gives them a right to develop a position and if they need to hedge. It is very, very doubtful whether any such position is ever going to be liquidated in whole. And one of the big points that we are counting on in this, by allowing a spinner to take a position of this type, if he wants them to turn to spots, he can get a thousand bales from shipper "a" and a thousand from shipper "b" all around through the smaller trade, whereas, the assumption is made here that he is going to take 100,000 bales from one man.

Well, in that case he could only take it from a very large shipper and it would react against the small man. We hope that this proposal will protect the small shipper. And we hope that there is some middle ground that we can get to that if there must be regulations, those regulations will be clear that the mills know before they attempt to go into a position, and will not prevent them in their liquidation, because the liquidation is just as vital to them as the accumulation of the position.

Further than that, in section 4 (A) 3, you have paragraphs A and B, both of which I believe are controlled and regulated at the present time by the Commodity Exchange Administration.

This proposal as proposed in the bill would be section C and it seems that that would be on the same restriction and same control that the Commodity Exchange have today under "A" and "B."

So I wonder why the need of this last sentence at all.

Mr. GATHINGS. Mr. Knell, you or Mr. Henican, presented me with a copy of a draft I would like the other members to see, that you are submitting to someone over in the Senate for introduction.

Mr. HENICAN. That is correct.

Mr. GATHINGS. Do you have a copy of that before you?

Mr. KNELL. Mr. Henican has.

Mr. HENICAN. Yes.

Mr. GATHINGS. This is the suggested bill that was to be introduced in the Senate?

Mr. HENICAN. That is right.

Mr. GATHINGS. Did you confer with the Department officials?

Mr. HENICAN. Yes; they have copies of that.

Mr. GATHINGS. They have seen this?

Mr. HENICAN. Yes, sir.

Mr. GATHINGS. That is this draft?

Mr. HENICAN. Yes.

Mr. GATHINGS. This is quite lengthy here. I wish you would point out the differences between the recommendation of the Department and this particular recommended draft.

Mr. HENICAN. I think that the intent is identical except that there is no provision that the Department will set up rules and regulations of how positions have to be liquidated. That is all. That is the only difference I see.

But the intent is exactly the same. The wording is maybe a little different but the intent is the same.

Mr. ABERNETHY. A casual glance at this indicates that what you are doing here, you write some regulations into the act itself. Is that right?

Mr. HENICAN. That is pretty clear.

Mr. GATHINGS. Requiring these reports. I wonder what Mr. Kauffman had to say about this. We did not discuss this with you when you were in the witness chair a while ago. I wonder what your feelings would be as to the effect of this?

Mr. KAUFFMAN. I think there will have to be some regulations obviously with respect to the operation of it. I received a copy of this draft, I presume it is the same, the one that you have, and it just occurred to

us that it would be better procedure to simply have the statute set forth the general principle and then have the Department promulgate regulations after conferring with the members of the trade concerned, rather than to try to spell out all of these details in the statute itself.

So for that reason we preferred the more general provision that is suggested in the Department's report of May 7.

Mr. ABERNETHY. Assuming you are not limited to the spelling out as it appears in this draft now before us, what is your opinion as to the contents of the draft but not limiting yourself to it?

Mr. KAUFFMAN. It looks all right to me; that is my curbstone opinion.

Mr. GATHINGS. Without the word "liquidation" being used?

Mr. KAUFFMAN. No; I was assuming that there would be regulations, that the Department would be required to promulgate regulations. I think there should be general regulations respecting the liquidation as well as the acquisition.

Mr. ABERNETHY. What you have said you say is a curbstone opinion, as you described it, you have approved of this language but you do not desire to be limited to it.

Mr. HENICAN. So far as it goes.

Mr. KAUFFMAN. That is correct.

Mr. HEIMBURGER. Mr. GATHINGS, I would just like to discuss this matter of liquidation with the gentlemen for a moment because I wonder if in arriving at their position, that liquidation does not need to be controlled, or probably, should not be controlled because they are not concentrating just a little bit on cotton, and forgetting some of the other or overlooking for the moment some of the other commodities that might be included and let us think specifically of oats where, I do not know, but I would just guess that in the oats business there are probably two or three manufacturers who use, let us say, a great proportion of the oats that goes into processed foods.

If we, by enacting this amendment, give these two or three persons or corporations the right to go into the futures market and make transactions, engage in them, which are far larger than those which can be assumed by any other trader in the market on a hedging position, do you not think that they ought to have some means of regulating the disposal of those blocks of contracts?

You assume, as I do, that in the normal course of business they will liquidate those things in an orderly manner as they conduct their business. But nevertheless, sometimes people do not always operate as we think they will or should, and if they have the perfect legal right for some reason or other to dump their entire holding overnight, it could be an upsetting factor, do you not think?

Mr. HENICAN. Mr. Heimburger, I think I admitted the fact that there are going to be people that don't play the game fair and they need to be regulated. We recognize that.

At the same time, I feel they are going to be in the minority, the great minority. They will be the exceptions. That the organizations that are going to make use of this amendment, are going to be the large national organizations that have a problem in acquiring their raw material and they consequently will conduct themselves in a very ethical manner.

It is beyond my imagination or belief that people I want to handle business for will do anything that is questionable by liquidation because if they go into a position and then, let us call it dump the position, they are going to defeat the purpose, the original purpose of why they went into the position.

Mr. HEIMBURGER. That is true, but it could conceivably be to their interest at the moment to defeat the original purpose, could it not?

Mr. HENICAN. Well, it is possible, yes. I don't think it is probable.

Mr. HEIMBURGER. No, neither do I. I agree with you that it is not probable and yet I am just questioning whether you believe it would be wise to remove all authority for the CEA to regulate liquidation. Perhaps it needs to be hedged and circumscribed. I just wonder if you believe it would be wise to give this unusual right to the trader without some corresponding power in the CEA to regulate the manner in which he exercises it.

Mr. HENICAN. I think I have admitted the necessity for supervision. I think possibly as Mr. Knell pointed out, maybe it did not strike you, but we are inclined to believe that the CEA has that power today in the act. It is in the act now. Now, as a broker, the CEA visits my office about on an average of once a year and if there are any unusual positions on my records they can go back to the principals to find out what it is all about. They are doing that now. And they have the right to make them liquidate if it is a violation.

So they possibly have that power right now in the present act.

Mr. HEIMBURGER. I certainly would not argue for a duplication of authority in this if there is adequate authority now in the act. Thank you, Mr. Chairman.

Mr. HAGEN. I want to ask a question that is probably quite aside from what you are talking about at the moment. But what elements in the cotton business, for example, normally engage in dealing in the futures starting with the man that grows the cotton.

Mr. HENICAN. The man that grows the cotton, the grower, the merchant, the shipper, the mill.

Mr. HAGEN. They all engage in futures operations?

Mr. HENICAN. Yes, sir; for various reasons. And I think you could say the same thing about any other commodity.

Mr. HAGEN. Including co-ops which market cotton for their members?

Mr. HENICAN. Yes, sir; the co-ops.

Mr. HAGEN. Are we going to hear from other elements in the cotton business on this bill?

Mr. GATHINGS. It has been widely announced last Friday and has had broad publicity as to the meeting of this committee and we do not want to deprive anyone from the privilege of testifying.

Mr. HENICAN. There is one other statement I would like to make. I think that this amendment is important also from a tax angle, because the courts have consistently ruled that where the positions are a legitimate hedge, a future transaction is a legitimate hedge, the results therefrom are considered as ordinary income and expense. But when it is considered as a speculative transaction it is then thrown into a category of a capital transaction, a long-term or short-term gain or loss. That is a problem for the accounting angle.

I do not think that point has been stressed enough. The famous case, of course, that Mr. Kauffman mentioned is the Corn Products case and there have been two conflicting court decisions in the Corn Product case.

One court said it was a hedge and the other court said it was not a hedge. I do not think that point can be stressed too forcibly, namely, the problem of taxes. I think these gentlemen whose function it is to acquire raw materials and price their raw materials for their principals will bring that point home as far as the taxes are concerned.

Mr. GATHINGS. I think so.

Are there any other questions?

Mr. ABERNETHY. I think Mr. Kauffman came to his feet back there just now to say something.

Mr. KAUFFMAN. If I may be permitted, I would like to make one observation with respect to my comments on the draft which I understand Mr. Henican left with you as a possible substitute draft. That is, that draft applies not only to processors and manufacturers but also to distributors. That is a very important difference which I overlooked.

Mr. HENICAN. No. May I correct you? That has been eliminated.

Mr. KAUFFMAN. In the draft I have before me that is in there. We never had any showing with respect to the need of distributors. I would not want to even give informal approval to legislation affecting the distributors as distinguished from processors and manufacturers.

Mr. GATHINGS. Thank you. Distributing should be deleted in (C), line 3.

Mr. HENICAN. That was eliminated.

May I also make this observation, Mr. GATHINGS. That is, I think that the exchanges and the two gentlemen from the CEA see eye to eye on this whole thing. I think we are in agreement on the spirit and intent of what should be done. We are only about just a short distance apart on the question of this supervision; that is all. It is only a degree.

Actually, I think we recognize the necessity for supervision but the degree of supervision is questionable.

Mr. KNELL. The degree of supervision of acquiring the position.

Mr. HENICAN. And liquidation.

Mr. KNELL. The question I raise is mostly as to liquidation.

Mr. HENICAN. I think you asked Mr. Kauffman why the Senate turned down a similar proposal to amend the act some years ago. This is the United States Circuit Court of Appeals for the Second District decision in the Corn Products case, that was handed down on April 13, 1956. Giving the legislative history of it it says this:

"An amendment introduced in the Senate by Senator Murphy to the bill which became the Commodity Exchange Act would have enlarged the definition of hedging so as to permit manufacturers and millers to buy futures in anticipation of futures manufacturing of milling requirements, even though they had no present offsetting sales. The amendment was opposed 'for the reason that it extends the power to hedge far beyond the definition contained in the original act.' "

Of course, that is what we want to do. We want to broaden the definition in the original act.

