escape clause investigation by the Tariff Commission and your rejection of the unanimous finding of the Tariff Commission.

The testimony at the public hearings also clearly showed that the proposal which the Secretary of the Interior now recommends on behalf of the administration is almost identical in effect to a proposal that was before the Committee on Ways and Means in 1953 and on which a strongly adverse report was submitted by the State Department. The State Department set forth 10 reasons why this proposal was inadvisable and contrary to the national interest. This report was made a part of the recent public hearings.

The proposal which the administration has now recommended would not become effective, in event of its enactment, until January 1, 1958. Yet, under the national security amendment any relief found appropriate could be put into effect by you almost immediately. Also, under the escape clause I see no reason why you cannot direct the Tariff Commission to report to you within a stated time as to measures which it may deem appropriate for relief of these industries, and I see no reason why you could not have done so on June 19, the date of the proposal, or even earlier for that matter. It is clear from the testimony presented to our committee, aside from the merits of the proposal, that relief can be afforded by you much more speedily than would be the case even with enactment of the proposal.

As you of course know, I have been a strong and consistent supporter of the reciprocal trade agreements program since the inception of the program in 1934. I have consistently supported and worked for proposals which you have made to continue our foreign-trade policies, including, for example, your proposal during the last Congress and in this Congress for approval by the Congress for membership in OTC.

You have gone on record strongly supporting the reciprocal trade agreements program. At your request the Congress has provided three extensions of your authority during your administration. An important consideration of the Congress in providing these extensions was the fact that should trade agreements concessions result in such import competition that domestic industries are injured or are threatened with injury you would have the authority where it is in the national interest to relieve domestic industries of such injury.

I cannot refrain from expressing to you my very great concern as to the impact of a proposal such as the one which your administration has made concerning lead and zinc on the whole structure of the trade-agreements program. In stating this, I do not intend to imply that the lead and zinc industries may not need relief. My concern is due to the fact that this proposal would completely bypass existing authority given you in present trade-agreements legislation. You are asking the Congress to do that which you already have ample authority to do. The authority which you have is not selective, but broad and general, and applies to any and all industries which are injured or threatened with injury as a result of trade-agreements concessions. I am sure you are aware of the fact that there are many other industries that are asking for relief from import competition. Among these are textiles, velveteen and ginghams, tuna fish, hardwood-plywood, stainless steel flatware, fluorspar, natural gas, petroleum, and many others. There are numerous bills now pending before the Committee on Ways and Means which would provide relief from import competition on the above specified items and many additional ones. I am confident that you would not want to see the Congress bypass and undermine your present authority under trade-agreements legislation by acting on individual items.

I sincerely urge you to personally review the situation in the lead and zinc industries and the proposal submitted to the Congress. Upon such a review, I am sure you will be convinced as I am that you do have ample authority to provide such relief as you deem necessary in the national interest to the lead and zinc industries. I am also confident that you will agree that to bypass the existing provisions of our trade-agreements law will undermine the trade-agreements program.

I can only observe in closing that there is considerable sentiments that in the absence of your exercising such authority as you may have for an expansion of our foreign trade and the protection of domestic industries, the Congress will be forced to study again the delegation of authority made to you under the trade-agreements legislation. This is an eventuality which neither you nor I would contemplate with equanimity.

The other 14 Democratic members of the Committee on Ways and Means concur with me in this letter.

Very cordially yours,

JERE COOPER,
Chairman, Committee on Ways and Means.

SENATE

WEDNESDAY, AUGUST 21, 1957

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

O Thou who art from everlasting to everlasting, while granting Thy grace for the tasks of this day, give us, we pray Thee, an elevated vision, that we may see hours and days in the perspective of the long years. May we toil in these fields of time in the sense of the eternal, with the constant realization that a lifetime here is but a second in the eternal plan of the God of the ages, to whom a thousand years are but as yesterday when it is past. Undiscouraged and undismayed by the imperfections of mankind barely emerging from the nursery of his destiny, teach us Thy patience, as we labor on in the hope that sends a shining ray far down the future's broadening way. In the dear Redeemer's name, we ask it. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Tuesday, August 20, 1957, was approved, and its reading 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.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 351) to establish a Lincoln Sesquicentennial Commission, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

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

S. 319. An act to provide for the conveyance to the State of Maine of certain lands located in such State;

S. 364. An act for the relief of the village of Wauneta, Nebr.;

S. 534. An act to amend section 702 of the Merchant Marine Act, 1936, in order to authorize the construction, reconditioning, or remodeling of vessels under the provisions of such section in shipyards in the continental United States;

S. 538. An act to amend Public Law 298, 84th Congress, relating to the Corregidor-Bataan Memorial Commission, and for other purposes;

S. 556. An act to provide for the conveyance of certain real property of the United States situated in Clark County, Nev., to the State of Nevada for the use of the Nevada State Board of Fish and Game Commissioners;

S. 620. An act to transfer ownership to Allegany County, Md., of a bridge loaned to such county by the Bureau of Public Roads;

S. 919. An act to provide that certain employees in the postal field service assigned to road duty, and rural carriers, shall receive the benefit of holidays created by Executive order, memorandum, or other administrative action by the President;

S. 1113. An act to provide for the conveyance of certain lands of the United States to the city of Gloucester, Mass.;

S. 1417. An act relating to the affairs of the Osage Tribe of Indians in Oklahoma;

S. 1556. An act granting the consent of Congress to the States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a contract relating to their interest in, and the apportionment of, the waters of the Little Missouri River and its tributaries as they affect such States, and for related purposes;

S. 1631. An act to amend certain sections of title 13 of the United States Code, entitled "Census";

S. 1747. An act to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products;

S. 1799. An act to facilitate the payment of Government checks, and for other purposes;

S. 1823. An act to authorize the conveyance of Bunker Hill Island in Lake Cumberland near Burnside, Ky., to the Commonwealth of Kentucky, for public park purposes; and

S. 1971. An act to amend sections 4 (a) and 7 (a) of the Vocational Rehabilitation Act.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 351) to establish a Lincoln Sesquicentennial

Commission was read twice by its title and referred to the Committee on the Judiciary.

MORNING HOUR

THE PRESIDENT pro tempore. The Senate having met today following an adjournment, there is the usual morning hour. Under the order entered yesterday, statements are limited to 3 minutes.

REPORT ON EXPORT CONTROL

The PRESIDENT pro tempore laid before the Senate a letter from the Acting Secretary of Commerce, transmitting, pursuant to law, a report on Export Control, covering the second quarter of 1957, which, with an accompanying report, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A resolution of the House of Delegates of the State of Maryland; to the Committee on the District of Columbia:

"House Resolution 52

"House resolution memorializing Congress to enact Uniform Reciprocal Enforcement of Support Act for the District of Columbia

"Whereas the Uniform Reciprocal Enforcement of Support Act has, in the short time since it was recommended for adoption, been adopted by all of the States of the United States, but has not been enacted by the Congress for the District of Columbia; and

"Whereas the beneficial effects of this statute have been amply demonstrated by experience in the adopting States, as a means of providing for dependents abandoned by those legally responsible for their support; and

"Whereas the failure of an adjacent jurisdiction to adopt this statute results in a heavier burden on public funds for the support of such dependents: Now, therefore, be it

"*Resolved by the House of Delegates of Maryland*, That the Congress of the United States is memorialized to aid the authorities of the District of Columbia and the several States in securing, for their citizens, the benefits of support to which they are legally entitled from those legally and morally responsible therefor by enactment for the District of Columbia of the Uniform Reciprocal Enforcement of Support Act; and

"*Resolved further*, That the chief clerk of the house of delegates is directed to send a copy of this resolution to the Presiding Officers of the Senate and House of Representatives of the United States, and to each member of the Maryland delegation in the Congress of the United States.

"By the house of delegates, March 12, 1957.

"Read and adopted.

"By order,

"GEORGE W. OWINGS, Jr.,
"Chief Clerk.

"JOHN C. LUBER,
"Speaker of the House of Delegates.
"GEORGE W. OWINGS, Jr.,
"Chief Clerk of the House of Delegates."

The petition of George H. Sortos II, of Boise, Idaho, relating to his claims against the United States for the overpayment of taxes; to the Committee on the Judiciary.

LICENSING OF INTERSTATE COMMERCE COMMISSION PRACTITIONERS—RESOLUTION

Mr. LANGER. Mr. President, I send to the desk a resolution passed by the North Dakota Public Service Commission and ask unanimous consent that it be printed in the RECORD at this point.

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

Whereas there have been introduced in Congress H. R. 3350, H. R. 3349, H. R. 7006 and S. 932 which were prepared by the special committee on legal services and procedure of the American Bar Association, and which would practically prohibit any nonlawyer practitioner now licensed by the Interstate Commerce Commission from representing any party to a hearing before such agency; and

Whereas the utility section of the American Bar Association, composed of attorneys who practice before administrative bodies and who appreciate the value of nonlawyer practitioners in practice before such bodies, have opposed legislation of this type; and

Whereas the Interstate Commerce Commission is also opposed to this legislation because it recognizes the value of the technical knowledge possessed by the nonlawyers in assisting them in arriving at a proper solution to matters under consideration; and

Whereas eminent attorneys experienced and skilled in procedure before the Interstate Commerce Commission also are opposed to this type of legislation; and

Whereas it has been the experience of this commission that nonlawyer practitioners experienced and skilled in matters coming before us, have assisted this commission immeasurably in bringing facts to our attention and can and usually do represent the people as ably as most attorneys, if not more so, in the technical aspects of certain types of cases; and

Whereas the passage of this legislation would require the sending of an attorney, along with our director of traffic in all cases participated in by this commission even though it usually is not necessary, particularly in matters being considered by the Interstate Commerce Commission, said director of traffic being now admitted to practice by the Interstate Commerce Commission; and

Whereas this would lead to greater expense and inconvenience and be wholly unnecessary and inadvisable: Therefore be it

Resolved, That this commission go on record as being opposed to all legislation of this type, and that we urge our Senators and Congressmen to not only oppose the passage of this legislation but aggressively work for its defeat.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

H. R. 1394. An act to authorize the sale of certain keys in the State of Florida by the Secretary of the Interior (Rept. No. 1061).

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

S. 479. A bill to convey waterway to Eagle Creek Inter-Community Water Supply Association (Rept. No. 1059); and

S. 1245. A bill to provide a right-of-way to the city of Alamogordo, a municipal corporation of the State of New Mexico (Rept. No. 1060).

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

S. 1828. A bill to retrocede to the State of Montana concurrent police jurisdiction over the Blackfeet Highway and its connections with the Glacier National Park road system, and for other purposes (Rept. No. 1063).

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

H. R. 8126. An act to amend section 16 (c) of the Revised Organic Act of the Virgin Islands (Rept. No. 1062).

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

S. 2230. A bill to authorize the Secretary of the Interior to convey certain lands to the Charlotte Rudland Dansie Association (Rept. No. 1064).