He also quotes Mr. Mehl who was the predecessor of Mr. Kauffman at the CEA, "Mr. Mehl, the Assistant Chief of the Grain Futures Administration, explained that the present definition 'of course, is not broad enough to cover the purchase of futures material against anticipated sales of a packaged good goods.' "

(Off the record.)

Mr. GATHINGS. It is 18 minutes to 12. How long would it take these representatives of the manufacturers?

Mr. ABERNETHY. Is their testimony more or less in line? They might be seated at the table at the same time.

Mr. GATHINGS. That might be well.

Mr. EMMERT. My name is A. B. Emmert. I am vice president of Dan River Mills at Danville, Va.

Mr. KIRBY. My name is Q. B. Kirby, from Dallas, Tex., president of the Howard Cotton Co. The Howard Cotton Co. is a wholly owned subsidiary of the Dominion Textile Co. of Montreal, Canada. The Dominion Textile Co. probably manufactures 50 percent, slightly more than 50 percent, of the cotton goods made in Canada.

Mr. ROBINSON. My name is Ralph S. Robinson, member of the cotton committee of the American Cotton Manufacturers Institute, Inc.

Mr. GATHINGS. Would you care to make the first statement?

* * * * *

Mr. GATHINGS. Are there any questions?

I just wondered now if we could not adjourn over until 10 in the morning and come back here then. Has anyone indicated to you, Mr. Kauffman, that they would like to be heard other than this? What about the oats people and wheat people?

Mr. KAUFFMAN. Mr. Chairman, inasmuch as the language of the bill would apply to all commodities, I should think that the grain exchanges would undoubtedly be interested in it.

Mr. GATHINGS. Yes, sir.

Mr. KAUFFMAN. I say grain because they are the Chicago board of trade, particularly, which is the largest grain-futures market.

Of course, Kansas City board of trade and Minneapolis grain exchange rank second and third in grain futures.

Mr. GATHINGS. I think we want to hear from the grain folks, by all means.

Mr. HENICAN. In that respect, sometime ago I prepared what I thought was an explanation of the proposed amendment that maybe the Congressmen of the committee could use. I would like to offer it for the record.

May I offer this for the record?

Mr. GATHINGS. Yes.

Mr. ABERNETHY. Supplemental to your testimony.

"EXPLANATION OF PROPOSED AMENDMENT

"At the present time the Commodity Exchange Act defines a 'hedge transaction' as:

" 'Sales of any commodity for future delivery on or subject to the rules of any board of trade to the extent that such sales are offset in quantity by the ownership or purchase of the same cash commodity or, conversely, purchases of any commodity for future delivery on or subject to the rules of any board of trade to the extent that such purchases are offset by sales of the same cash commodity.'

"The definition is the classical dictionary one. It is very narrow and in the opinion of well informed persons, who are students of the Commodity Futures Markets, should be broadened. It is the thought that, if the definition is broadened to make possible the use of 'anticipatory hedges' by processors or manufacturers, the Commodity Futures Markets will become more liquid and thereby be of more service to those who make use of them for hedge purposes.

"An 'anticipatory hedge' may be defined as to the purchase of a commodity futures contract in lieu of the raw commodity by an organization 'in anticipation' of its processing or manufacturing requirements during a stated period in the future.

"Thus, for example, the cotton mill that processes raw cotton bales into sheets, pillowcases, etc., and has on the average of the past 5 years consumed 300,000 bales of raw cotton per year, would be granted the privilege of purchasing cotton futures contracts against a reasonable percentage of 300,000 bales to be consumed during the year 'in anticipation' of purchasing its raw material requirements. Under the present act, such purchases of futures contracts would be considered as a speculation, simply because the cotton mill does not have, at the time of purchase of the futures contract, firm fixed sales of processed goods in equivalent quantity to offset the purchases of futures contracts.

"More frequently than otherwise, the cotton mill is quite satisfied with the prevailing price of raw cotton and, if it were possible, would purchase its full season's requirements at a given time at given prices. It generally is not possible to acquire a full season's requirements, at any given time, of raw cotton. Either the farmer has not harvested his crop, or the merchants or shippers do not have the particular quantities in inventory.

"In contrast, however, the commodity futures markets are a daily continuous trading affair, in which large quantities of contracts are bought and sold. Under ordinary circumstances, the cotton mill would be able to purchase sufficient futures contracts to hedge its 'anticipated season's requirements' and later to convert those contracts into the actual raw bales of cotton.

"Such a transaction is not a speculation, but sound business. It is exactly the opposite of speculation because it will allow the cotton mill to anticipate its season's requirements at prices assuring a reasonable margin of profit between the raw and finished goods and at a time when it would not be possible to acquire the actual raw bales in the quantities desired.

"Under the present act, a cotton processor is allowed to maintain a maximum of 30,000 bales in any position in any cotton futures market without having an offsetting sales commitment. The maximum of 30,000 bales is a statutory limitation. As said, the act is not sufficiently broad in this respect, and further such positions are designated as 'speculative positions.'

"The differential between 'speculative positions' and 'anticipatory hedge positions' is most important from an accounting angle. The Internal Revenue Department has consistently contended that a processor who purchases commodity futures contracts without an offsetting sales commitment, is speculating and that therefore the results from such speculative positions are considered for taxes as capital gains or losses. In contrast, however, Internal Revenue has consistently held that the results from 'hedge transactions,' be considered as 'ordinary income and expense.'

"Recently the Second Circuit Court of Appeals has held that the corn futures contracts purchased by a corn processor, despite the fact that there were no firm offsetting sales commitments, were an 'anticipatory hedge' and part of its actual inventory. The relationship of the raw and futures corn markets were so intimately related, and because the function of the particular organization was exclusively that of processing raw corn, there could be no differentiation between the raw and futures contracts as inventory, said the court. Thus, a United States court has for the first time given recognition to an 'anticipatory hedge' as a legitimate futures market transaction, and has taken it out of the speculative category.

"The necessity to differentiate between a speculative and anticipatory transaction is essential.

"1. Because of taxes.

"2. Because certain organizations will not and do not enter into transactions in violation of the laws, although on frequent occasions in the past the purchase of commodity futures contracts under certain conditions would have proven sound business.

"What has been said above about the cotton mill processor applies to all other raw commodity processors; the flour mill; the processor of cereals from grains; the refiner of vegetable oils making shortening, margarine, salad and cooking oils, etc.

"Such an amendment would also be of assistance to the processor-distributor type of organization.

"For example, a large distributor of food at either wholesale or retail who, over a stated period will distribute through retail or wholesale stores 1,000 carloads of eggs or butter, or 5 million pounds of coffee, and so forth. Under certain conditions the processor-distributor would find it profitable to acquire the full period requirements, when available, at a given price in either the raw state or through purchases of contracts in the commodity futures markets. Presently such is not allowed under the act because there are statutory limitations as to position, which are generally very small, and further such positions are now considered as speculative, with all the implications above.

"Some may contend that the accumulation of large positions in the commodity futures markets by processors or manufacturers will cause wide and unnecessary price gyrations. First, when the positions are acquired prices would be forced to high levels and, later, when the positions are liquidated prices would be forced to low levels.

"When such positions are acquired, the reason for their acquisition is because of certain circumstances prevailing as to the attractive level of prices, availability of quantities, etc. Should there be an utter disregard of sound business practices in the acquisition of these positions, the reason for them will have been eliminated. It is most unreasonable to assume that a processor who desires to initiate such a position will conduct his activities in a manner that would unduly advance prices. Such an advance of prices would eliminate the sound reason for such a position.

"In contrast, a processor holding an anticipatory position, that is with the ownership of a large quantity of futures contracts, would not endeavor to liquidate them in a manner that would unduly depress prices. Rather, the liquidation would be based on the acquisition of the equivalent raw commodity. Because it is rarely possible to acquire, for example, 300,000 bales of spot cotton in 1 block and at 1 price, the position in futures contracts would not be liquidated by indiscriminately selling 300,000 bales of futures contracts. Rather, the 300,000 bales of raw cotton would be acquired in small blocks—500 to 1,000 bales at a time—and the long futures contracts liquidated in the equivalent quantities, which certainly would not have an appreciable effect on the prices for the futures contracts.

"Neither the acquisition of an anticipatory position nor its liquidation will be handled in a manner to cause undue gyrations of prices by established nationally known organizations which are the organizations most likely to take advantage of such operations.

"In addition, the amendment proposed provides that such organizations which would use the anticipatory hedge must justify the reason for the positions through detailed reports to the Commodity Exchange Authority, and under the present law the CEA has full power of investigation and supervising such positions.

"Finally and most important these anticipatory hedge positions will be of considerable benefit to producers and farmers, because they would tend to stabilize prices at a time when stabilization is urgently needed. It is most likely that processors or manufacturers would take anticipatory positions only when prices of the raw commodity are considered by them to be cheap in relation to the prevailing finished-goods prices or when the difference in prices between the raw material and the finished goods assures them a reasonable margin of profit. Thus this buying of commodity futures contracts by processors or manufacturers in anticipation of their season's requirements would most likely develop at a time when prices were under pressure and declining, and at a time when such a demand is urgently needed. In contrast, it is not likely that the positions will be liquidated only as the equivalent raw material has been acquired or when prices are advancing, thus again offering the possibility of a stabilizing influence. The producer or farmer because of these positions will thus greatly benefit through these stabilizing influences."

Mr. GATHINGS. I wish that Mr. Henican would come forward and answer some questions.

Now, Mr. Henican, at the close of yesterday's session you submitted a brief, Explanation of Proposed Amendments.

Now, in that explanation you have given us the difference between speculative hedging and anticipatory hedging.

STATEMENT OF J. P. HENICAN, JR., NEW ORLEANS COTTON EXCHANGE, NEW ORLEANS, LA.

Mr. HENICAN. Yes.

Mr. GATHINGS. I wish that you would explain the difference between speculative hedging and anticipatory hedging.

Mr. HENICAN. It might take me 2 years to do that, Mr. Congressman. I do not think there is such a transaction as speculative hedging. I think there is a speculative market position, but there is no such thing as speculative hedging, in my dictionary.

As to anticipatory hedging: the processor, or manufacturer, when he starts a year or a session is actually short of his raw material, even though he has not a written fixed-price sale. A national organization that has been in business for many years is going to process and manufacture a certain volume of raw material, so when he begins his season, or his fiscal year, he is actually short a certain percentage of raw material. This amendment is to allow him to acquire a percentage of his normal requirements—average requirements, by buying commodity futures contracts.

Mr. GATHINGS. I just wonder whether or not the actual goods would have to be in being.

Mr. HENICAN. I do not think so. In the matter that we quoted yesterday with regards to the Corn Products Co. Over a series of many years their economists had only a 5-percent error in forecasting their annual average requirements of raw material even though there were no sales made at the time the forecast was made; consequently I think it is possible in these large national organizations for either the vice president in charge of purchases, or the vice preseident in charge of sales, or the economist, or the board of directors to pretty well forecast how much finished goods they are going to process and manufacture and distribute during the year. So, on that basis they can then estimate how much raw material they are going to have to acquire.

Mr. GATHINGS. Can you not do that under the present law?

Mr. HENICAN. No, sir.

Mr. GATHINGS. You cannot anticipate?

Mr. HENICAN. No, sir. You must have a fixed commitment, a sales commitment in order to be long of futures contracts. As Mr. Kauffman and Mr. Bagnell explained yesterday, you must have a fixed commitment to buy beyond a certain number of cotton contracts, or require a certain number of contracts in the futures market; otherwise the position is considered a speculative position in the market, not a speculative hedge. I think a national organization that has been in business for a considerable period of time, that has had that experience in the past, knows the average they handle. As Mr. Kirby said yesterday, 200,000 bales of cotton a season. Unless we have a very deep depression in 1957, the Dominion Textile Co. is going to process around 200,000 bales of cotton. Therefore, when they start in 1957 they are theoretically short of approximately 200,000 bales of raw cotton. They want the opportunity when it presents itself, even though they do not have fixed sales on the opposite side, to take advantage of that opportunity, either in the futures market, or the spot market. They can do it in the spot market now, but they have not been able to do it in the futures market, which eliminated a certain amount of flexibility.

Mr. GATHINGS. Just try to explain to a layman how this thing works.

Mr. HENICAN. Let us go back to October 3, 1955, when we had a rather drastic decline in cotton prices. There is no use trying to decide why they declined, but they did. Cotton prices in the futures market were considerably below the Government loan at the lowest of the decline. Now, if one believed that the Government loan was going to continue, he had to assume that prices would eventually come back to the Government-loan level and that, therefore, they were at a discount under what the largest buyer in the world would pay for cotton—the United States Government.

Mr. GATHINGS. In dealing with these contracts you would have to figure whether it was going to be 90 percent of parity or 82½ percent, and so forth?

Mr. HENICAN. The percentage of parity loan had already been established and announced. The Department of Agriculture had already announced a 90-percent support program as of August 1, which support program was good for the balance of that season.

Mr. GATHINGS. That is right.

Mr. HENICAN. So the facts were known when prices declined on October 3, 1955.

As I say, the prices on the New York and New Orleans Cotton Exchanges at the lowest of the decline, that temporary decline, were about 2 cents to 4 cents under the 90-percent support loan as announced by the Department of Agriculture.

Mr. GATHINGS. For what month?

Mr. HENICAN. All months, practically all months.

Now, why did they go down? Your opinion is as good as mine. I think they were trying to anticipate a change in the program and a change in conditions.

Mr. GATHINGS. What effect did that have on the New Orleans Exchange in transactions handled?

Mr. HENICAN. Let us go back to your question. If the cotton mill that processes, say, 200,000 bales had sales with no raw materials, it could, under the present law, buy futures at that discount to cover its short position, and that would be a legitimate hedge. Assuming that it had no sales, it was prevented from taking advantage of that discount in price. There was no provision in the present law for an anticipatory hedge. If this amendment had been in effect, the cotton mill could have bought futures contracts at that discount under the Government loan in anticipation of the percentage of its requirements for the balance of the season. It could have taken advantage of that decline in price.

Mr. GATHINGS. What would that mean now to the producer of cotton and the stabilization of the price of cotton?

Mr. HENICAN. I think, Mr. GATHINGS, had this provision been operative, it is possible that we would not have had the decline to the extent we did at that time, because those buying orders for the account of anticipatory hedges would have been in the market place, and they might have prevented some of it, maybe not all of it, in my opinion. I personally contacted during those days—and there were 2 or 3 days of that decline—many mills, pointing out to them the cheapness, in my opinion, of the futures contracts as compared to the Government loan.

Mr. GATHINGS. As a matter of fact, you advised purchases?

Mr. HENICAN. I advised purchases, but the mills said they could not enter into the purchases because they did not have a legitimate hedge. They had nothing sold and therefore it would be a speculation on their part. However, if this amendment had been in effect, I think that a fair percentage of those whom I contacted would have purchased contracts that day and would have offset some of the selling that developed and therefore would have tended to stabilize the price to the benefit of the producer.

Mr. MCINTIRE. Mr. Henican, what happened to spots on those days?

Mr. HENICAN. Spots went down but not as much.

Mr. MCINTIRE. Did the millowners move in and buy spots?

Mr. HENICAN. I think that some did during that period, yes.

Do not forget, we are trading in futures contracts that endeavor to discount what is going to happen in the future, so therefore, futures are probably more sensitive to developments than the immediate spot price is.

There was a question asked of Mr. Kauffman about initiation and liquidation of these positions about which I would like to comment. We who are executives of exchanges want the positions to be initiated and also liquidated in as orderly and in as businesslike manner as possible, because we are very conscious of the fact that when there are unusual fluctuations we are subject to public criticism, congressional investigation, and so forth. We want these positions to be entered into and liquidated in as sound a manner as possible. We at the exchanges are going to see to it, or attempt to see to it, that that is done.

Mr. GATHINGS. Mr. Henican, what kind of requirements does the New Orleans Cotton Exchange set up for those traders who go on your board and do business? What do you have? How do you become a member? How are you going to operate in the New Orleans Exchange?

Mr. HENICAN. How do you become a member of the New Orleans Exchange?

Mr. GATHINGS. Yes.

Mr. HENICAN. We require an application for membership, a formal written application to become a member. The candidate appears before the membership committee and he must meet certain financial requirements.

Mr. GATHINGS. That is what I am getting at.

Mr. HENICAN. The application is screened by the membership committee through the usual banking circles, credit information bureaus, and so forth. The application must be endorsed and approved by two members in good standing who also appear before the membership committee to verify for the financial and moral integrity of the applicant.

Mr. GATHINGS. How often does your membership committee change in its composition?

Mr. HENICAN. I think most of the exchanges operate in the same way. We try to have overlapping members of the committee so that the policy and the customs and the habits are continued for 25 to 50 years.

Mr. GATHINGS. Do you get a Dun & Bradstreet report on these applicants?

Mr. HENICAN. We get a Dun & Bradstreet report, a banking report, and a recommendation from 2 or 3 outstanding people in the cotton industry from the local communities. For example, if there is an application from Dallas, we communicate with members of our exchange in the Dallas cotton market and ask their opinion of the candidate. We try to maintain very high ethics and standards.

Mr. GATHINGS. You know these people. You are going to know whom you are dealing with?

Mr. HENICAN. That is pretty much of an unwritten rule of our exchange, though it is not in the books. The two individuals who endorse the applicant or the application of the new member, it is presumed know the applicant. One of the questions that the chairman of the membership committee asks the endorser is, "How long have you known this candidate?"

Mr. GATHINGS. How many actual members do you have?

Mr. HENICAN. We have 331 members in the New Orleans Cotton Exchange.

Mr. GATHINGS. How many did you have 10 years ago?

Mr. HENICAN. About 400.

Mr. GATHINGS. Your requirements are more strict, or stringent?

Mr. HENICAN. No, sir; they are approximately the same. We are trying to maintain

the same high standards. The membership has declined on the New York Cotton Exchange as well as on the New Orleans Cotton Exchange because we have not had a profitable volume of business due to the interference of the Government loan programs. We are in a squeeze.

Mr. GATHINGS. If you get this legislation passed, it is going to broaden out operations and you will get more business?

Mr. HENICAN. We hope that it might lead to some broadening in the market place; yes.

Mr. GATHINGS. What does a seat cost now?

Mr. HENICAN. In the New Orleans Cotton Exchange we have no seats. We are a corporation just like General Motors. When you join the New Orleans Cotton Exchange you must own a share of stock in the corporation.

Mr. GATHINGS. One share?

Mr. HENICAN. Yes.

Mr. GATHINGS. How much is it?

Mr. HENICAN. The present market value on that stock is about $800. That gives you an interest in all the assets of the corporation. The assets of the corporation presently consist of the building with no mortgage and cash in the bank.

Mr. GATHINGS. How often do you change your members on the board of directors?

Mr. HENICAN. Usually every 2 years. It has been customary to elect a president and a board of directors for 2 years, 1 year, and a continuation for the second year if they behave. There is usually an overlapping of directors.

Mr. GATHINGS. You have a sort of a closed fraternity, do you not?

Mr. HENICAN. No, sir.

Mr. GATHINGS. How many applications do you ordinarily receive in the course of a year?

Mr. HENICAN. I am not posted on that figure. I can tell you what the record has been since the 1st of December when I took office as president of the exchange. We have had 8 new members and we have had 4 resignations of members since the 1st of December 1955.

Mr. GATHINGS. Have you ever expelled a member because of his bad financial standing or for any other reason?

Mr. HENICAN. For bad financial standing and bad business practice, attempting to manipulate markets, manipulate prices—anything they may have done that is not a good business practice. Yes, we have.