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

S. Con. Res. 45. Concurrent resolution authorizing the printing of additional copies of the hearings on the mutual security program for fiscal year 1958 for the use of the Committee on Foreign Relations;

S. Con. Res. 47. Concurrent resolution to print additional copies of part 1 and subsequent parts of hearings entitled "Investigation of the Financial Condition of the United States", held by the Committee on Finance during the 85th Congress, first session (Rept. No. 1066);

S. Res. 166. Resolution amending Senate Resolution 57, 85th Congress, authorizing an investigation of antitrust and antimonopoly laws and their administration (Rept. No. 1067);

S. Res. 174. Resolution relative to the procurement of likenesses of Senators to be placed in the Senate reception room (Rept. No. 1068);

S. Res. 177. Resolution amending Senate Resolution 160, to appoint a special committee to attend the coming meeting of the Commonwealth Parliamentary Association in India (Rept. No. 1069);

S. Res. 179. Resolution increasing the limit of expenditures for hearings before the Committee on Armed Services;

S. Res. 186. Resolution increasing the limit of expenditures for the Select Committee on Improper Activities in the Labor or Management Field (Rept. No. 1071);

S. Res. 187. Resolution increasing the limit of expenditures for the Committee on Appropriations;

S. Res. 188. Resolution increasing the limit of expenditures for the Committee on Agriculture and Forestry;

S. Res. 189. Resolution to print a compilation of proposed constitutional amendments for the period of the second session of the 69th Congress through the 84th Congress, with additional copies;

S. Res. 191. Resolution amending S. Res. 52, 85th Congress, authorizing an investigation of juvenile delinquency in the United States (Rept. No. 1072); and

S. Res. 192. Resolution to extend the Subcommittee on Disarmament until January 31, 1958 (Rept. No. 1073).

By Mr. HENNINGS, from the Committee on Rules and Administration, with additional amendments:

H. Con. Res. 172. Concurrent resolution to establish a joint Congressional committee to investigate matters pertaining to the growth and expansion of the District of Columbia and its metropolitan area (Rept. No. 1065).

By Mr. HENNINGS, from the Committee on Rules and Administration, with amendments:

S. Res. 183. Resolution to amend rule XIX so as to prohibit the introduction of occupants of the galleries during sessions of the Senate (Rept. No. 1070).

By Mr. CLARK, from the Committee on the District of Columbia, without amendment:

H. R. 7785. An act to provide for the appointment of an additional judge for the Juvenile Court of the District of Columbia (Rept. No. 1074).

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

H. R. 7384. An act for the relief of the town of Medicine Lake, Mont. (Rept. No. 1075).

By Mr. O'MAHONEY, from the Committee on the Judiciary, with amendments:

H. J. Res. 253. Joint resolution to establish a commission to commemorate the one hundredth anniversary of the Civil War, and for other purposes (Rept. No. 1076).

By Mr. MORSE, from the Committee on the District of Columbia, without amendment:

H. R. 8918. An act to further amend the act of August 7, 1946 (60 Stat. 896), as amended by the act of October 25, 1951 (65 Stat. 657), to provide for the exchange of lands of the United States as a site for the new Sibley Memorial Hospital; to provide for the transfer of the property of the Hahnemann Hospital of the District of Columbia, formerly the National Homeopathic Association, a corporation organized under the laws of the District of Columbia, to the Lucy Webb Hayes National Training School for Deaconesses and Missionaries, including Sibley Memorial Hospital, a corporation organized under the laws of the District of Columbia, and for other purposes (Rept. No. 1079).

By Mr. MORSE, from the Committee on the District of Columbia, with an amendment:

S. 1764. A bill to amend the District of Columbia Public School Food Services Act (Rept. No. 1077).

By Mr. MORSE, from the Committee on the District of Columbia, with amendments:

S. 1849. A bill to provide for more effective administration of public assistance in the District of Columbia; to make certain relatives responsible for support of needy persons, and for other purposes (Rept. No. 1078).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

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

Edward T. Gignoux, of Maine, to be United States district judge for the district of Maine, vice John D. Clifford, Jr.;

Thomas C. Egan, of Pennsylvania, to be United States district judge for the eastern district of Pennsylvania, vice George A. Welsh;

T. Fitzhugh Wilson, of Louisiana, to be United States attorney for the western district of Louisiana;

James A. Borland, of New Mexico, to be United States attorney for the district of New Mexico;

William M. Steger, of Texas, to be United States attorney for the eastern district of Texas;

Thomas H. Trent, of Florida, to be United States marshal for the southern district of Florida; and

Harvey G. Straub, of Ohio, to be a member of the Board of Parole.

BILLS INTRODUCED

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

By Mr. BUSH:

S. 2824. A bill to amend the Employment Act of 1946 to make the stabilization of the cost of living one of the explicit and primary aims of Federal economic policy; to the Committee on Banking and Currency.

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

By Mr. LANGER:

S. 2825. A bill to amend the Small Business Act of 1953 to include within the definition of a small business concern certain agricultural enterprises; to the Committee on Banking and Currency.

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

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

S. 2826. A bill to rescind the authorization for the Waldo Lake Tunnel and regulating works, Willamette River, Oreg.; to the Committee on Public Works.

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

By Mr. SCOTT:

S. 2827. A bill for the relief of Elizabeth Alida Tate and her minor child, Elizabeth Alida Chappelo; to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 2828. A bill to authorize the President under certain conditions to permit the entering into of loan, grant, or other aid agreements with certain nations; to the Committee on Foreign Relations.

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

By Mr. SALTONSTALL (by request):

S. 2829. A bill for the relief of Azat Serkis Belgin, Sofik Yevkine Belgin, Nadya Ayla Belgin, Karmen Silva Belgin Ketil, and Vahe Ketil; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

S. 2830. A bill for the relief of Greta Schafer Kennedy; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey (for himself and Mr. CASE of New Jersey):

S. 2831. A bill for the relief of the Borough of Ringwood in the County of Passaic, N. J.; to the Committee on the Judiciary.

By Mr. BRICKER:

S. 2832. A bill to provide for the appointment of 1 additional district judge for the Northern District of Ohio and 1 additional district judge for the Southern District of Ohio; to the Committee on the Judiciary.

By Mr. ERVIN:

S. 2833. A bill to provide for the conveyance of the interest of the United States in and to certain fissionable materials in a tract of land in the County of Alamance, State of North Carolina; to the Committee on Government Operations.

By Mr. SMATHERS:

S. 2834. A bill to provide that a license for a radio or television broadcasting station shall not be granted to, or held by, any person or corporation engaged directly or indirectly in the business of publishing music or of manufacturing or selling musical recordings; to the Committee on Interstate and Foreign Commerce.

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

AMENDMENT OF EMPLOYMENT ACT OF 1946, RELATING TO STABILIZATION OF COST OF LIVING

Mr. BUSH. Mr. President, I introduce a bill to amend the Employment Act of 1946 to make the stabilization of the cost of living one of the explicit and primary aims of Federal economic policy, and ask that it be referred to the Committee on Banking and Currency.

Mr. President, inflation is the greatest threat to our prosperity and the greatest enemy of the stable growth of our national economy. It is an enemy already within our gates. The Congress has the responsibility and the duty to take firm and effective action to bring inflation under control, and prevent further decline in the purchasing power of the people.

The hearings by the Finance Committee on the financial condition of the United States have demonstrated to many observers that the more radical wing of the Democratic Party has succumbed to the dangerous doctrine that a little inflation may not be harmful, and that our Nation may be able to grow and prosper under permanent conditions of creeping inflation.

My bill, if enacted, will make it possible for the issue to be cleary drawn between the inflationists and those who believe, as I do, that inflation must be stopped and that stability in the cost of living is essential for the protection of the overwhelming majority of all Americans and for the steady growth of the national economy.

The Employment Act of 1946, the basic charter of Federal economic policy, is silent about the necessity of maintaining price stability. Some economists have maintained that this goal is implicit in the act; others have contended that the act contains an inflationary bias.

It is time the act was amended to make it crystal clear that the Congress is determined that stabilization of the cost of living is, and shall continue to be, a primary goal of Federal economic policy.

The act now declares that "it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power."

My bill would amend the foregoing declaration of policy as follows:

The Congress further declares that the foregoing objectives must be attained, if they are to be meaningful, in an economy in which the cost of living is relatively stable. To this end the agencies and instrumentalities of the Federal Government must utilize all practicable and available means to combat inflationary pressures as they develop within the economy.

In keeping with the amended declaration of policy, my bill would require the President, in his annual Economic Report, to advise the Congress concerning "current and foreseeable trends in price levels prevailing in the economy and the steps, if any, which have been taken to stabilize the cost of living and to combat

inflationary pressures existing within the economy."

The bill also would require the Council of Economic Advisers to take into consideration the necessity of maintaining an economy of relatively stable prices in formulating its recommendations to the President concerning economic policy.

I hope the Committee on Banking and Currency will direct its staff to begin studies on the problem of inflation, and will schedule hearings on my bill immediately after the Congress reconvenes next January. There will be no more important issue before the committee, the Congress and the country.

Mr. President, my bill is drawn in line with a suggestion made by Mr. William McChesney Martin, Chairman of the Board of Governors of the Federal Reserve System, in recent testimony before the Committee on Finance. Since the full text of Mr. Martin's statement was placed in the RECORD on yesterday by the distinguished senior Senator from Kentucky [Mr. COOPER], I shall not ask that it be duplicated. But I do request, Mr. President, unanimous consent that a portion of Mr. Martin's testimony dealing with the dangers of creeping inflation and its effects upon our institutions and the strength of our country be printed following these remarks.

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

The bill (S. 2824) to amend the Employment Act of 1946 to make the stabilization of the cost of living one of the explicit and primary aims of Federal economic policy, introduced by Mr. BUSH, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The testimony presented by Mr. BUSH is as follows:

CREEPING INFLATION

The unwarranted assumption that creeping inflation is inevitable deserves comment. This term has been used by various writers to mean a gradual rise in prices which, they suggest, could be held to a moderate rate, averaging perhaps 2 percent a year. The idea of prices rising 2 percent in a year may not seem too startling—in fact, during the past year, average prices have increased by more than 2 percent—but this concept of creeping inflation implies that a price rise of this kind would be expected to continue indefinitely. According to those who espouse this view, rising prices would then be the normal expectation and the Federal Reserve accordingly would no longer strive to keep the value of money stable but would simply try to temper the rate of depreciation. Business and investment decisions would be made in the light of this prospect.

Such a prospect would work incalculable hardship. If monetary policy were directed with a view to permitting this kind of inflation—even if it were possible to control it so that prices rose no faster than 2 percent a year—the price level would double every 35 years and the value of the dollar would be cut in half each generation. Losses would thus be inflicted upon millions of people, pensioners, Government employees, all who have fixed incomes, including people who have part of their assets in savings accounts and long-term bonds, and other assets of fixed dollar value. The heaviest losers would be those unable to protect themselves by escalator clauses or other offsets against prices that were steadily creeping up.

Moreover the expectation of inflation would react on the composition of savings. A large part of the savingss of the country is mobilized in savings deposits and similar claims that call for some stated amount of dollars. If people generally come to feel that inflation is inevitable, they will not save in this form unless they are paid a much higher interest premium to compensate them for the depreciation of their saved dollars. It is for this reason that it is impossible, in a period of demand in excess of savings, to maintain lower interest rates through a policy of easy credit. The country is experiencing a period of generally high employment in which investment outlays remain high, but if fears of inflation cause people to spend more of their incomes and save less, the result could only be more rapid inflation and still less saving in relation to income. Such saving as remained, furthermore, would be less and less in the form of loanable funds to finance homes, highways, school construction, and other community needs.

EFFECTS ON PRODUCTIVE ENTERPRISE

An inflationary psychology also impairs the efficiency of productive enterprise—through which our standard of living has made unparalleled strides. In countries that have had rapid or runaway inflations, this process has become so painfully obvious that no doubt remained as to what was happening to productivity. In the making of decisions on whether or not to increase inventory, or make a capital investment, or engage in some other business operation, the question of whether the operation would increase the profit from inflation became far more important than whether the proposed venture would enable the firm to sell more goods or to produce them at lower cost. The incentive to strive for efficiency no longer governed business decisions.