Mr. GATHINGS. Under your charter just how is he expelled?

Mr. HENICAN. I think that it is pretty well spelled out. We have what we call a business conduct committee that supervises the conduct of members. If there is a charge made by a member that another member is not conducting himself with proper ethics, the business conduct committee considers it. The member charged has the right of appeal and then he has further recourse to the board of directors.

Mr. MCINTIRE. All trading on the floor must be performed by members of the exchange?

Mr. HENICAN. At public outcry?

Mr. MCINTIRE. They operate on their own behalf as traders, trading members, and as representing customers in the capacity of broker?

Mr. HENICAN. Yes. There are 2 or 3 categories of members. Those whom we call ring traders, who trade for their own account in and out; then there are those who arbitrate between the various markets; that is, if the prices are out of line in Liverpool, Bombay, or New York as compared to New Orleans. Then there are those who perform dual functions representing customers and trading for their own accounts, and finally like my own firm, Merrill Lynch, we only handle customers accounts. We act exclusively as brokers. We do not take any position for our own account.

Mr. MCINTIRE. Do the rules require that all margins and everything must be paid on the date of the transaction, or what lines of credit are extended to participating members?

Mr. HENICAN. Not only participating members. Under our rules, brokers are also allowed to extend a credit accommodation up to $10,000 based on $5 per bale against legitimate hedge transactions to cotton-trade accounts, members or nonmembers. In extending credit we are required to have a hedge certificate from the principal stating that any contracts that they enter in the market represent legitimate hedge transactions, but for Bill Brown, or Joe Smith, speculator, who may be an attorney or a doctor, he must deposit original margins within a reasonable time.

Mr. MCINTIRE. What is interpreted by the board as a reasonable time?

Mr. HENICAN. I'd say that a reasonable time is by the close of the market the next afternoon.

Mr. MCINTIRE. In other words, the following day?

Mr. HENICAN. The next afternoon, yes.

Mr. MCINTIRE. If that happens to be the last day of the week, it would be on the next opening day?

Mr. HENICAN. Monday. In addition to that, we have just recently passed rules stating that margin funds must be "readily available." We have a practice that developed whereby customers would mail a check from a very distant point and it would not reach us for 2 or 3 days. It would be on a local bank and when we sent it back for collection it would take another 2 or 3 days. Now we say that customers have to make funds readily available and within a reasonable time.

Mr. MCINTIRE. Your trading rules do not permit one to come in in the morning and trade all day and close out at night without putting up any money?

Mr. HENICAN. Not necessarily.

Mr. MCINTIRE. Not necessarily, but is that permitted to be done?

Mr. HENICAN. Yes. I think some brokers do it. Merrill Lynch does not do it in all instances. It depends upon the financial responsibility of the individual. In your case, Mr. Congressman, you do not have to put up margins right away and you can give it to me this afternoon. But in my case I put it up ahead of time. My financial condition is not as good as yours.

Mr. MCINTIRE. I think the record should show that I do not trade.

Mr. HENICAN. O. K., sir.

Mr. GATHINGS. Now, the exchange is well fitted and able to handle these credit transactions?

Mr. HENICAN. Credit is a question of each individual broker, not the exchange.

Mr. GATHINGS. Let me ask you this: What regulations of the department would cover credit transactions?

Mr. HENICAN. Of the Department of Agriculture?

Mr. GATHINGS. Yes.

Mr. HENICAN. I think they have no regulations covering credit. That is an exchange matter.

Mr. GATHINGS. Solely an exchange matter, and as far as I know, it never has been questioned.

Mr. HENICAN. I think so. Three or four years ago there was an attempt. Somebody introduced a bill to give the CEA control over margins and credit, but it was thrown out. I recall coming here and testifying against it.

Mr. MCINTIRE. On that point, you were dealing with two different things, you were dealing with margins and you were dealing with credit.

Mr. HENICAN. Yes.

Mr. MCINTIRE. And the bill that you referred to permitted the CEA to regulate margins as well as credit?

Mr. HENICAN. Right. Mr. Kauffman and Mr. Badnell can answer that.

Mr. KAUFFMAN. Mr. Chairman, the Commodity Exchange Act confers no authority with respect to margin requirements. The point at which the Commodity Exchange Act confers any jurisdiction with respect to margins is after they are deposited with the broker. The statute requires that the broker must treat and deal with customer's funds and equities as belonging to the customer, he may not commingle them with his own funds, and he must use the funds deposited by customers for the benefit of the customers and not for the purpose of extending credit to customer B. But as to the amount of margin that is deposited, the statute is silent and confers no jurisdiction whatever.

Mr. GATHINGS. That is not being considered here at all, and I do not want to raise the issue. I just wanted to get Mr. Henican's view. I just wanted to determine in my own mind how the exchange operated.

Mr. HENICAN. I agree with the statement you made yesterday that Mr. Kauffman and Mr. Bagnell and the personnel at the CEA had done an outstanding job. They have been very cooperative with the exchanges. I personally would have been satisfied with the language they proposed in the amendment yesterday if I thought Mr. Kauffman and Mr. Bagnell would be there for life. I do not know who is going to follow them and how the man who follows is going to interpret the amendment. We want that slightly clearer explanation to satisfy some of the people who feel the same way about it. If I could be assured that these gentlemen would be the heads of the CEA as long as I am alive, I would be satisfied to take their wording of the amendment. Exchanges can operate with these two gentlemen and have operated with them, and as far as I am personally concerned, we want them there.

Mr. GATHINGS. Thank you. I read your explanation of the proposed amendment. I wonder if you would, in different language, give us an explanation in a few words.

Mr. HENICAN. I thought that I pretty well covered it before. It would be much easier if you would ask the questions.

Mr. GATHINGS. I wish that you would explain to the committee what benefits would accrue with respect to income taxes if anticipatory hedges are permitted as contained in this amendment.

Mr. HENICAN. Mr. GATHINGS, I think the courts have pretty consistently ruled that the monetary results from a legitimate hedge transaction represent ordinary income and expense, but they have also ruled that the results from a speculative position in the market represent a capital transaction. A processor, or manufacturer that has a speculative position in the market really has two accounting systems, one for capital gains or losses and one for ordinary income and expense. As Mr. Emmert, of Dan River Mills, said yesterday, by eliminating that speculative result, or the capital gain result, and recognizing it is as ordinary income or expense, it would either reduce the cost or increase the cost of his raw cotton. Naturally, he thinks it will reduce the cost of his raw cotton by so handling it that way. That is one of the reasons why on October 3, 1955, some of the people that I personally contacted did not want to buy contracts at that time, even though the price appeared very attractive, because they would say, "That is a speculation." The results would be a capital gain or loss as far as our accounting is concerned. It would not be ordinary income and expense as the courts have recognized the results from a legitimate hedge transaction.

Mr. GATHINGS. I wonder what the Bureau of Internal Revenue would think about this matter? What would be your view on that?

Mr. HENICAN. We have consulted with them on it. What do you think, Frank?

Mr. GATHINGS. I asked whether the Internal Revenue Bureau has been consulted about this amendment, and what they think of it.

Mr. KNELL. Well, I think that it is a confusing tax matter that we are trying to avoid rather than an evasion. It is a clarification of handling taxes that we are seeking.

Mr. HENICAN. Mr. GATHINGS, I will make this observation: In all the tax decisions I have reviewed as to the commodity futures markets, the Judge has gone right back to the Commodity Exchange Act for his answer to the problem.

In other words, in this Corn Products case that we quoted yesterday, the Judge quoted the definition of a hedge in the present act and then commented that the transaction involved was not a hedge—that it was an anticipatory hedge which is not recognized in the act.

If the act is amended to include this, I think the Internal Revenue Bureau will recognize it because, as I say, in all the tax cases that I have read that have to do with results from commodity market activities, the Judge has referred to the Commodity Exchange Act for his answer.

Mr. GATHINGS. Let us get back to the operations of the exchange. What are the benefits of an anticipatory future contract to a producer or to a shipper or to a cotton factor or to a manufacturer? I wonder if you would give us in a few words just what would be the benefits which would accrue.

Mr. HENICAN. Mr. GATHINGS, you have to eliminate the first three categories which you mention because this does not cover a producer, a shipper nor a factor. It only covers a processor and a manufacturer.

Mr. GATHINGS. All right.

Mr. HENICAN. It allows him to anticipate his normal or average season's requirements of raw materials. The other three categories are not involved at all.

Mr. GATHINGS. The testimony yesterday was to the effect that——

Mr. HENICAN. We think that because the processor and manufacturers are allowed to acquire these contracts in anticipation of the raw material which they need, that their activities will indirectly help the others by stabilizing prices, but the other three categories will not be able to use the markets under this amendment.

Mr. GATHINGS. I believe it was stated yesterday that all segments of the cotton industry are interested in going in there and buying these futures.

Mr. HENICAN. No, sir.

Mr. GATHINGS. Is not that right?

Mr. HENICAN. No, sir; only the processors and manufacturers.

Mr. GATHINGS. I will have to get that record and see just what they said.

Mr. HENICAN. Yes, sir; that is right.

Mr. MCINTIRE. I am not sure that I have this clearly in mind. Without this legislation the average mill buyer is faced with the fact that he can go into the futures market and purchase up to 30,000 bales of cotton and any purchases beyond that have got to be shown that they have fixed sales or else it is considered speculative?

Mr. HENICAN. Yes, sir.

Mr. MCINTIRE. Now, if they want to go beyond that, they are perfectly at liberty to go to the spot market and buy as much spot cotton as they want?

Mr. HENICAN. Yes, sir.

Mr. MCINTIRE. But a large consumer of cotton, if he considers going into the spot market to cover his needs to any substantial degree, finds himself faced with the problem of dealing with holders of cotton who may not want to deal in the quantities in which that manufacturer normally wishes to deal in on the spot market?

Mr. HENICAN. Yes, sir.

Mr. MCINTIRE. If he were to press for that position in the spot market, he would likely be required to divide his total desire for purchases into a number of transactions with a number of individual holders of cotton in order to avoid what might be a premium if he were to place that order with one substantial holder who did not want to sell that much cotton?

Mr. HENICAN. Yes, sir.

Mr. MCINTIRE. This legislation would provide a vehicle of relief to him in that situation whereby he could move in on the futures market and accomplish that same objective and thereby naturally improve the volume of transactions on the futures board in which you are interested and would also provide for him a vehicle of avoiding the situation of paying premiums to cover himself on the spot market. Is that about what it would be?

Mr. HENICAN. Mr. MCINTIRE, you made a misstatement. You said you did not understand the amendment. I do not see how I could describe it more perfectly. Your explanation is absolutely perfect.

Mr. GATHINGS. Off the record.

(Discussion off the record.)

Mr. GATHINGS. I wonder if you would not follow through on a transaction which will furnish to us some additional information on this matter? I would like to have you take a hypothetical case and show us just how it is going to work out when initiated as well as when liquidations will take effect. I wish you would explain that.

Mr. HENICAN. Mr. GATHINGS, in answering your request, I am now thinking in terms of Mr. Kirby's statement of yesterday to the committee. I think he had made a very good explanation. So let's start. For example, the board of directors of a cotton mill decides that they are going to process through the next year 200,000 bales of cotton and they decide that the demand for goods is going to be such and the textile prices are going to be such that they can afford to pay 30 cents a pound for their raw material. Therefore they instruct Mr. Kirby that as soon as possible, or when market conditions will justify it, to buy 200,000 bales of cotton at 30 cents per pound or lower.

The mill buyer, Mr. Kirby, immediately gets busy and contacts all his sources of supply—the merchants, Mr. POAGE, of Dallas, Houston, or Muleshoe, Tex., or any market place else like that—and he buys some spot cotton, but he only buys a very small percentage of the 200,000 bales.

In the meantime the futures market is at or below the equivalent of 30 cents per pound. So in order to cover himself, he buys futures contracts up to whatever is allowed under the law, with the purpose of fixing the cost of his raw materials. In other words, the directors have said to him, "We think the goods markets are going to be such that we can buy raw cotton, process it, and make a profit on the basis of 30 cents a pound for our raw material." However, when buying futures contracts, that is done with the intent of eventually converting those futures contracts into spot cotton.

After the contracts are acquired Mr. Kirby is still contacting all the merchants, spot brokers, and f. o. b. people, as well as producers in the State of Texas, and is looking for the specific quality of cotton that he wants. Hence, as he acquires the quality of cotton required, he liquidates the equivalent in the futures market.

I do not think it is going to be possible for that processor or manufacturer to buy 100,000 bales of cotton in any one spot, not even from our mutual friends, Mr. POAGE, or Anderson-Clayton & Co., except at a premium. So he looks around and he buys it from several or many small merchants, shippers, farmers, and so on, in medium-sized lots.

As I say, as he acquires spot cotton he then liquidates his futures.

I cannot believe in this ghost that some talk about, that the futures position, once acquired, is going to be recklessly liquidated. I cannot believe that 100,000 bales of futures, for example, is going to be recklessly dumped on the market, because that would defeat the entire purpose of the transaction, in my opinion, and that it, therefore, is going to be liquidated in an orderly manner.

As these small blocks of spot cotton are acquired the comparable amounts of futures will be liquidated in an orderly manner.

Mr. GATHINGS. But only a small percentage of these contracts will be delivered upon; is that right?

Mr. HENICAN. Yes; because with regard to deliveries against futures contracts, 100 years ago trading in futures contracts evolved as the best method of doing business that was to be consummated at a future time. The trading has been substantially the same through this 100 years. There have been refinements. It should be perfectly obvious that I as a buyer of contracts cannot buy 1 grade and 1 staple or 1 quality of wheat or 1 quality of corn or the 1 quality of any other commodity, because nature may not have given us that quality during that growth year.

However, as trading in these contracts evolved, they allowed delivery of a range of grades and staples or a range of quality so there would not be a squeeze, and so that there would not be an undue manipulation of prices. Thus a range of qualities are deliverable. It should be perfectly obvious that if I have in mind a particular quality when buying a futures contract, it is possible that it will not be delivered because it is not convenient for the seller to deliver it. He may not have that particular quality; that particular quality might not have been produced that particular year. But, deliveries are allowed of a wide range of qualities on the basis of premiums and discounts. The best quality or the better qualities are deliverable at a premium and lower qualities at a discount.

Mr. POAGE. I dislike having to start this class back in the third grade, but I pretty nearly need to do it if I am going to keep up with you gentlemen.

I am just wondering if you will not take this fellow who is going to buy 100,000 bales of cotton and go through the entire procedure? Of course, he is buying a lot of cotton.

Mr. HENICAN. Well, he has consumed on the average of the past 10 years in excess of 200,000 bales.

Mr. POAGE. Not many of them do that.

Mr. HENICAN. We decided yesterday there was in excess of 100 mills which consumed in excess of 30,000 bales a year.

Mr. POAGE. Let us take the 100,000 bales of cotton which he is going to buy and follow through for me and tell me just what he does.

Assume that he goes out today and buys on the futures market, or that is what he would like to do, at least, as I understand it, and he buys it. Does he buy it for delivery all in the same month?

Mr. HENICAN. I do not think so. I do not think that would be a businesslike basis on which to do it. He is going to consume the 200,000 bales in probably equal monthly quantities over a 12-month period. So, he would scatter his purchases through, let us say, October, November, March, May, and July, probably in equal amounts.

Mr. POAGE. Let us assume that he has to have some cotton to go to work on immediately and that he has to buy spots of the quality which he wants. Of course, when he buys these futures, he just buys cotton, as I understand it.

Mr. HENICAN. He fixed the cost of his raw material. That is what it amounts to.

Mr. POAGE. I understand that. In other words, he buys that at 30 cents and that is probably on a fifteen-sixteenths Middling basis?

Mr. HENICAN. That is right.

Mr. POAGE. But if he wants an inch and an eighth, he pays the premium on that?

Mr. HENICAN. Pardon me a second. You are familiar with the fact that beginning with the new season, August 1, 1956, the base of the futures contract is Middling inch, which is a change from Middling fifteenth-sixteenths inch.

Mr. POAGE. Whatever the basis is, if he wants something better, he pays that premium for it; does he not?

Mr. HENICAN. Yes, sir.

Mr. POAGE. That is, if they deliver him something better. In other words, he does not have any choice over what he gets?

Mr. HENICAN. Yes, sir.

Mr. POAGE. He gets whatever they deliver.

Mr. HENICAN. Within a range as prescribed in the contract and under the rules of the exchanges.

Mr. POAGE. In a prescribed range, and within the differentials that are prescribed?

Mr. HENICAN. Yes, sir.

Mr. POAGE. But he has no choice as to what they deliver and they deliver whatever they want to.

Mr. HENICAN. That is right.

Mr. POAGE. That, of course, is one good reason why he would not want to take delivery on that contract, because it may not be something which he can use.

Mr. HENICAN. Yes, sir.

Mr. POAGE. Then, he might want short staple, or he might want seven-eighths, and get the benefit of the price on it.

Mr. HENICAN. He might want other factors, too, which do not show up in the contract, such as micronaire and other characteristics of the cotton, as well as textile characteristics, and so on.

Mr. POAGE. So he would go out and try to buy the cotton he wants, and he probably cannot buy it in any sizable blocks, as you pointed out.

Mr. HENICAN. Yes.

Mr. POAGE. In other words, he would find a thousand bales of cotton at Muleshoe, Tex., that he wants, and he would buy that cotton and let us assume he has to pay something more than 30 cents for that cotton next week. Let us further assume that he is buying 1-inch cotton, and he is buying Middling. He would have to pay about 34 cents for that; would he not?

Mr. HENICAN. What grades or staple did you say?

Mr. POAGE. I said 1-inch Middling.

Mr. HENICAN. It is about 155 points premium over Middling fifteenth-sixteenths inch—1.5 cents—or 31.5 cents would be the approximate cost.

Mr. POAGE. It would not be at 33 cents?

Mr. HENICAN. No, sir.

Mr. POAGE. In other words, he has to pay 31½ cents for that?

Mr. HENICAN. 31.5 cents.

Mr. POAGE. Yes.

Mr. HENICAN. That is, under the present differentials between Middling fifteenth-sixteenths inch and Middling inch.

Mr. POAGE. He has to pay 31.5 cents on that. Now, how does that hedge help him?

Mr. HENICAN. Well, obviously, it would not help him. So, therefore, he would not buy his futures at 30 cents. He would wait until they got to 29 cents, or to 28.5 cents.

Mr. POAGE. Well, he waits, but he does not have his hedge if he waits.

Mr. HENICAN. That is right. He would not enter into the position under those circumstances, and I think that is one of the controlling factors of the orderly manner in which these positions are going to be handled.

Mr. POAGE. Well, that is where you get me. You say he would not have to take a position. what do you mean?

Understand, I have never traded in these markets, and I do not know anything about it, except what I hear.

Mr. HENICAN. I think Mr. MCINTIRE can explain it better than I can. Jokes aside. What you describe is the reason I have not believed in this ghost in the closet. Let us go back to our original premise and that was to the effect that the board of directors told the mill buyer that they could use 200,000 bales of cotton profitably next year, provided those raw materials could be acquired at 30 cents. Then that mill buyer is going to use his very best efforts to buy that cotton at 30 cents a pound, and he is not going into the transaction until he can average about that price.

He is not recklessly going in and buy futures if the future price is above that level. Later the board of directors may change their minds and realize that cotton is not going to be available at 30 cents and say "go ahead and pay 32 cents for it," but the buyer is not going to recklessly buy a lot of futures contracts when the management has indicated that they are going to make a profit based on buying the raw material at 30 cents a pound.

Mr. POAGE. They are talking about 30 cents a pound cost to them for the grade of cotton they want?

Mr. HENICAN. That is right.