PRODUCTIVITY—KEY TO SUSTAINED PROSPERITY

Why have real wages in this country risen to the highest levels in the world, thus permitting our standard of living to rise correspondingly? Certainly, it is not just because wages have risen as the cost of living has risen. The big source of increase has been the increasing productivity of our national economy. Real incomes have gone up because the total size of the pie, out of which everybody receives his share, has grown so magnificently. What has enabled the productivity of the American economy to achieve the levels that make all this possible? One vital factor has been the striving by so many people, each in his own field, for better and more efficient ways of doing things. Equally important has been the willingness to set aside a part of current income to provide the machines, tools, and other equipment for further progress. Both are essential if our standard of living and material welfare are to go on advancing.

EFFECTS OF INFLATION

Inflation does not simply take something away from one group of our population and give it to another group. Universally, the standard of living is hurt, and countless people injured, not only those who are dependent on annuities or pensions, or whose savings are in the form of bonds or life insurance contracts. The great majority of those who operate their own businesses or farms, or own common stocks or real estate, or even those who have cost of living agreements whereby their wages will be raised, cannot escape the effects of speculative influences that accompany inflation and impair reliance upon business judgments and competitive efficiency.

Finally, in addition to these economic effects, we should not overlook the way that inflation could damage our social and political structure. Money would no longer serve as a standard of value for long-term savings. Consequently, those who would turn out to have savings in their old age would tend to be the slick and clever rather than the hard working and thrifty. Fundamental faith in the fairness of our institutions and our Government would deteriorate. The underlying strength of our country and of our political institutions rests upon faith in the fairness of these institutions, in the fact that productive effort and hard work will earn an appropriate economic reward. That faith cannot be maintained in the face of continuing, chronic inflation.

There is no validity whatever in the idea that any inflation, once accepted, can be confined to moderate proportions. Once the assumption is made that a gradual increase in prices is to be expected, and this assumption becomes a part of everybody's expectations, keeping a rising price level under control becomes incomparably more difficult than the problem of maintaining stability when that is the clearly expressed goal of public policy. Creeping inflation is neither a rational nor a realistic alternative to stability of the general price level.

AMENDMENT OF SMALL BUSINESS ACT OF 1953, RELATING TO INCLUSION OF CERTAIN AGRICULTURAL ENTERPRISES

Mr. LANGER. Mr. President, I introduce, for appropriate reference, a bill to amend the Small Business Act of 1953 to include within the definition of a small business concern certain agricultural enterprises.

I might say, Mr. President, that the record of the Small Business Administration in making loans to small business in North Dakota is very unsatisfactory. The bill proposes an amendment to the present small business law.

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

The bill (S. 2825) to amend the Small Business Act of 1953 to include within the definition of a small business concern certain agricultural enterprises, introduced by Mr. LANGER, was received, read twice by its title, and referred to the Committee on Banking and Currency.

PROTECTION OF WALDO LAKE IN CASCADE MOUNTAIN RANGE

Mr. NEUBERGER. Mr. President, high in the forested slopes of Oregon's Cascade Range lies a clear mountain lake of unique scenic beauty. The lake is named Waldo Lake, and is the largest summit lake in our State. Because of its location high in the headwaters of the Willamette River, the natural water storage reservoir of Waldo Lake has received considerable attention from engineers concerned with multiple-purpose development of the basin. It was determined by the Corps of Engineers that construction of a tunnel of only 625 feet in length would make it possible to divert up to 220,000 acre-feet from Waldo Lake during dry years to augment the water supply and firm-up the power output at the Federal powerplants located downstream at the already-constructed Lookout Point and Dexter Dams on the Middle Fork of the Willamette. From the standpoint of power production alone such a development would

have added considerably to the potential supply of electrical energy available in Oregon.

But, Mr. President, in the utilization of water resources it always has been my position that those projects should be undertaken first which do the least damage to scenic, fishery and wildlife values. We have too few remnants of majestic mountain grandeur untarnished by commercial exploitation. The Waldo Lake storage and tunnel development could add power benefits to other projects; but in so doing, the drawdown of water from the lake would convert the shoreline to unsightly mudbanks and detract from the crystal-clear lake.

We need more low-cost power in the Pacific Northwest, but it should not be obtained by damaging the irreplaceable beauty of areas like Waldo Lake. The Waldo Lake tunnel project has been dormant ever since it was authorized for construction in the Flood Control Act of 1950. Apparently recognizing the scenic values at stake, the Army engineers have left its development on the shelf and no funds have been sought for the start of construction. Despite the fact that this project has been in inactive status for 6 years, many residents of Oregon fear that existence of the authorization will make it difficult to plan for preservation of the scenic area.

To alleviate that fear, I am today introducing for myself and my colleague the senior Senator from Oregon [Mr. MORSE], a bill to rescind the authorization for the Waldo Lake tunnel and regulating works. A similar bill has been introduced in the House by Representative CHARLES O. PORTER, whose district includes the Waldo Lake area. Through our joint efforts, it is my hope that the authorization for the Waldo Lake tunnel project may be rescinded.

I ask unanimous consent to have printed in the RECORD the bill rescinding Congressional approval of the Waldo Lake project.

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

The bill (S. 2826) to rescind the authorization for the Waldo Lake Tunnel and regulating works, Willamette River, Oreg., introduced by Mr. NEUBERGER (for himself and Mr. MORSE), was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the authorization for the Waldo Lake tunnel and regulating works, Middle Fork-North Fork, Willamette River, Oreg., contained in the Flood Control Act of 1950 (64 Stat. 163) under the heading "Columbia River Basin," is hereby rescinded.

AMENDMENT OF TARIFF ACT OF 1930, RELATING TO UNMANUFACTURED MICA AND MICA FILMS AND SPLITTINGS—AMENDMENT

Mr. PURTELL submitted an amendment, intended to be proposed by him, to the bill (H. R. 6894) to amend the Tariff Act of 1930 as it relates to unmanufactured mica and mica films and splittings, which was ordered to lie on the table and to be printed.

HUMANE METHODS OF TRAPPING ANIMALS AND BIRDS — ADDITIONAL COSPONSORS OF BILL

Mr. NEUBERGER. Mr. President, I ask unanimous consent that the name of the distinguished junior Senator from Massachusetts [Mr. KENNEDY] and the name of my colleague, the distinguished senior Senator from Oregon [Mr. MORSE] be added to the list of cosponsors of the bill (S. 2489) to require the use of humane methods of trapping animals and birds on lands and waterways under the jurisdiction of the United States, introduced by me, for myself and Senators HUMPHREY and KEFAUVER, on July 8, 1957.

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

ADMISSION OF BONA FIDE NEWS REPRESENTATIVES INTO FOREIGN COUNTRIES—ADDITIONAL COSPONSOR OF RESOLUTION

Mr. FULBRIGHT. Mr. President, yesterday I submitted the resolution (S. Res. 190) favoring admission of bona fide representatives of newsgathering organizations into all countries abroad for the purpose of gathering news. I had intended to include the Senator from Minnesota [Mr. HUMPHREY] as a cosponsor. At the moment I simply overlooked it.

I ask unanimous consent that at the earliest opportunity, when and if the resolution is reprinted, or when it is reported from the committee, the Senator from Minnesota be included as a cosponsor of the resolution.

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

Mr. HUMPHREY. I thank the Senator from Arkansas for his consideration.

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. BEALL:

Statement prepared by him paying tribute to Italian-American citizens.

By Mr. NEUBERGER:

Text of Meet the Press program of Sunday, August 4, 1957, featuring Representative CHARLES O. PORTER.

NOTICE OF CONSIDERATION OF A NOMINATION BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. GREEN. Mr. President, the Senate received today the nomination of Dr. H. van Zile Hyde, of Maryland, to be the representative of the United States of America on the Executive Board of the World Health Organization.

As chairman of the Committee on Foreign Relations I desire to give notice that this nomination will be eligible for consideration by the committee at the expiration of 6 days, in accordance with the committee rule.

CALL OF THE ROLL

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. 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 (Mr. MURRAY in the chair). Without objection, it is so ordered.

JOANNE LEA (BUFFINGTON) LYBARGER

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that S. 864 be displaced as the unfinished business and that Calendar No. 660, S. 491, be made the unfinished business.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 491) for the relief of Joanne Lea (Buffington) Lybarger, which had been reported from the Committee on the Judiciary with an amendment.

NECESSITY OF EXTENDING FEDERAL CONTROL OF MENOMINEE TRIBES TO DECEMBER 31, 1960

Mr. WILEY. Mr. President, I should like to call attention to a bill, S. 2131, which is still before the Senate Interior and Insular Affairs Committee. This bill would extend the date for taking the Menominee Indian Tribe out from under Federal jurisdiction to December 31, 1960. At that time the measure provides for a per capita distribution of Menominee tribal funds and for transfer and control of property to the tribe.

Under present law, the effective date of this transfer of property and responsibility is December 31 of this year. A special Indian study committee in Wisconsin, as well as other organizations within, and outside of, the Menominee Tribe have indicated that additional time is very much needed.

Our State legislature, too, has pointed out that it must act on Menominee-related matters—prior to termination of Federal control—but that it cannot possibly do so before January of 1959.

As can be appreciated, there is a great deal of work to be done in informing the tribe of crucial facts, obtaining tribal decisions, setting up machinery for tribal control, and other matters. Regrettably, all of this cannot be done by December of this year. It is felt, however, that these objectives could be accomplished by December 31, 1960.

It will be recalled that H. R. 6322 for extension of the termination date passed the House on August 19. I know that our colleagues on the Interior and Insular Affairs Committee are laboring under a tremendously heavy workload. I would hope, however, that the report on S. 2131 could be completed, and the bill which has been ordered reported could come before this Senate as quickly as possible. Moreover, I respectfully stress the need for early and favorable consideration by the Senate.

I have received a great many communications from a number of the Menominee Tribe itself, from individuals and organizations concerned with tribal affairs, and from Wisconsin State officials on the need for extension of the termination date. I request unanimous consent to have a few of these printed at this point in the RECORD.

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

TELEGRAM FROM STEWART G. HONECK, ATTORNEY GENERAL, STATE OF WISCONSIN, CHAIRMAN, MENOMINEE INDIAN STUDY COMMITTEE, WISCONSIN LEGISLATIVE COUNCIL

As chairman of State of Wisconsin Menominee Indian Study Committee, which has intimate detailed knowledge of actual Menominee termination situation, based on careful studies, I respectfully and urgently request favorable action by your subcommittee on S. 2131, which I understand you will consider next Monday. Our studies find extensions of termination date and planning deadline unquestionably necessary for developing needed data, informing Menominee people of crucial facts, and obtaining very numerous intelligent tribal decisions. Impartial analysis will show adverse Interior Department report on S. 2131 is unconstructive, superficial, ignores grassroot realities, Wisconsin's Legislature has officially supported S. 2131 because it, too, must act on important Menominee-related matters before termination date, and cannot possibly do so until January 1959 session. While we oppose indefinite extension of termination, we are most gravely concerned lest Menominee Indian termination program not be orderly and successful and a credit to the American people. Undue haste can lead to dissolution of Menominee forest, a tremendous natural resource and untold harm to the Menominee people and their neighbors. Gov. Vernon W. Thompson, my predecessor as chairman, joins me in this plea. Were hearing time available before your subcommittee, I would gladly present testimony personally.

SHAWANO, WIS., *August 20, 1957.*

Senator ALEXANDER WILEY,
Washington, D. C.

Menominees respectfully urge Senate action on termination extension bill without amendments, as passed by the House.

JAMES G. FRECHETTE,
Chairman, Menominee Advisory Council.

SHAWANO, WIS., *August 20, 1957.*

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

We, the undersigned civic organizations of Shawano County, respectfully urge immediate Senate action on Menominee termination extension bill without amendments as passed by House of Representatives. Special request of this support comes from Menominee Tribal Council.

FRANKLIN SCHAUDER,
President, Chamber of Commerce.
JAMES JUDD,
President, Economic Development, Inc.
DON SCHOEDEL,
President, Junior Chamber of Commerce.
Dr. H. C. MARSH,
President, Rotary Club.
CLIFTON GROSSKOPF,
President, Kiwanis Club.
RAY GRUETZMACHER,
President, Shawano Club.
EMIL JUEDES,
Mayor, Shawano City Council.

EAU CLAIRE, WIS., *June 28, 1957.*

Hon. ALEXANDER WILEY,
Washington, D. C.

DEAR SIR: The Eau Claire Business and Professional Women's Club is most concerned with the problems facing the Menominee Indian Tribe in getting ready for the termination of Government supervision of tribal affairs. The club has asked me to write you enlisting your support.

We hope with time and education, planning and preparation, they can avoid some of the degrading occurrences which have marked the past, when tribal members were thrown on the mercies of conditions and sharpers for which they were ill prepared. Certainly their status as citizens depends on the preparation now.

We hope you will vote for the bill which extends the date of termination of the Menominee Tribe to 1960.

Yours very truly,

LOIS L. WILLIAMS,
Corresponding Secretary.

ANTIGO, WIS., *August 20, 1957.*

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

The Antigo Chapter, DAR, wishes to encourage your support of Menominee Indian extension bill H. R. 6322 and urges your continued effort to have this bill passed by the Senate without amendment or delay. We feel that this bill is in the best interest of the Menominee Indian Tribe and of the State of Wisconsin.

Respectfully submitted.

NEQUI ANTIGO SIEBAH CHAPTER, DAR,
Mrs. GERALD LEONARD.

ANTIGO, WIS., *August 20, 1957.*

Hon. ALEXANDER WILEY,
United States Senator,
Washington, D. C.:

Understand bill extending termination of Federal control over Menominee Indian Tribe is up for consideration in Senate after passage by the House. Would appreciate anything you can do to expedite passage of Senate bill without amendment and in same form as House bill.

Proper handling of Menominee Indian affairs is vital not only to the tribe but also the economy of Langlade County and this area.

Thank you very much.

FREDERIC W. BRAUN,
Chairman, Langlade County Republican Organization.

ANTIGO, WIS., *August 20, 1957.*

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

On behalf of the residents of our community and our neighbors the Menominee Indian Tribe, we earnestly request that you lend all possible personal support to get the Menominee Indian extension bill H. R. 6322, which has passed the House, through the Senate without amendments. Dates referred to in bill meet favorably with all interested groups and State officials who are working with the tribe. Please lend this bill your personal support.

THE FIDELITY SAVINGS BANK,
B. H. DIERCKS, *President.*

RHINELANDER, WIS., *August 20, 1957.*

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

Your support for passage of Menominee termination extension bill without amendments as passed by House is requested.

RHINELANDER COUNCIL OF CHURCHWOMEN,
Mrs. ROYAL REIK, *Secretary.*

A MEMORIAL SO THAT WE MAY NEVER FORGET AMERICA'S UNPREPAREDNESS—THE U. S. S. "ARIZONA" MEMORIAL AT PEARL HARBOR

Mr. WILEY. Mr. President, I was pleased to hear this morning from the Honorable JOHN A. BURNS, Delegate at Large from Hawaii, in the House of Representatives, with regard to a bill which I know is of deep interest to the Members of the Congress.

The bill is H. R. 4809 which authorizes the construction of a U. S. S. *Arizona* memorial at Pearl Harbor, T. H. The bill passed the House of Representatives on August 19, and is now pending before the Senate Armed Services Committee.

Its purpose is to enable the Secretary of the Navy to accept contributions for the construction of a memorial and museum to be located on the hulk of the sunken battleship *Arizona* at Pearl Harbor. It would enable the Navy to furnish material to the Pacific War Memorial Commission for use in the national undertaking of a public subscription campaign to raise funds for the *Arizona* Memorial. It authorizes the Secretary, as well, to undertake the construction of the memorial and museum as soon as sufficient public funds have been subscribed. Thereafter, he would provide maintenance for the memorial and museum, once it has been completed.

Mr. President, no American can forget that the U. S. S. *Arizona* lies beneath the waters of Pearl Harbor with the mortal remains of 1,102 American servicemen still entombed within her. Among that group are 13 Wisconsin lads, whose names I shall shortly record following these brief remarks. But, even if there were no Wisconsin youngsters inside that sunken hulk, the fact is that we must never forget what the U. S. S. *Arizona* symbolizes. It constitutes perhaps the most dramatic single reminder of the terrible price of American unpreparedness, the tragic toll of lack of vigilance.

The sailors who were blasted into the ocean bottom, when a Japanese bomb came through the smokestack of the *Arizona* that Sunday morning, are the symbols of something even more grim. They symbolize the infinitely larger number of American lives which might some day be lost if we were, so to speak, to "fall asleep at the switch" and be similarly unprepared in this atomic age.

I earnestly hope, therefore, that the bill will be enacted into law so that the public subscription can immediately commence.

I send to the desk the names of the 13 Wisconsin Navy lads, including the cities and counties which they represented. I ask unanimous consent that this list be printed at this point in the body of the RECORD.

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

Residents of Wisconsin entombed on the U. S. S. *Arizona:*

Wallace, James Frank (S1c), Adams, Adams County; Funk, Lawrence Henry (S1c), Geise, Marvin Frederick (S1c), Beloit, Rock County;

Boviall, Walter Robert (AMM2c), Delavan, Walworth County; Curtis, Lyle Carl (BM2c), Glidden, Ashland County; Uhrenholdt, Andrew Curtis (Ens.), Hayward, Sawyer County; Lewison, Neil Stanley (FC3c), Melrose, Jackson County; Gazecki, Philip Robert (Ens.), Menasha, Winnebago County; Musser, Raymond Alfred (GM3c), Oshkosh, Winnebago County; Hansen, Harvey Ralph (S1c), Racine, Racine County; Ehlert, Casper (SM3c), Sheboygan, Sheboygan County; Heath, Alfred Grant (S1c), Spencer, Marathon County; Mathison, Charles Harris (S1c), Waukesha, Waukesha County.

THE IMPORTANCE OF MARITIME TRADE TO WISCONSIN

Mr. WILEY. Mr. President, I was pleased to receive this morning from Mr. S. B. Terman, chairman of the committee of American Steamship Lines, a letter and enclosed bulletin, entitled "Maritime Affairs." They describe the considerable role played by the American merchant marine in serving the economy of my State, as well as the rest of the Nation.

The Badger State has long been navy—and merchant marine—minded. We have always had a strong seafaring tradition, thanks to our fronting to the Great Lakes system.

However, with the advent of the St. Lawrence Seaway, opening in the spring of 1959, we expect still more jobs, still more economic health to be generated through greatly expanded export and import activities.

Wisconsin's share of United States exports by 6 industries alone—centered in Milwaukee, Racine, and other great centers, has been estimated by the maritime industry at no less than $312 million.

Thus, more and more, the products of Wisconsin's farms and industries are utilizing the sea arteries of the world. More and more, we see that we "do not live unto ourselves alone." So, a strong merchant marine—a United States-flag merchant marine—is increasingly indispensable.

I send to the desk the text of the aforementioned letter and enclosure. I ask unanimous consent that they be printed in the body of the RECORD at this point.

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

COMMITTEE OF AMERICAN STEAMSHIP LINES,
Washington, D. C., August 19, 1957.

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

DEAR SENATOR WILEY: You will be interested, I believe, in the enclosed bulletin showing how foreign trade—and the United States merchant marine—help to sustain the economy of the State of Wisconsin.

Last year Wisconsin's share of the United States exports by six industries alone totaled $312 million. A third of the State's total employment is affected directly or indirectly by world trade.

Your American merchant marine not only assures United States farmers and manufacturers of reliable access to overseas markets, it also offers them dependable access to vital raw materials from overseas; contributes $5.3 billion to our national economy; stands ready when called to act as our fourth arm of defense; and protects our commerce by stabilizing world freight rates from all our shores.

Sincerely yours,

S. B. TURMAN,
Chairman.

UNITED STATES MERCHANT SHIPS SUPPORT MIDWEST COMMERCE—OVERSEAS SALES NET BIG GAINS FOR WISCONSIN

More than 313,000 Wisconsin employees, with an annual income of $1.5 billion, work in industries depending on United States merchant ships to help carry a substantial portion of their products to foreign ports.

Add to that 130,000 persons working on Wisconsin dairy farms and it is seen that a third of the State's total employment of 1,136,000 is from businesses affected directly or indirectly by foreign trade.

THREE HUNDRED AND TWELVE MILLION DOLLARS IN EXPORTS

Last year, Wisconsin's share of United States exports by six industries alone was $312 million.

Machinery exports from Racine and other Wisconsin factories accounted for $175 million of this.

The State could also claim $45 million as its share of United States automotive exports; $40 million from the sale of electrical machinery; $20 million from paper product exports; $14 million from the export of fabricated metal; and $18 million from dairy products exports.

LATIN AMERICAN SALES

One of Wisconsin's most important customers is the group of 14 Latin American countries that export coffee to the United States. With the money so earned, those countries spent $69.8 million for Wisconsin products in 1955.

EXPORTS CREATE JOBS FOR 1,000 RACINE WORKERS

Of Racine, Wisconsin's 14,000 industrial workers, 1,000 owe their jobs to foreign trade and ocean shipping, a recent poll of more than 50 companies shows.

TRACTOR EXPORTS UP

Racine's J. I. Case Co. estimates that 10 to 12 percent of its employees are directly affected by the company's ability to sell to overseas customers. Foreign markets for its wheel tractors and crawler tractors last year helped lift total United States tractor exports to $390 million, the highest level in 7 years.

Massey-Harris-Ferguson estimates that 25 percent of its Racine-manufactured farm equipment is shipped overseas. American-flag merchant ships help carry its repair parts to more than 100 countries.

MALTED MILK TO BORNEO

Horlick's Corp. has salesmen in Ethiopia, Aden, the Channel Islands, Borneo, and elsewhere. Its malted milk, an invention of its founder, is carried abroad regularly to a score of other foreign nations.

Racine's S. C. Johnson & Son Co., world's largest maker of wax polishes and allied products for household, industrial and other uses, owes its success to a host of managerial skills—and a waxy powder from a Brazilian palm tree. Ocean-going ships carry tons of this powder, extracted from the fronds of the carnauba palm, to Johnson subsidiary plants all over the world and to New Orleans and New York for transshipment to Racine.

DEPENDENCE ON IMPORTS

Other imports for which Johnson depends on ocean transportation include shellac from India, sugar cane wax from Cuba and beeswax from West Africa, Portugal, Iran, and Afghanistan. American freighters help carry Johnson products to customers in 90 countries.

Racine sells calf weaners to Canada and golf-swing practice devices to Italy and Japan. Other exports include everything from artificial limb parts, hair clippers and tools to puzzles, wrapping paper and insecticides.

AUTOMATION IN THE RAILROAD INDUSTRY—THE 20TH-CENTURY CHALLENGE TO MANAGEMENT AND LABOR

Mr. LANGER. Mr. President, it is with deep pleasure that I invite to the attention of the United States Senate a statesmanlike speech delivered by W. P. Kennedy, president of the Brotherhood of Railroad Trainmen, in Grand Forks, N. Dak., last May 22.

That speech was on the vitally important subject of automation in the railroad industry. It sets forth this 20th-century challenge to management and labor, and to all of us who in any ways use the railroads in business, farming, or travel, in a way which offers constructive proposals for meeting push-button railroading that is displacing workers long experienced in their jobs.

I have known President Kennedy as one of America's outstanding labor leaders for several decades now. He has done many constructive things during his career of leadership in one of the great unions of the Nation. But he has never done anything more important, both for those in his own brotherhoods with whom he works, and for all who labor in these United States, than in this carefully designed analysis of the impact of automation on the status of labor.