Mr. POAGE. He does not go out and buy futures, then, at 30 cents a pound?

Mr. HENICAN. No; he does not. He would not buy them at 29.5 or 28.5 under this proposal.

Mr. POAGE. All right. Now, let us assume that he is able to buy and, of course, if he was able to buy any, I guess he would buy the whole 200,000 bales, would he not, on the futures market?

Mr. HENICAN. He probably would. I would imagine, however, he would now be able to buy some cotton at prices desired under those circumstances. So, he would not have to buy the entire 200,000 bales, but assuming he could not buy spots, he would probably buy all his futures——

Mr. POAGE. What I am trying to do is to follow it on through, and see just what he does. He does not actually buy the 200,000 bales of cotton on the futures market. He probably only buys a part of that?

Mr. HENICAN. That is right.

Mr. POAGE. What would he buy, or what would we expect him to buy?

Mr. HENICAN. The amount he is going to be allowed to buy as covered by this last sentence in the proposed amendment: "In conformity with the regulations as the Secretary may prescribe." We do not know what that is as yet. We have discussed a "reasonable percentage" of his normal season's requirements with Mr. Bagnell and Mr. Kauffman and they, just thinking out loud, have indicated it might be 50 percent under certain conditions, and 40 percent under other conditions. I do not think that under any set of circumstances we would want a position of 100 percent coverage. Yet, on the other hand, a smaller operation—say for instance a mill that produces or processes only 20,000 bales or 15,000 bales—the situation would be different, and 100 percent coverage would not be unreasonable or unbusinesslike.

Mr. POAGE. He is not affected by this bill anyway, is he?

Mr. HENICAN. Yes; I think he is.

Mr. POAGE. I thought some one said he could buy 30,000 bales.

Mr. HENICAN. That is right, but that is a speculative position, and we want to take it out of a speculative position because of the tax result. Such a mill with, say, a small consumption logically would not unduly affect prices either up or down. I can see no reason why he cannot buy 100 percent of his season's requirements.

Mr. POAGE. I understand this 30,000-bale deal, but if he bought more than 30,000 bales it is not considered speculative; is it?

Mr. MCINTIRE. It is considered a speculative position.

Mr. POAGE. Please understand, gentlemen, that I just walked in and I do not know this background information. Therefore, someone has to tell me about it.

Mr. HENICAN. Mr. POAGE, according to the Commodity Exchange Act, a hedge is defined as a long future against a fixed sale or firm sale or a short future against ownership of a spot commodity. Those are what the CEA Act defines as bona fide hedges, and any contracts over that, not evenly balanced, are considered speculative positions either long or short.

Speculative positions are limited to 30,000 bales maximum.

Mr. POAGE. You cannot have more than 30,000 bales of speculative cotton; is that right?

Mr. HENICAN. That is correct. It is possible that a mill could have 100,000 bales long, and the equivalent of 100,000 bales sold in the form of processed goods, but beyond that, under the present act, he can also own only 30,000 bales, which is considered a speculative position.

Mr. POAGE. This would allow him to own more than 30,000 bales?

Mr. HENICAN. This would allow them to own a reasonable percentage of what they have normally processed over a series of years.

Mr. POAGE. When you say "a percentage," what percentage do you have in mind?

Mr. HENICAN. That is what the CEA is going to tell us, or what they think is sound. The wording on the proposed amendment is, "It is a sound commercial practice."

Mr. POAGE. But except for that, if the man had 200,000 bales which he expected to use he could buy that now under the present law, and that is not a speculative position?

Mr. HENICAN. If he has something sold against it; yes, sir. If there are no fixed sales, the positions are limited to 30,000 bales, despite the fact the mill annually processes 200,000 bales.

Mr. POAGE. Then he can turn around and except for that proviso, if the Department imposed any limitation, he could go ahead and buy another 200,000 bales without having anything sold?

Mr. HENICAN. No, sir.

Mr. POAGE. He could not do that without having sold against the 200,000 bales?

Mr. HENICAN. No, sir. Do you mean under this proposal?

Mr. POAGE. That is right.

Mr. HENICAN. Well, I do not think so. I do not think the Department is going to allow full coverage.

Mr. POAGE. I understand, but I said except for that provision, and unless the Department acted, he could under this bill buy another 200,000 bales without it being called speculative; is that right?

Mr. HENICAN. Yes; if the maximum coverage is allowed, that would be correct.

Mr. GATHINGS. However, as the situation exists now, one cannot have but 30,000 bales?

Mr. HENICAN. That is right.

Mr. GATHINGS. That is, he cannot have but 30,000 bales at any one time?

Mr. HENICAN. Over and beyond the bona fide hedges; that is correct.

Mr. POAGE. You cannot have more than 30,000 bales without being in a speculative position?

Mr. HENICAN. That is right.

Mr. POAGE. You can have more than 30,000 bales; can you not?

Mr. HENICAN. No; only if you have some offsetting transactions, Mr. POAGE.

Mr. POAGE. You mean you cannot buy but 30,000 bales and remain outside of the speculative position?

Mr. HENICAN. That is right.

Mr. POAGE. Then, it is not like I stated, the matter a minute ago. I think I was wrong. I said that he could buy under this proposal 200,000 bales and he could buy 200,000 bales against his sales here if he had to, and then he could buy another 200,000 bales and still

would not be in a speculative position. However, he would, in fact, be in a speculative position in the second 200,000 bales?

Mr. HENICAN. I do not think so.

Mr. POAGE. That is what I want to get straight. What difference does it make if he is not going to be in a speculative position because the 30,000 bales merely relates to the limit of speculative cotton he can hold; does it not?

Mr. HENICAN. May I ask you a couple of questions?

Mr. POAGE. Surely.

Mr. HENICAN. Do you thing that such an organization as the Dan River Mills is going to continue in business?

Mr. POAGE. I assume they will.

Mr. HENICAN. They have been in business for a long period of time; have they not?

Mr. POAGE. Yes.

Mr. HENICAN. On the average they have processed, say, for the last 25 years, 200,000 bales of cotton per year.

Mr. MCINTIRE. That is, 200,000 bales of cotton per year.

Mr. HENICAN. 200,000 bales of cotton per season. Is it not normal to expect that if we do not have a severe depression or adverse economic conditions that during 1957 they will process around 200,000 bales of cotton? That has been their experience for, say, 25 years, and they should do it again next year.

When they start the year, they are theoretically short 200,000 bales of raw cotton on a normal expectation, or the anticipation of the goods which they are going to process. So, by buying that additional 200,000 bales that you mentioned, I do not think it would constitute speculation. I think they are merely insuring their price against that which they anticipated producing based upon sound facts and sound records.

Mr. POAGE. What I have said—and I want to go back over it again because I am not sure now whether I was right or wrong, because I am more confused now than I was when I started—was in an effort to get this clear in my mind. Let us assume that the Dan River Mills has succeeded in selling the equivalent of 200,000 bales of cotton.

Mr. HENICAN. Yes, sir.

Mr. POAGE. That is they have contracts for their goods to that extent.

Mr. HENICAN. Yes, sir.

Mr. POAGE. They go ahead and buy 200,000 bales, as I understand it, on the futures market, and that is not speculative?

Mr. HENICAN. Totally exempt.

Mr. POAGE. That is right. I understand that, but as I understand it under this proposal if we leave out the proviso or if we assume that the department is not going to act on it, Dan River Mills can turn around and buy another 200,000 bales, which makes 400,000 bales, and that is not speculative either? Is that right?

Mr. HENICAN. In my opinion under the circumstances we are discussing, and if I understand them correctly, in my opinon, it is not speculation, because that second 200,000 bales is bought against what they anticipate processing during 1957 based on what they have done for the past 25 years, and they bought those contracts to insure the price level.

Mr. POAGE. I do not understand that, because they have already sold the 200,000 bales and they have contracts to sell another 200,000 bales because that is what they anticipate processing.

Mr. HENICAN. Yes, sir.

Mr. POAGE. Obviously, that is not speculative, and we understand that, but then, as I understand it, this second 200,000 bales which they could buy under the terms of this porposal would be declared not to be speculative under the terms of this bill.

I do not see how you can attribute to it the speculative feature when you already have contracts to sell. That would mean they would have to raise their position to 400,000 bales of goods or the equivalent of 400,000 bales of cloth.

Mr. HENICAN. Let me say this: I misunderstood your question. You were a little bit too much ahead of me. I am just a country boy, as you know. You were ahead of me. You put both transactions into one. I see it now. You put both the transactions into one year.

Mr. POAGE. Yes.

Mr. HENICAN. That would be prevented, in my opinion, because I am pretty certain, or I am as reasonably certain, that the CEA is going to set down proposals or rules whereby the organization making use of the amendment will have to show a necessity to use it, and there is no necessity for the second 200,000 bales in 1957, and therefore that would be prevented.

Is that a fair answer?

Mr. KAUFFMAN. I believe the answer is that that anticipated requirement would already have been filled by the purchase of 200,000 bales.

Mr. HENICAN. That is correct.

Mr. POAGE. It would seem that way to me.

Mr. HENICAN. That is correct. There would be no necessity for the second 200,000 bales and, therefore, they would not be allowed to purchase the second 200,000 bales in 1957, let us say, or in the same year.

Mr. POAGE. But that would depend upon the order which is issued by the Department; would it not?

I mean as far as this bill is concerned, they could buy the second 200,000 bales if there was not any order prohibiting it?

Mr. HENICAN. No, sir.

Mr. POAGE. They could not?

Mr. HENICAN. No, sir.

Mr. POAGE. I was just reading this proposed amendment——

Mr. HENICAN. Mr. Poage, may I refer you to the wording in section (c) there?

Mr. POAGE. You are looking at the printed bill, or this last one?

Mr. HENICAN. This last one. Under Section (c) in the third paragraph, the first word in the third line is "shall not exceed unfilled production for 1 year."

In the proposal that you made the anticipated requirements had already been filled for the year. Therefore, the second purchase would be out of order.