Because this is an issue of widespread significance to America, and because the Congress of the United States is even now wrestling with the public impact of automation on the economic welfare of the Nation, I deem it altogether fitting that this timely and knowledgeable statement on such a provocative and vital subject as automation be made available to all of the Congress through the pages of the CONGRESSIONAL RECORD.

I ask unanimous consent that the address may be printed in the RECORD at this point.

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

AUTOMATION IN THE RAILROAD INDUSTRY: THE 20TH CENTURY CHALLENGE TO MANAGEMENT AND LABOR

(By W. P. Kennedy, president, Brotherhood of Railroad Trainmen, at the 65th anniversary of Wheat Sheaf Lodge, No. 463, Grand Forks, N. Dak., May 22, 1957)

Railroad labor and management have overcome many challenges in the past. But today we face our most crucial test. We are seeking to take the utmost advantage of modern technology in order to make the railroads competitive with other forms of transportation. We must, however, do this with a minimum of dislocation and hardship to our labor force.

Railroad automation is not some promise of the future. It is the challenge of the 20th century. We in labor are seeing jobs disappear right before our eyes as pushbutttons enable one man to do the job which previously required 10 or 20. And that is not all, vacuum tubes and radar are now eliminating the need for a man to push buttons.

Lest there be any doubt in anyone's mind about the seriousness of this situation, let me cite a few necessary figures.

Railroad employment in 1957, and by this I mean all who work for the railroads lumped together, has fallen to the bottom of the depression levels. For the first 4 months of this year, midmonth employment averaged less than 1 million workers (990,500.) [1] In the throes of the depression in 1933 the number employed on the railroads was 971,000. We have lost over 400,000 jobs in the post-World War II era.

But there is no depression in the railroad business today. On the contrary, the net income after taxes for class I roads for the last 2 years, 1955 and 1956, averaged $900 million, compared with an annual average of $776 million earned in the period 1951–54. It has more than tripled in the past decade. Total dividends paid in 1956 exceeded $520 million, breaking the alltime boom record of 1929–30. And the ratio of dividends paid to capital stock invested was 6.8 percent, the highest rate of return on record since the plush 1920's.

All this was accomplished on the profit side of the railroad ledger while employment was sinking to depression levels as technological advances were being made at breakneck speed. Expenditures for new plant and equipment rose from $854 million in 1954 to $1,231 million in 1956, and an estimated level of $1,468 million for this year. This 75-percent increase in expenditures to improve plant and equipment and to reduce labor costs was more than twice as great as the rate of increase in new investment for all businesses in the United States.

How has all this affected labor? While Barron's (March 25, 1957) observes that "Technologically speaking, the railroads never had it so good," that very technology has taken away our jobs at an astounding rate. In 1956, for example, we moved about the same tonnage of freight as we did in the year 1948, but with 700,000 or 30 percent fewer workers.

Let me say in passing that this is a doubly serious problem for us. In other industries, displacement due to technological advance has been cushioned in part by the expansion of those industries parallel with the growth of the economy. But this has not been true in railroading. Although the Nation's gross national product increased 40 percent, in real terms, since 1948, the railroads carried the same volume of freight in 1956 as they did 8 years ago. So when we speak of advancing productivity and technological change in the railroad industry we are talking about a development that can and has wiped out jobs on a large scale.[2]

What is the nature of this great technological change that we call automation? There is scarcely an operation in the whole of the railroad industry which has not been subjected recently to study to determine if it cannot be done automatically.[3] In this process significant changes have been wrought. Each of these changes had the same motive—to increase efficiency, to require less human labor, to reduce operating costs.

Two short years ago I was invited to appear before the Joint Economic Committee of the Congress to present my views in connection with that committee's study of the effects of automation on American industry. In that important Congressional hearing of 2 years ago, I said that we in the Brotherhood are not opposed to technological progress. On the contrary, we welcome it. For the modernization of the railroads and the increase in their efficiency make the prospects for more railroad business brighter. It means we can meet the inroads of competing modes of transport, especially the competition of the trucks with their heavily subsidized public roads.

But I would not have been telling the whole story if I had not at the same time expressed our common fears that automation would bring increasing unemployment for many, even when providing additional economic security for a few. Our fears, in some instances, have been well founded. For while railroad workers have willingly cooperated with management in the installation of new automated devices, not in all cases has management been willing to accept its responsibility for mitigating the adverse effects on particular workers. I refer to the failure by management in some instances to work out adequate job displacement safeguards. One of the most shocking aspects of the 19th century lack of social responsibility was the arbitrary way in which a certain carrier suddenly consolidated its operations and closed down an entire office with little consideration for the welfare and security of its employees.

Two years ago I offered a program of cooperation to management for working out the problems that will arise in the wake of automation. I offer it again now with even more insistence, because during this short 2-year span the tempo of automation has been stepped up, while the suggestions I made then are still largely in the realm of suggestions yet to be acted upon seriously by management.

We in railroad labor simply ask that management regard the process of automating the industry as a cooperative endeavor, a two-way street. We pledge the fullest cooperation to management in accepting the new technology and making it work as it should. We ask in return that management pledge us an equitable share in the fruits of increased productivity that our labor and skills coupled with the new inventions make possible, and that it accept some of the social costs of technological displacement. To get at the meaning of such cooperation in more precise terms, let me call attention to certain facts about our industry that are often overlooked.

In the operating end of railroading, we have a larger proportion of older workers to our total labor force than is characteristic of other industries. Ours is a skilled and steady labor force based mainly on long years of experience. Seniority has meant a great deal to our workers, as it has to management. For the workers this has meant better runs, more pay, better conditions of work. For management, seniority has meant an assured and responsible labor force, a train crew entirely competent to be entrusted with thousands of dollars of valuable property and a passenger list whose worth cannot be calculated in cold dollars at all. However, railroad skills acquired by the operation of our seniority rules and long years of experience, unfortunately, cannot be readily transferred to some other industry.

We are now finding that the impact of automation is affecting the older workers in our industry most severely. Among unemployed workers between 45 and 49 years of age average days of unemployment rose from 76 in 1948 and 1951 to 95 days average in 1956; among the unemployed from 50 to 54 years of age average duration of unemployment increased from 80 days in 1948 to 99 days in 1956.

One measure of permanent technological displacement among older workers is the percentage who exhausted their unemployment benefits. In 1948, 11 percent of those workers 45 to 49 years of age drawing some unemployment benefits exhausted their rights. In 1956 the percentage of exhaustions rose to 16 percent or by close to 50 percent.

These older workers also had the longest railroad service. Of those 45 years and over in 1954, 85 percent had more than 10 years with the railroads.

Displacement of older workers through the introduction of automatic devices means great hardship. They are not as mobile as younger workers. They have roots in their communities. So, it is altogether fitting that we insist that management cooperate with us in developing programs for earlier retirement and for adequate severance pay to lighten the impact of technological displacement for older workers.

At the other end of the age scale are our younger workers who also face loss of jobs through the introduction of automatic devices. These younger workers however, can move; they can be transferred readily to other jobs without undue loss of skills.

I suggested 2 years ago that management accept its responsibility to workers already on the job by establishing a system of transferring workers from one division to another on the same railroad, from one railroad to another, from one part of the country to another. For while there are minor differences in the job, other things being equal, already experienced workers can grasp the job needs faster and perform more efficiently than inexperienced workers newly hired. It is a commonplace in our industry that one road is both hiring and laying off workers at the same time; that another railroad in the same territory may be hiring workers while the other road is laying workers off. Surely, it is not too much to expect that management face up to its responsibility in this matter; that it work out a plan of transferring workers from one place on a road to another as need arises; that the prospects of transferring workers from one road to another be given the serious consideration from management it deserves in view of the heavy toll automation is taking of our employed workers.

Finally, if no other jobs of comparable skill and pay are available in the railroad industry for the workers which machines and new devices displace, I suggest the Federal Government with its responsibility under the Employment Act for maintaining full employment take appropriate action to help those workers. This can take the form of retraining and relocation programs specifically designed to meet the needs of those whom technological advances displace in the railroad industry.

In this connection may I point out why we in the railroad industry require this special type of aid. Unlike workers in textiles and coal mining who are concentrated in a few readily defined geographical areas which can be singled out and assisted under the proposed Federal aid to distressed areas bill, railroad yards, divisions, and terminals are dispersed all over the country and may be located in areas which, outside of railroading, are not experiencing distressed conditions. Distressed area legislation will not help the railroad workers stranded in some remote division point or terminal as a result of automation. This is a problem that must be dealt with on a different basis.

Automation means greater efficiency and more output per worker. This requires not only fewer workers, but the possibility of a shorter number of required hours per worker. For those still on the job, automation therefore, ushers in the prospect of more leisure time to devote to their families, to recreation,

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[1] In rejecting the disposition to regard this decline below the million mark as the result of diversion of traffic from the railroads to competing carriers the New York Journal of Commerce June 6, 1957 stated: "Upon analysis, this decline past the million worker mark must be traced directly to a trend toward rail automation."

[2] It has been pointed out that the preautomation impact of technological change in the railroad industry, during which employment dropped from 1.9 million to 1 million was a gradual decline stretched out over a period of almost 50 years. In contrast, the new electronics era means elimination of human services on a large scale. (New York Journal of Commerce, June 3, 1957.)

[3] This includes a crewless train, remote-control locomotives, and electronic classification yards.

to civic, religious, and other citizen-building activities in their communities. But this can only give good results if the benefits of automation resulting in more free time for those employed are accompanied by appropriate wage adjustments to preserve the workers' purchasing power. This means that as hours are reduced wage rates must be adjusted correspondingly. It also means that as the gains of automation materialize, such benefits as vacations with pay can and should be broadened and expanded.

In my appearance before the Joint Economic Committee 2 years ago, I stressed another area of deep concern to railroad workers, namely, the health and safety of themselves and their families. It was not so long ago that railroad workers could not obtain insurance at a reasonable rate, so hazardous was their work considered. And despite the great progress we have made in our negotiations with management to improve the safety of our work, our jobs are still hazardous. We work in all kinds of weather under the most risky conditions. Yet management has not always considered favorably our insistence on maintaining safe working conditions. Moreover, they have lagged behind other industries in meeting the problem of providing adequate medical care for railroad workers and their families. It is in this area of so-called fringe benefits that we can expect to negotiate even more vigorously in the future as automation takes its toll of jobs and as railroad employment becomes increasingly selective. For certainly some of the savings resulting from automation belong to the workers and there are few better ways to use them than in promoting their health, safety, and greater leisure time.

Not only must the gains from automation be reflected in more leisure time, better safety, improved medical care and retirement programs but also in the workers' pay envelope. Savings from automation promise to increase the earnings of the railroads substantially and provide the strongest of arguments for continuing adjustments in the wages paid railroad employees. In fact, the improved earnings of the carriers and the upgrading of our men required to do the more skilled work that automation brings in, combine to challenge management and the brotherhoods alike to sit down and bargain collectively to restore to railroad labor its place in the national wage structure commensurate with the training, discipline, and responsibility which their occupations represent in the field of all labor, and in the public mind.

The foregoing adds up to a reasonable program for meeting the impact of automation so that management and labor may both share in its fruits and provide the public with a more efficient transportation service while at the same time maintaining a solvent, profitable industry for its owners. Only as all parties are benefited equally by the automation that takes place can we justify the rapid extension of this labor saving technology in our railroad industry.