Mr. POAGE. I suppose that is right.

Mr. HENICAN. That is right; it would be out of order. In your case he sold on the average 200,000 bales, and he bought his 200,000 bales as futures, and he is finished for that year. He has no more unfilled requirements.

Mr. POAGE. All right.

Mr. MCINTIRE. Mr. Chairman, I have one further question: I think, perhaps, the record ought to show what effect the placing of an anticipatory hedge would have under the 30,000 bale limit. What is your understanding of this legislation, Mr. Henican, if, for instance, I was a small-mill operator? Could I purchase my anticipated needs and have it classified, or have it defined for tax purposes if I were operating under the 30,000 bale limitation, as is contained in the regulations now?

I take it from what you have said that there is no thought that there would be some different interpretation for tax purposes on an anticipatory hedge as contrasted with a speculative hedge.

All of our conversation yesterday and today has been very largely at least dealing with these transactions which are above the 30,000 bale limit. I think perhaps the record will indicate at this point that that was where an anticipatory hedge started, and that up to the 30,000 bales, if a mill manager was buying in excess of their firm sales that that for the record ought to show whether under 30,000 it would be defined as an anticipatory hedge, or whether you were speculative in the 30,000 bales and beyond that point you can come into the definition of an anticipatory hedge?

Mr. HENICAN. I do not know. That is a very interesting question, of course, and it is a question that, frankly, I do not have the answer for. I would like Mr. Bagnell to answer it.

Mr. BAGNELL. I believe, sir, that this proposal comes in section (c) under 4 (a). You have two other forms of hedges, one being the growers hedge. You have under (a) the amount of such commodity such person is raising.

Mr. MCINTIRE. What page are you on?

Mr. BAGNELL. Page 5 of the act.

Mr. MCINTIRE. I have the same thing.

Mr. BAGNELL. Half way down the page is paragraph (a). Then you have paragraph (b) which covers another form of hedge, and now you bring in here paragraph (c).

Mr. MCINTIRE. All right. What is your thought as to the interpretation on that point?

Mr. BAGNELL. My thought is that that would take the same form and start figuring it exactly the same as these other forms of hedges from zero on up but not from 30,000 on up. In other words, a grower is allowed a hedge. There is no limitation on it. It is regarded as a hedge against his growing crop.

Mr. MCINTIRE. Yes, sir; that is right.

Mr. BAGNELL. Then you have your second form, and now you take on this. I would assume that if a man in the category you mentioned, let us say he needed 15,000 bales.

Mr. MCINTIRE. Yes.

Mr. BAGNELL. Heretofore he would not be in violation of the CEA if he were under the 30,000 bales. Now anything he did would be regarded as a bona fide hedge. At that time it might be regarded as a speculation.

Mr. MCINTIRE. Well, then, to rephrase that in my own words, do I understand correctly there that under existing regulations that a purchase of less than 30,000 can be made and described as a hedge unless there are firm transactions against that?

Mr. HENICAN. No, sir.

Mr. MCINTIRE. Well, I would not think so.

Mr. BAGNELL. No; that is just it.

Mr. MCINTIRE. However, it is your thought that this legislation would permit that?

Mr. BAGNELL. It would permit that; yes, sir. It would describe a transaction such as you have just mentioned as a hedge. Heretofore it would be a speculation.

Mr. HENICAN. However, Mr. MCINTIRE asked a further question and that was whether this amendment, as I understand it, Mr. MCINTIRE, whether under this amendment this account would be allowed to buy 15,000 bales which they could put under hedge, and an additional 30,000 as a speculation.

Mr. MCINTIRE. He is always free to buy the 30,000 as a speculation; is he not?

Mr. HENICAN. Yes, sir; I would imagine so. You can do it as an individual now, if you wish.

Mr. MCINTIRE. What I was getting at for the record was how as it stands now this would take place. It is my thought, if I understand it correctly, that a hedge must be, in order to meet the definition of a hedge, such that you have firm sales of goods to cover the raw material?

Mr. HENICAN. That is correct.

Mr. MCINTIRE. That is regardless of any quantity?

Mr. HENICAN. That is correct.

Mr. MCINTIRE. And the 30,000, of course, is a speculative limit, but I was just wondering if this definition of anticipatory hedge would come into play below the 30,000 or whether it would be a speculation up to 30,000 and an anticipatory hedge above 30,000?

Mr. KAUFFMAN. May I answer that question, Mr. Chairman?

Mr. GATHINGS. Yes. sir.

Mr. KAUFFMAN. Our thinking on that is that if a manufacturer has an unfilled requirement of 45,000 bales for an operating season, he can now purchase 30,000 bales. So,

under this provision he would be entitled to an additional 15,000. In other words, he would not be given 75,000. He would be given a total of 45,000 including the purchase of the present limit of 30,000, because there would be no occasion to provide for any larger quantity than that. That is our interpretation of it.

Mr. POAGE. He could buy the 45,000 without any element of speculation entering into it?

Mr. KAUFFMAN. No. Understand, he has no season fixed sales commitments but based on his records he anticipates that he can dispose of the equivalent of 45,000 bales of cotton. He has no season previous sales commitments.

So, he cannot place a hedge order in the market or acquire a hedging position that will qualify as such under the statutory definition of bona fide hedging. So, the most he can do is buy 30,000 bales of futures at present. Under this provision he would be permitted to buy an additional 15,000 so that he would have a total long position of 45,000 bales, which would be equivalent to his unfilled anticipated requirements.

Mr. MCINTIRE. Let me ask a question at that point if I may, for the matter of the record.

Does he hold 30,000 speculatively and 15,000 on an anticipatory hedge, or does he hold 45,000 on an anticipatory hedge?

Mr. KAUFFMAN. Well, he undoubtedly holds 45,000 and he regards it as an anticipatory hedge and he probably would report it to us as such.

It would just be a matter of nomenclature.

Mr. MCINTIRE. By the same token, he can hold 20,000 as an anticipatory hedge if he can show that is needed in his operation.

Mr. KAUFFMAN. Yes; if he has to avail himself of this provision.

The important fact is that we would not start counting with the first bale, but rather after 30,000. The 30,000 bales which he already had under the present law we would assume would be included in the 45,000 that he needs, and would not be added to the 45,000.

Mr. MCINTIRE. With reference to this tax business, can he declare now if he is under 30,000 and does not have the contracts to show against it? He cannot declare that now as a legitimate hedge?

Mr. KAUFFMAN. Yes; but not as a bona fide hedge under the Commodity Exchange Act. However, in the Corn Products case, which was decided by the United States Supreme Court on November 7, 1955, the Corn Products Refining Co. against the Commissioner of Internal Revenue, that case involved that precise point. Both the United States Tax Court and the United States Court of Appeals for the Second Circuit found that the Corn Products Refining Co.'s futures transactions, which they engaged in these anticipatory hedges, they found those transactions to be an integral part of its business designed to protect its manufacturing operations against a price increase in its principal raw material, and to assure a ready supply for future manufacturing requirements. Although those transactions did not qualify under the Commodity Exchange Act as bona fide hedges, both the Tax Court and the Court of Appeals and the United States Supreme Court held that they were for the purpose of price protection, and they were an integral part of the petitioner's manufacturing operations and, therefore, for the purpose of the Revenue Act they were to be regarded as true hedges and were subject to the provisions relating to ordinary losses and not capital gains.

Mr. MCINTIRE. That covers the point. Thank you.

Mr. GATHINGS. Off the record.

(Discussion off the record.)

Mr. Kauffman, I think it would be well to put the Supreme Court decision into the record at this point.

Mr. KAUFFMAN. In that connection, Mr. Chairman, there was a companion case which I am sure would be of interest to the committee, and it bears even more directly on the purpose of the Gathings bill. That was the case in which the Corn Products Refining Co. was taking an exactly opposite position to what they took in the tax case. In the tax case they were contending that the positions were not hedging transactions, but in the CEA case against them they were contending that they were hedging transactions.

The Circuit Court of Appeals for the Second Circuit on April 13, 1956, handed down a decision sustaining the Department of Agriculture's position in the matter to the effect that those transactions do not qualify as bona fide hedges under the Commodity Exchange Act. I will also leave a copy of it here.

Mr. GATHINGS. If you would file copies of those decisions for the record, we would appreciate very much having them.

Mr. KAUFFMAN. I will furnish the reporter a copy of the Supreme Court decision in the other case also.

Mr. GATHINGS. Are there any further questions of Mr. Henican?

(No response.)

Mr. GATHINGS. Off the record.

(Discussion off the record.)

Is Mr. Robert C. Liebenow present in the room?

Mr. HENICAN. Mr. Chairman, he was here earlier this morning, but he told me he had an engagement at 11 o'clock which he would have to keep.

Therefore, he is not present.

Mr. GATHINGS. I understood he desired to make a statement.

Mr. HENICAN. He did, sir, but he told me that he would be glad to prepare for the committee a letter setting forth his views with reference to this proposal.

Mr. GATHINGS. We would like to have such a letter from him on file, and any statement which he would like to make for the record.

Mr. HENICAN. I am a member of the Chicago Board of Trade, and he personally gave me authority to act for him. I know that that institution is in favor of this amendment that we have proposed, and that we have agreed to here. I would just like to get that into the record at this point.

Mr. GATHINGS. Have you received any communications from any other commodity group with respect to this legislation since it was introduced?

Mr. HENICAN. Mr. GATHINGS, I have informally discussed this proposal with the executives of most of the Commodity Exchanges that are regulated by the Commodity Exchange Act, and in my opinion, they are all in favor of this bill. I have made it a point to discuss the matter with the president or the executives and vice presidents of substantially all of the institutions that are under the supervision of the act, and they are all in favor of it.

Mr. GATHINGS. Is there anything further, gentlemen?

Mr. MCINTIRE. Mr. Chairman, I have one more question. This matter of liquidation is one that I do not get too clearly and distinctly in my mind, but I would draw this thought from your testimony, Mr. Henican.