Thus far, the men on the laboring end of the transportation business have not shared in the benefits of automation as they should have. Instead, they have been absorbing the total effect of its labor-displacing impact. And we are told that what has occurred in the past few years is only a token, a sign, of what is to happen. We do not have direct figures on what the carriers are spending on automation currently.[4] But a glimpse of it can be seen from the overall figures on equipment expenditure, much of which will reduce labor requirements. An analysis made by the ICC of the capital expenditures of class I roads disclosed that in 1956 they spent $1.2 billion, and the estimates for 1957 were placed at $1.4 billion, an increase in a single year of 15 percent. And nearly three-fourths of it goes for equipment outlays. The total dollar amount expended for equipment outlays is expected to be about a fourth higher (24.7 percent) for the first 6 months of 1957 than it was in the first half of 1956.

Some hint of the direction of such outlays is given in the figures presented by the Federal Telecommunication Laboratories of the I. T. & T., which reported its sales of electronic equipment to the railroads had doubled in 1956. And Westinghouse Air-brake Corp.'s Union Switch and Signal Division reported a 31 percent gain in sales of automatic equipment in the same year.

The most spectacular automation progress has been made in the pushbutton freight classification yards. Since 1955, some 30 fully automatic freight yards have been put into operation. And this is only a beginning. The Union Switch and Signal Division estimates that 200 such yards will be put into operation in the United States and Canada.

The 1955 type of automatic freight yard I spoke of before the Joint Economic Committee of the Congress 2 years ago has already been superseded by an even more automatic system. Take the Pennsylvania's East Bound Conway freight classification yard installed as the last word in automation in 1955. A single employee, operating from a glass enclosed tower, flipped switches and pushed buttons that made up trains by remote control. This single employee did the work of a half-dozen outmoded humping yards and replaced whole crews of riders and switchmen. Now, along comes the radar beam and an electronic brain, and this watchtower worker is no longer there.[5]

Car distribution by electronic IBM brains now threatens to displace train dispatchers. The recent advances in automation taking place in the front offices of the railroads are a match for what we are experiencing in the yards and terminals. Computers and telefax keep records, handle reservations, and sell tickets faster than ever before. And one has only to step into some of the antiquated railroad terminals and depots that dot the Nation to realize how much more can be done to bring the effects of automation home to the nonoperating labor force now manning these outmoded installations.

We who work on the railroads feel that the problems of automation are piling up unsolved so thick and fast that we must insist on an across-the-board review of the entire situation. Automation is the most serious threat and the most promising opportunity of the 20th century. If it is to be removed as a threat and fulfill its great promise, the attention and time of our best brains, both in management and in labor, must be given to it.

As a first step, and to focus industrywide attention on a major aspect of the problem, we in railroad labor have proposed changes in the Railroad Unemployment Insurance Act embodied in a bill before the Congress, H. R. 4353.

Under our proposal (H. R. 4353) an employee with five or more years of railroad service who is displaced through no fault of his own and has exhausted his rights to normal unemployment benefits would be entitled to receive additional benefits during an extended benefit period. The duration of such extended benefit period would vary in accordance with the length of the employee's railroad service, so that a displaced railroad man with 20 or more years of service could receive benefits for as much as 4½ years longer than he would under present law. In other words, the older displaced employees would receive severance pay allowances up to a maximum of 5 years.

In addition, we have proposed a new schedule of daily benefit rates which is 20 percent higher than the present rates; an increase in the maximum amount of compensation for which unemployment compensation base year credit would be given; and an increase in the number of days for which benefits may be paid.

It is our belief that the proposed extended unemployment compensation bill and the liberalized unemployment benefit rates will not only help to stabilize unemployment in our industry but that it will go a long way toward caring for the more needy and more experienced of those displaced.

First, it will provide the carriers with a specific incentive to regularize employment. Second, it will provide them with an incentive to relocate older and experienced workers within our industry, since by so doing the carriers will reduce the cost of unemployment compensation to themselves. Finally, it represents a just and adequate way of compensating those older employees whose jobs are completely eliminated by technological change.

What of the costs involved? We believe that the savings resulting from automation provide an ample fund from which the human costs of technological progress may be met.[6] The carriers are enjoying an unprecedented period of prosperity. Stockholders are enjoying record dividends and the highest rate of return on capital investment since 1920.

With the rate of productivity advance that has been experienced in our industry, there is reason to believe that additions to the railroads' labor bill by reason of the proposed unemployment compensation benefits will not result in any higher labor costs per unit of output. As a case in point it is only necessary to cite the fact that despite additions to the costs of unemployment compensation and railroad retirement to the total railroad labor bill, in recent years, total railroad labor cost in 1956 in proportion to operating expenses was virtually the same as in 1952. Wages plus payroll taxes amounted to $0.665 per dollar of operating expenses in 1952 and $0.666 in 1956. Moreover much of the added costs of proposed protection for older unemployed railroad workers displaced through automation, consolidation, merger, etc., can be avoided largely by the carriers cooperating to improve the placement service for unemployed railroad workers. The industry can absorb what costs remain with little difficulty.

Our proposals for extended unemployment benefits are not new. Other unions have recognized the inadequacy of unemployment compensation benefits and have contracts whereby their employers agree to supplement standard unemployment compensation. Such agreements have been signed in the

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[4] The railroad industry invested approximately $4 billion in automation over the 11-year period 1946–56. This estimate, based on carrier reports to the ICC and the American Association of Railroads, was published by the New York Journal of Commerce on June 3, 1957, in connection with a series of articles analyzing the impact of automation on the railroad industry. And the Journal of Commerce noted the $4 billion "is a fraction of what it will become according to present plans and nothing at all compared to what it will total if given cooperation of rail labor leadership."

[5] It is important to distinguish between the electrified pushbutton yard and the electronic yard. The latter is the automation of the future based on the vacuum tube, the transistor, and radar. It eliminates the pushbutton as well as the worker pushing the buttons. Whole train lengths of cars can now be broken up and reassembled into new train lengths directed solely by a tape programmer.

[6] The financial weekly, Barron's (Mar. 25, 1957) speaking of the spread of the automated yards explained that, "* * * the roads are able to amortize them in 3 or 4 years through savings in labor costs."

steel, auto, and container industries. The steel and container industry plans both provide for 52 weeks of unemployment benefits though State payments are for shorter periods. The auto plan is for a shorter period.

A comparison of the steel, container, and railroad workers unemployment compensation plans shows that we in the railroad industry are not asking for as much as other workers are now receiving. The maximum weekly benefit for a steel worker earning $80 a week after taxes, under the United States Steel agreement, is $52 per week including State benefits; employees of Continental Can Co., covered by the IAM supplementary unemployment insurance agreement, earning $80 a week after taxes get $54 a week. The railroad employee earning $80 a week after taxes now can receive a maximum of only $42.50 a week; and under the proposed amendments this would rise to a maximum of only $51 per week. Thus even the proposed amendments would leave the railroad workers' weekly and annual maximum unemployment compensation amount below that now available to steel and container industry workers.

Because of the special conditions in the railroad industry—restrictions on the interchangeability of skills with other industries, and the difficulty of reemployment for workers in stranded division or terminal points—special provision has to be made for adequate long-period protection for displaced older workers. Therefore, we are emphasizing a type of severance pay that goes beyond those developed in other industries. Our senior employees who are displaced through no fault of their own will get extended unemployment compensation benefits not now available to employees of any other industry.

Our proposal for extended unemployment compensation is but one part of our program for meeting the challenge of displacement for older workers on the railroads. We believe that we must face the problem of displacement in its totality. We must consider displacement arising not only by reason of technological change, but also as a result of mergers and consolidations. In this connection I call attention to the fact that under the Washington agreement of 1936 there exist certain rules and provisions regarding consolidations designed to protect the worker against deprivation of employment through no fault of his own. In my estimation the time has come for a review and modernization of the 1936 agreement looking toward its updating in the light of current conditions.

Another part of our approach to the problem of automation in our industry is our proposal for liberalizing railroad retirement benefits, so as to make possible earlier retirements for senior workers. Our proposal embodied in H. R. 4353 would increase railroad retirement annuities generally by 10 percent. In addition, the privilege now available to any employee with 30 years of service electing to receive a reduced annuity to begin after age 60 and before 65 would be available to women employees with 10 years of service at age 62 and at the same age to wives of annuitants.

In this connection let me point out that we have not precluded any other method of easing the impact of automation on our older worker. For example, I see no reason why we could not set aside a special fund from the retirement fund for workers displaced through no fault of their own who are too young to retire but too old to be retrained easily. A railroad worker, say, 50 or over, who gets displaced by automation and exhausts his normal unemployment benefits, could begin to draw reduced retirement benefits from this special displacement retirement fund. If the worker obtains a job, then his retirement benefits would cease.

In addition to our program for extending unemployment compensation and protecting senior workers against the impact of technological change, we have continued to direct our collective bargaining activities toward improving wages and working conditions in our industry. We have just concluded a successful negotiation with the carriers which provides for a series of wage adjustments for road and yard service employees; extends our escalator clause which assures automatic adjustments to compensate for increases in the cost of living; and provides, with certain adjustments in pay, that yard service employees may elect to take seven paid holidays.

In these negotiations we have continued to insist, as we have in the past and will in the future, that our members will never submit to unilateral decisions by the carriers, or grant them arbitrary and uncontrolled discretion to eliminate jobs, change job classifications and assignments or in any way abrogate work rules that have been developed to meet the needs of workers confronted by great technological changes. In this connection, the time has come for the carriers and the employee representatives to consider the problem of reclassifying and upgrading certain classes of workers whose responsibilities and skills have been changed by the introduction of automated processes and equipment.

One of the things we and management should be working at right now is a procedure for establishing pay scales for automated jobs. Why should we in labor have to bargain over wage scales for the new jobs automation requires on an ex post basis? Advance negotiations by labor and management should make it possible to set up a new set of wage rates to go into effect immediately as soon as a yard is automated.

In our future negotiations we are going to pay more and more attention to the question of the length of the workweek and the standard workday. One of the great aims of the trade-union movement in this country has been to reduce hours of work. We in the railroad industry, and particularly in the Brotherhood of Railroad Trainmen, played a leading role in the early fight to establish the 8-hour day. In recent years we have perhaps, to some extent, lagged behind in the shorter hours movement. However, we have established the standard 40-hour workweek for 80 percent of the railroad employees. And we intend to participate actively with the rest of the American trade unions in the drive to win schedules shorter than 40 hours. As automation and productivity advance increases, some of the savings should be shared with the worker in the form of increased leisure, regardless of the immediate employment picture. And of course where the productivity advance is accompanied by technological displacement the union will insist on a shorter workweek, without reduction in pay, as a means of stabilizing employment.

It seems clear that we are already in the process of a fundamental alteration in the standard or scheduled workweek. In early 1956 the Department of Labor surveyed 17 major cities covering almost 6 million plant and office workers. It found that about one in every six was already on a regular schedule of less than 40 hours a week. The scheduled workweeks were found to be principally 37½ or 35 hours.

We in the railroad industry have made some progress in the field of paid holidays and paid vacations but we have a great deal more to gain. It is now common practice in industry for all workers to enjoy six to eight or more paid holidays. We have just obtained an option for yard service employees to elect seven paid holidays in lieu of part of the general wage adjustments agreed to for all employees.

Today not only most industries have accepted a system of paid vacations for their employees but also it is common practice for longer service workers to receive paid vacations of 3 to 4 weeks.

We in the railroad industry must plan to bring our paid holiday and vacation practices abreast of the commonly accepted patterns in American industry.

There are many other areas of collective bargaining, of course, in which we can and will seek improvements in accordance with the responsibilities and problems that are raised by reason of the advent of automation.

In conclusion let me say this to our brothers in the American trade-union movement—in the AFL–CIO, the United Mine Workers, the railroad brotherhoods, and the independent unions. Technological displacement is not solely a railroad problem. It has occurred in coal mining, in textiles as well as in railroads. It is now occurring at an accelerated tempo in the factories throughout the land.

Factory worker employment in mid-1953 was 14 million. Today it is 13 million and there are fewer hours worked today. Factory workers' spendable earnings are going down as hours of work are reduced. Yet our real gross national product is increasing. It is up 10 percent in real terms since mid-1953 and industrial production is up 6 percent.

We are all in this together brothers. We in the railroad industry have seen jobs lost until we have 1 million fewer workers in our industry today than we had a few decades ago. Factory workers are only now beginning to feel the impact of technological change.

The future of our trade-union movement depends upon our ability to discern changes that are in the offing and work out ways and means of meeting them. New occupations are emerging to become the major ones in the labor force. The proportion of white collar, engineering, and technically skilled employees to total is on the rise in all industry as well as in transportation. Unless we make necessary changes to meet the needs of these groups we will lose our effectiveness as trade unions.

I take this opportunity to invite the leaders of the great American trade unions to sit down together and to map a common program to assure that the threat of economic insecurity will be defeated and the promise of automation will be fully realized for America's workers.

We are only on the threshold of the second industrial revolution. Automation is yet in its infancy and atomic energy has yet to be applied to practical peacetime uses. These two fields, automation and atomic energy will change the whole face of our present-day economy. They will in large measure change the picture of the railroad industry as we know it today. We must be alert to the implications of these wonderful new forces. They must be made to work for man's progress, for abundance and security—not destruction and insecurity.

SPEECH BY SECRETARY OF TREASURY BEFORE FIRST PLENARY SESSION OF ECONOMIC CONFERENCE OF ORGANIZATION OF AMERICAN STATES

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a speech delivered by the new Secretary of the Treasury, the Honorable Robert B. Anderson, before the first plenary session of the Economic Conference of the Organization of American States at Buenos Aires, Argentina, on Monday, August 19, 1957.

If I may, I should like to point out to the Senate a paragraph from the speech, wherein the Secretary states:

There are certain profound convictions with which I come to our meeting. They

are convictions which I have held throughout a lifetime. The first conviction is this: No difference exists between us as to the objectives we seek. They are objectives that can be defined only in terms of human well-being and progress. We all agree that man does not exist to enhance the importance and power of the state, as the Communists would have us believe. The state exists for man to respect his dignity as a child of God, to preserve his rights as an individual, and to provide opportunities which will enable him to develop, freely and fully, in all the ways that enrich human life and exalt its spiritual meaning and dignity.

Mr. President, I think that is a vital and meaningful paragraph. It is the strongest statement I have seen on the part of any official of this administration, giving, as it does, complete support to the idea of promoting democracy and individual and human rights in that area of the world. It indicates definitely that this Government, and we the people of the United States, believe in and approve, that government which recognizes the dignity and the rights of individual citizens. I should like to point out one other paragraph, Mr. President, on page 5 of the speech, in which the Secretary mentions the following:

Military expenditures, by their very nature, act as a brake on rising living standards, and for that reason they should be held to a level that will provide an adequate posture of defense. All of us in the Americas look forward to the day when a changed world situation will permit a substantial reduction of our large military expenditures. In the meantime, however, we must all do everything we can to control reasonably our expenditures in this area. All of us, I am confident, will continue to scrutinize our military budgets in an effort to accomplish savings that would make resources available in each of our economies for the kind of constructive development that advances economic well-being.

Mr. President, again I wish to congratulate the Secretary for making such an assertion. I hope that our Defense Department will look at its own program in its relation to the western defense hemisphere program, to determine whether we might be forcing upon these Latin American countries a military posture which in fact economically they cannot afford. In the light of the Secretary's statement some thought, I hope, will be given to that subject. Again I congratulate the Secretary on his fine speech. I wish that he had said more. I wish he had approved of efforts to create common markets among Latin countries, but the fact that he did not does not negate the fact that this speech was a fine and thoughtful presentation.

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

REMARKS BY ROBERT B. ANDERSON, SECRETARY OF THE TREASURY OF THE UNITED STATES, BEFORE THE FIRST PLENARY SESSION OF THE ECONOMIC CONFERENCE OF THE ORGANIZATION OF AMERICAN STATES, BUENOS AIRES, ARGENTINA, MONDAY, AUGUST 19, 1957

It is an honor to participate in this conference with so many of the ministers who deal with the financial and economic questions which continually arise in the conduct of government affairs in our American Republics. It is a particularly happy occasion to come here as one of my first official acts as Secretary of the Treasury.

As a Texan, who has lived most of his life close to Latin America, I have always had a deep and warm personal interest in its people, its culture, its traditions, and its progress. One of my earliest employments was to teach Spanish in a town near the place where I grew up. While I must confess a neglect of the language in the intervening years, it is a fault I hope to correct. It is my earnest hope that my present duties will give me new opportunities to visit the other American Republics and to experience more direct and personal contacts with this great region, and to continue and enrich the friendships which I have established here with the delegates of these American Republics.

This conference follows in logical succession from the conference at Quitandinha in 1954. I was deeply impressed by the enthusiasm with which my predecessor, Secretary Humphrey, viewed the Quitandinha meeting. He was convinced at that meeting that there was unanimity among the delegates as to the great and inspiring objectives which we seek in this hemisphere.

These objectives are clear and can be defined simply: We want our people all around the Americas to live better, we want them to pursue more healthful lives, we want their lives filled with hope, enriched with progress, and inspired toward the improvement of standards of well-being. Above all, we seek these goals while preserving the freedom of our peoples.

It was most encouraging to me that in this eloquent address inaugurating this conference, President Aramburu strongly reaffirmed the validity of these views. As practical men with responsibility for helping to shape our nations' economic policies, we shall try to see our tasks as they really are, and not as we might wish them to be. They are many, they are difficult, and they are continuing. They are not to be dealt with by words alone, nor can they be laid to rest once and for all by some dramatic pronouncement at this or any other conference. Patience, persistence, and good will are the qualities of mind and heart which we must bring to our tasks.

I have talked at length with President Eisenhower about these matters. He shares the conviction that direct personal contacts and intimate exchanges between those of us who carry public responsibilities are the surest guaranty that our efforts will be successful and our objectives transformed into practical and satisfactory realities.

You will all recall the unprecedented meeting of the chiefs of state of the American Republics which took place in Panama in July 1956, and the Inter-American Committee of Presidential Representatives which developed from it to consider ways of strengthening the Organization of American States in fields of cooperative effort which directly affect the welfare of the individual. As a result of the committee's deliberations, a series of recommendations was drawn up and submitted to the various chiefs of state. President Eisenhower on May 26 publicly expressed his hope that many of the recommendations would be put into effect as promptly as possible.

We should not regard the meeting in Quitandinha, the conference in Panama, or this conference as ends in themselves. Rather, each conference evidences greater strides forward to our common objectives. What is really important is the fact that we continue to demonstrate that 21 nations collectively, forming one of the world's most important communities, have come to the same conviction that the welfare and progress of each member is related to the welfare and progress of each other member. Our approach has been, and will continue to be, that of good partners.

How then shall the ministers of finance or economy of our governments go about the task of increasing the effectiveness of their cooperative efforts? It would be presumptuous for me, one of the newest members of the group, to claim extensive personal familiarity with the details of the questions which we shall discuss. The delegation of the United States will express its views on the matters of our agenda, and I earnestly hope you will find them forward looking and constructive.

Before we came here, my Government reviewed and considered carefully the views that were expressed by the delegations in 1954 and weighed them in the light of the progress we have made in the interval of nearly 3 years since that meeting. We welcome this opportunity, indeed, we feel it is a responsibility, to express to you the fundamental approach which we bring to the questions before us. This conference represents another important step in the continuing evolution of a long history of economic cooperation and business partnership. We are dealing with fundamental and long-range questions on which we can take stock and fruitfully exchange thoughts and points of view. But we recognize that in the economic field the march of day-to-day events and the cumulative effect of specific decisions in business and in government play the major role.

A country achieves material progress by developing its human and material resources. There is no other way to do it. The question that faces this conference, therefore, is how can our countries most effectively develop their resources? At inter-American meetings of this kind, when we consider economic development we sometimes tend to talk as though Latin America were one great homogeneous area. In fact, economic development of Latin America is the sum total of the economic development of each of the individual countries in the area.

When we examine the economic characteristics of the Latin American countries one by one we find a natural diversity. Some countries have limited natural resources. Others are among the most favored nations in the world in this respect. Some countries are almost entirely producers of raw materials. Others produce not only raw materials but also a wide variety of manufactured goods. But amidst this diversity let there be this unity: However we develop our economies, however we use our resources or make our goods, or provide opportunities for work, let us above all else guard freedom in all its aspects, for freedom is indivisible.

There are certain profound convictions with which I come to our meeting. They are convictions which I have held throughout a lifetime. The first conviction is this: No difference exists between us as to the objectives we seek. They are objectives that can be defined only in terms of human well-being and progress. We all agree that man does not exist to enhance the importance and power of the state, as the Communists would have us believe. The state exists for man to respect his dignity as a child of God, to preserve his rights as an individual, and to provide opportunities which will enable him to develop, freely and fully, in all the ways that enrich human life and exalt its spiritual meaning and dignity. And this is what we mean when we speak of promoting commerce, industry, agriculture, and development of all of our resources. We promote them because they make for the better employment of our citizens, better homes for our families, better education for our children, greater satisfaction of our aspirations, in short, a better America for all of us.

History has demonstrated the vital role of the competitive enterprise system in the economic life of our hemisphere. Its promise for the future is even greater. Just as truth flourishes best in the climate of political

freedom, so in the economic field the system of competitive enterprise promises to yield most in the satisfaction of man's material needs. This system produces most of what people want most.

I hope that at this conference we can contribute to the growth and strengthening of this system. It is wholesome that we should explore the various ideas presented to us. No one knows better than a minister of finance or economy how difficult it is to choose between alternative measures. No one knows better than we that the fields of economy and finance are not exact sciences. Let us, therefore, approach our discussions with the hope that from a sincere and thoughtful exchange of views will come ways of doing things which are perhaps better than those which any of us alone might have brought to this conference.

This leads me to a second conviction which I hold strongly and which has been substantiated in actual experience. This is that there is no question incapable of resolution if we, as reasonable men of good will, and as the representatives of our respective peoples, bring to bear on it the best and united effort of all of our people.

President Eisenhower has characterized the Organization of American States and its predecessors as "the most successfully sustained adventure in international community living the world has ever known." In this hemisphere we have had the courage to approach openly many problems for which solutions had not been found in international society. Some of these problems have found their first solution in the Americas. On other problems we have made the greatest progress toward an eventual solution that has yet been achieved. Why is this true? I believe that it is because we do not let differences of opinion divide us or breed distrust among us. When we encounter a new problem or engage in a new field of discussion we seek a road we can all follow and which will ultimately bring us to our common objective.

This method of approach has been a salient part of our cooperative effort during the past 50 years and against the background of history has been little short of remarkable. For example, we developed in the Americas a hemispheric approach to security which was sealed in the Rio Treaty of 1947. We unanimously agreed that an attack on any one state would be considered an attack on all. This concept of collective security has served as a pattern for the strengthening of the entire Free World. Our purpose is peace, both with the rest of the world and among ourselves. The repeatedly successful application of the Rio Treaty to settle disputes between American States and the outstanding services of the Inter-American Peace Committee for peaceful settlement have established beyond doubt the desire and ability of the countries of the Americas to live peacefully together.

This fact has great economic significance. The assurances now provided by our common-defense system offer us a dramatic opportunity to give greater emphasis to those economic activities that can better the lot of our peoples.