This legislation being somewhat restrictive in its use in that it is directed toward the manufacturers and processors and to other elements who may be participating in the futures transactions that in itself is somewhat of a degree of insurance on the pressure of liquidations and the fact that the mill management, through its representative, is in on a futures transaction as price insurance protection; that their relative position between the price in those futures transactions and the spot market is sufficiently closely related so that the pressure of a quick liquidation is not likely to occur. Is that correct?

Mr. HENICAN. That is the way I feel about it; yes, sir. In my experience it is not possible to cover the exact quality required in any commodity in large amounts which would necessitate immediate liquidation of a large volume of futures that may be in the market.

It could be done in small blocks as the spots are acquired.

Mr. MCINTIRE. You cited this case of mill management setting a price of 30 cents a pound for cotton, and instructing their purchasing representative there to use that as a guide in relation to the actual cost of cotton which goes into their manufacturing process and that 30 cents a pound may or may not be a controlling factor on the purchase of futures.

Mr. HENICAN. That is right.

Mr. MCINTIRE. However, you think that there is a close enough relationship between the level of the price of futures and the spot market, so that it will not distort these positions enough to serve as an incentive to get out of the futures in bigger blocks than would be orderly?

Mr. HENICAN. Mr. MCINTIRE, those relationships get out of line once in a while, but I think on the average over a series of years they are pretty close together. We are talking about a business transaction and, in my opinion, it has to be conducted in a business-like way—otherwise, they would not be entered into or liquidated.

Mr. MCINTIRE. Mr. Chairman, we are spending a great deal of time in discussing cotton and using it as an illustration as to what this law would cover when we are actually covering other commodities.

Mr. GATHINGS. Yes.

Mr. MCINTIRE. This type of close relationship between the futures pricing and the spot market would not necessarily hold true in other commodities.

Mr. HENICAN. Mr. MCINTIRE, if you recall what I said yesterday, I am fairly familiar with most of the commodity markets but having been born in a cottonpatch I know that industry better. I think the relationship between the commodity markets and all commodities—that is, futures and spots—works substantially the same.

Mr. MCINTIRE. Well, could I ask your observation there as to whether you think the relationship in trading on such commodities as wheat, and cotton, and oats, and barley, are comparable to the relationships and the trading on onions, potatoes, and some of the other perishable commodities?

Mr. HENICAN. Mr. MCINTIRE, when talking about the functioning—I break down the commodity industries into two categories, major and minor. I put in the category of major commodities those commodities which we produce in America in large surplus such as cotton, wheat, corn, and a few others, and in the minor commodities I put the perishable commodities such as onions, potatoes, and so forth—the smaller commodities. There probably should be a third category called "import commodities" such as cocoa, coffee, hides, and so on. Quite naturally, the volume in those minor commodity markets are not the same, and from a commonsense angle there is a larger volume of trading in the major commodity markets where those commodities are produced in big surplus in this country. Therefore, in my opinion, the relationship and the functions of those latter markets is much better and much more efficient than in the smaller commodities.

I am quite familiar with the situation in onions and also in potatoes. Personally, I am not in favor of some of the things that are happening there.

Mr. MCINTIRE. You have a lot of company on that point, in my opinion.

Mr. HENICAN. O. K. I know of some of the things you have in mind. As I told you

earlier, Merrill Lynch does not take a position in any of these markets. What we are interested in is a fair and equitable contract for buyers and sellers because we know that if they are one-sided in either respect we cannot do business. We are interested in a large volume of business in order to get our percentage of it.

Mr. McINTIRE. I was getting to the fact that our responsibility under this legislation is much broader than cotton, but that is what we have spent our time on, and I was just wondering about the other commodities.

Mr. HENICAN. Let me ask you this question:

I wish you would clear up some of my ignorance because you originate from that territory. Is there such a thing as an onion processor or manufacturer?

Mr. McINTIRE. I do not know. I do not come from an onion territory.

Mr. HENICAN. Would he qualify under this?

Mr. McINTIRE. No; I do not think so.

Mr. HENICAN. I can see a possibility. There are potato processors and manufacturers.

Mr. McINTIRE. Very definitely.

Mr. HENICAN. I have handled some long contracts for a potato-chip manufacturer where the potato price was such that he could fix his cost and fix his profits. I do not think there is such an organization as an onion manufacturer or processor. So, he would not qualify under this amendment; would he?

Mr. LAIRD. We do have these french-fry potato plants which are processors.

Mr. McINTIRE. And, of course, there is likely to be more of it as time goes on. That is the direction in which marketing is moving in those commodities.

I am wondering, and I just wanted to get your thought, as to whether or not the discussion we have had here particularly on cotton has equal bearing and an equal relationship with the other commodities which are affected under this act?

Mr. HENICAN. I think so.

Mr. McINTIRE. Do you think this bill should be amended to include only cotton?

Mr. HENICAN. No, sir; I am very strongly opposed to amending this to include cotton only. It should include all commodities because as you recall yesterday the gentleman from CEA mentioned the fact that the first time this came up was many years ago. It had to do with a Quaker Oats matter, and later the Corn Products matter, and it has only recently been involved with cotton.

There is another case in which I was personally involved which had to do with the Mexican Government in regard to wheat. I would be very much opposed to limiting this amendment to cotton only.

Mr. McINTIRE. Thank you.

Mr. GATHINGS. Are there any further questions?

(No response.)

Mr. Kauffman and Mr. Henican, I just wonder if you gentlemen think that the record is complete or if you had any further suggestions?

Mr. KAUFFMAN. Mr. Chairman, I believe it is complete insofar as the Commodity Exchange Authority is concerned.

Mr. GATHINGS. Thank you.

If there are no further questions, the subcommittee will stand adjourned to meet again at the call of the Chair.

(Thereupon, at 12 o'clock, noon, the subcommittee adjourned.)

SENATE

WEDNESDAY, JUNE 6, 1956

(Legislative day of Monday, June 4, 1956)

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, the might of them that put their trust in Thee, amid all the subtle dangers that beset us, save us from the fatal folly of attempting to rely upon our own unaided strength and devices. The world is aghast at the revelation of the ruthless depravity of a dictator who sought to mold a system with Thee excluded, with Thy law and Thy love ignored. Such a baneful career but confirms Thy word that without Thee "The human heart is deceitful above all things and desperately wicked." In a world so uncertain about many things we are sure of no light but Thine, no refuge but in Thee.

The din of words assails our ears in this agitated world. Grant us an inner calm undisturbed by any outer commotion because our minds are stayed on Thee. Give us the courage to seek the truth honestly and the reverence and obedience to follow humbly the kindly light that leads us on. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 5, 1956, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 6024. An act to withdraw and restore to its previous status under the control of the Territory of Hawaii certain land at Kaakaukukui, Honolulu, Oahu, T. H.;

H. R. 6218. An act to authorize payment by the Federal Government of the cost of making certain studies necessary to assist the Menominee Tribe of Indians to prepare for the termination of Federal supervision;

H. R. 6332. An act to amend the act of October 11, 1949, to specify the fee which will be paid for services performed by United States commissioners with respect to the commitment of individuals to St. Elizabeths Hospital in the District of Columbia;

H. R. 7552. An act to amend sections 220 and 221 (d) of the Hawaiian Homes Commission Act, 1920;

H. R. 7641. An act to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the prevention of waterfowl depredations, and for other purposes;

H. R. 7663. An act to provide for settlement in part of certain claims of the Uintah and White River Bands of Ute Indians in Court of Claims case No. 47568, through restoration of subsurface rights in certain lands formerly a part of the Uintah Indian Reservation;

H. R. 7887. An act to authorize the commissioner of public lands to sell public lands under certain circumstances without public auction;

H. R. 8552. An act to authorize the Secretary of the Navy to grant to the town of Chincoteague, Va., permanent easements on certain lands for the purpose of taking subterranean water;

H. R. 9280. An act relating to the plan for control of the property of the Menominee Indian Tribe, and for other purposes;

H. R. 9593. An act to simplify accounting, facilitate the payment of obligations, and for other purposes;

H. R. 9970. An act to provide for the disposition of the Stockton Air Force Station and the Stockton Annex, Sharpe General Depot, Calif.;

H. R. 10630. An act relating to the District Court of Guam;

H. R. 10766. An act to authorize the payment of compensation for certain losses and damages caused by United States Armed Forces during World War II; and

H. J. Res. 511. Joint resolution granting the consent of Congress to the States of New York, New Jersey, and Connecticut to confer certain additional powers upon the Interstate Sanitation Commission, established by said States pursuant to Public Resolution 62, 74th Congress, August 27, 1935.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H. R. 6024. An act to withdraw and restore to its previous status under the control of the Territory of Hawaii certain land at Kaakaukukui, Honolulu, Oahu, T. H.;

H. R. 6218. An act to authorize payment by the Federal Government of the cost of making certian studies necessary to assist the Menominee Tribe of Indians to prepare for the termination of Federal supervision;

H. R. 7552. An act to amend sections 220 and 221 (d) of the Hawaiian Homes Commission Act, 1920;

H. R. 7663. An act to provide for settlement in part of certain claims of the Uintah and White River Bands of Ute Indians in Court of Claims case No. 47568, through restoration of subsurface rights in certain lands formerly a part of the Uintah Indian Reservation;

H. R. 7887. An act to authorize the commissioner of public lands to sell public lands under certain circumstances without public auction; and

H. R. 9280. An act relating to the plan for control of the property of the Menominee Indian Tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 6332. An act to amend the act of October 11, 1949, to specify the fee which will be paid for services performed by United States commissioners with respect to the commitment of individuals to St. Elizabeths Hospital in the District of Columbia;

H. R. 10630. An act relating to the District Court of Guam; and

H. J. Res. 511. Joint resolution granting the consent of Congress to the States of New York, New Jersey, and Connecticut to confer certain additional powers upon the Interstate Sanitation Commission, established by said States pursuant to Public Resolution 62, 74th Congress, August 27,