Military expenditures, by their very nature, act as a brake on rising living standards, and for that reason they should be held to a level that will provide an adequate posture of defense. All of us in the Americas look forward to the day when a changed world situation will permit a substantial reduction of our large military expenditures. In the meantime, however, we must all do everything we can to control reasonably our expenditures in this area. All of us, I am confident, will continue to scrutinize our military budgets in an effort to accomplish savings that would make resources available in each of our economies for the kind of constructive development that advances economic well being.

My third great conviction is that the progress and welfare of every American State is directly related to the progress and welfare of each. None of us can ever be indifferent to the problems and the suffering of another. Each of us has a personal and strong interest in the welfare of each of our partners. Often in the economic fields our problems are particularly subtle and stubborn. Our best interests as members of this great American community clearly lie in pursuing a policy of cooperation.

A basic aspect of this policy of cooperation is a firm determination on the part of my country to preserve a climate that will lead to the maintenance of a growing prosperity in the United States, which continues to represent the largest, most stable, and expanding market for the increasing production of the hemisphere. To seek to avoid any return to the depressed conditions of an earlier decade with the costly shrinkage it meant in our own economy and with the harmful reduction of your markets is a fixed point in the policy of my Government and of our whole people.

A further aspect of this policy of cooperation relates to the important areas of trade and investment. Needless to say, each of us occasionally is compelled to take action on the basis of important domestic considerations. Such departures from the general policy should be held to an inescapable minimum and should be justified by rigorous standards of necessity. In that way we can maintain our basic course with respect to international economic cooperation and maintain as well the integrity of those occasional departures from it which legitimate national considerations require.

What are the results of our cooperative efforts during the past 4 years? Today, the people of the American States are contributing more to the economic progress and well-being of the world than at any previous time in our history. The output of goods and services is rising continuously at the rate of about 3 percent a year in the United States, and at even higher rates in other American Republics. The average annual increase in the real gross national product for Latin America, as a whole, is estimated by the Economic Commission for Latin America at 4.3 percent for the 4 years 1953 through 1956. In several countries the rate of growth has been even higher.

Rarely, if ever, in history have we witnessed such a sustained and vigorous level of prosperity as we have been enjoying recently in the Free World. Indeed, in this decade we find we have a striking contrast to the world of 20 years ago. Then trade had shrunk, prices were depressed, and economic activity was feeble and discouraging. Today there is an increasing concern of an opposite character. In country after country, the pressure of monetary demand is so great that inflation is either an unpleasant reality or a constant threat.

In my country we are well aware of this fact. We are exerting our best efforts to keep our prosperity healthy, and to avoid the adverse effects of inflation fever. Many of you have experienced the effects of this economic illness, and as finance ministers know all too well what it brings. You know how it not only complicates the task of the finance minister, but enters as a disturbing factor into all the operations of business and the affairs of everyday life. You know how it can lead a whole people into competitive efforts to seek protection of their assets rather than employing them for the benefit of the community. You know how difficult it is for domestic and foreign capital to play an effective role in productive investment when there is continual worry and preoccupation with the dangers of a depreciating currency. You are familiar with the exchange difficulties and the constant tendency to excessive imports which inflation brings in its train. You know how exports may be discouraged when price relationships become distorted.

The United States applauds the efforts that are being made in many of the other American Republics to deal with this menace and to achieve greater financial stability and realistic and freer rates of exchange. We are happy that the International Monetary Fund has supported well-conceived programs for combating inflation in a number of these countries. The Treasury Department and other agencies of my Government have also supported these efforts. We recognize that foreign trade and foreign investments is only one limited aspect of this broad program of economic development. Inter-American transactions are themselves a segment of the broader fabric of economic relations in the Free World.

Let me speak briefly, however, of the trade and investment transactions between my own country and the other American Republics. Through these transactions dollars become available to be effectively used by our sister republics. The flow of these dollars is generated first, by our imports from the rest of the American states; second, by our investments; and third, by our loans for economic development. In each of these categories we have in recent years reached the highest levels yet recorded.

When we met at Quitandinha in 1954, imports into the United States from Latin America had reached the impressive annual rate of $3.5 billion. In 1956, they reached the record level of $3.8 billion. About 30 percent of our total imports of goods from foreign countries are shipped from Latin America.

The increase of United States and other foreign private investment in Latin America has been most impressive. The flow of private investment from the United States, as shown by our balance of payments, has greatly increased in the past 5 years. During the first 2¼ years following our meeting at Quitandinha, the figure amounts to about $1.4 billion, or more than 3 times the corresponding rate during a comparable period proceeding the meeting at Quitandinha. This is largely due to very sharp expansion in direct investments, particularly in 1956. In that year direct investments exceeded $600 million and total private investment amounted to more than $800 million.

I should like to refer to some aspects of the role of private enterprise and private capital in the development of the American Republics. It is reasonable that the governments and people of Latin America should expect our United States investors to whom they extend a hospitable welcome, to be constructive members of the communities in which they operate. It is our earnest desire that they shall be. These same investors, we believe, are substantially determined that they shall be a factor toward progress in human welfare.

In the field of foreign investment we think there is a danger that undue attention may be given to the very partial figures which appear in balance-of-payments statements. From these figures it might be inferred that the investment of foreign capital brings no advantage, no balance, to the international accounts of the country receiving such investment. We believe such a conclusion would be incorrect for several reasons.

First, the balance of payments data do not show the complete picture. They do not show, for example, the total amount of new investment which has taken place on behalf of private investors. The Department of Commerce of my government made a special study of the operations of a large group of United States enterprises operating in Latin America. The study covered the year 1955

and included companies holding nearly $6 billion of assets in Latin America. These companies represent about 85 percent of all United States operations in Latin America. The study showed that whereas the net capital these companies received from the United States amounted to $129 million, their total investment expenditures were about 4 times that amount, or $570 million. The difference between these two figures was financed out of retained earnings, depreciation, and other sources of funds.

The study showed further that the operations of these companies resulted in direct foreign exchange income to Latin America of $2.3 billion, or $1 billion more than the total exchange required by these companies for their operations and remittances.

This $1 billion remained in Latin American countries for other exchange purposes. In connection with their total sales of nearly $5 billion, wages and salaries were paid by these companies to 600,000 employees. Moreover, approximately $1 billion was paid to Latin American governments in various forms of taxation. The revenue derived from this source became available for the financing of highways, ports and other activities which the governments have undertaken.

This special study, we believe, helped to correct one misconception about the effect of foreign investment upon the financial position of recipient countries; it does not, however, tell the whole story. The advantages of foreign investment do not end with their final effect upon the balance of payments position. Chief value of the investment, whether it be domestic or foreign, lies in its capacity to increase the total national production of the country in which it was made. This comes through increased productivity.

We believe in my country that technical improvements and managerial knowledge which lead to increased productivity may be even more important to rising standards of living than growth in the stock of capital. The shortage of managerial skills and technical knowledge may be more real and more pressing than any shortage of capital.

Private investment carries with it the most highly developed technical and managerial skill. It brings to bear on the development process this essential and dynamic influence to which we attribute so much of our own growth. The managerial experience and knowledge of techniques and skills required for the successful development of resources is a prerequisite to the most effective use of increased capital funds. The technical knowledge and managerial skill acquired by citizens of Latin America, both on-the-job in plants and enterprises financed by foreign capital as well as through the quite remarkable number of visits to the United States sponsored by both private enterprise and our technical cooperation programs, represent for this hemisphere an ever-expanding fund of what might be called managerial wealth—an asset of incalculable value.

As we all realize, the movement of private capital cannot be forced. Private investment flows only where the situation is attractive. Investment opportunities throughout the Free World are so numerous that all who seek investment capital must compete for it. Even in the most highly developed countries there is a shortage of savings for investment. Nevertheless, as the figures demonstrate, the Latin American Republics have been successfully competing and obtaining a sharply expanded flow of new capital funds. In this they have been more fortunate than many other areas which have not been able to devote their resources so fully to peaceful and constructive purposes.

The process of private capital investment can of course be facilitated. As you know, my Government believes that toward this end, governments should remove tax obstacles that lie in the way of capital formation and private investment. This can be done both through unilateral measures, which would remove unsound tax policies and administrative practices, and through international tax agreements.

We have been engaged in the negotiation of broad tax agreements with a number of countries. In addition to establishing rules in these agreements by which to assure fair tax treatment, we have sought to give recognition to so-called tax-sparing laws which seek to encourage the inflow of capital by granting tax reduction for limited periods of time.

The executive departments of our Government are trying to devise a formula by which a credit would be allowed under our laws for the taxes given up by a country seeking to attract capital, in the same way as a credit is given for taxes actually collected by that country.

Tax agreements are, of course, a matter for negotiating between the executive branches of the governments. Like all treaties, they must, in the United States as in many other countries, obtain the approval of the legislative branches of government before they can become effective. We now have several prospective treaties in varying stages of the procedure. One, which includes a credit for tax sparing, is now under review by the legislative bodies of the signatory countries.

We realize that much is to be done toward economic development in Latin America. In addition to private capital, credits by public institutions are important sources of capital. Many hundreds of millions of dollars will be involved. We feel a sense of responsibility and will participate in this development. The extent of our effort will be determined by careful planning, by the ability of countries to absorb capital, and by the assurance of realistic benefits of the economy and the people of the republics involved.

Here my country acts directly through the Export-Import Bank. You will recall the policy of the Export-Import Bank, first announced at the Caracas Conference, and reaffirmed at the Quitandinha Conference. Our Government indicated that our country would be prepared to encourage the financing of all sound economic development projects, including loans in the private sector, in the best interest of the countries involved, and for which private capital was not available. This policy has, I believe, produced impressive results.

In the 3-year period ending June 30, 1957, the bank has authorized credits of some $840 million to Latin America. It is significant that more than 40 percent of the bank's total authorizations in all countries during the last 10 years have been made in the Latin American Republics. Since the Quitandinha Conference, the bank has extended in Latin America almost 2½ times as much in development loans as it had extended in the similar period before that conference. During the last fiscal year, indeed, the Export-Import Bank concentrated even more on its development lending in Latin America. Leaving aside its loans for the purchase of agricultural commodities and livestock, and the special loan to the United Kingdom which was made on a secured basis, the bank's total of development loans throughout the world was $482 million during the year. Of this amount no less than $354 million, or 73 percent of the total was extended in Latin America. As more and more economic projects are developed, the participation of the Export-Import Bank will be intensified so as to meet expanding needs.

The International Bank for Reconstruction and Development is also an important source of development loans, and the International Finance Corporation is becoming an additional significant source. As far as we can see ahead, we believe that the adequacy of capital to meet the needs of sound development is not a question of additional institutions but the fuller utilization of those in being so as to keep pace with the expanding needs of constructive projects as they develop.

We are, as well, providing important credits to our Latin American neighbors, through the so-called Public Law 480 agreements, under which our Government sells quantities of our agricultural reserves to foreign governments for local currencies. Under these agreements, substantial portions of the sales proceeds are lent to the purchasing governments as additional sources of economic development capital. Thus far the amounts allocated for loans, or actually lent, to Latin American countries through this arrangement total about $250 million.

In addition to the expansion of the technical cooperation program in Latin America, which was announced by the United States delegation at the Quitandinha Conference in 1954, the United States through the International Cooperation Administration continued its program of emergency economic assistance to Latin America to help resolve problems which were beyond the resources of the individual countries. During the last year, a special regional fund authorized by the Congress of the United States was the source of grants amounting to $2 million to the Organization of American States for malaria eradication and for improved research facilities at the Inter-American Institute of Agricultural Sciences in Costa Rica. This fund was also the source of loans totalling nearly $13 million to 7 countries for projects in the fields of education, health, and sanitation, and land settlement.

All of these are encouraging developments. They are further evidence of a wholesome trend in inter-American cooperation. But let us always remember that economic development in a large and complex area cannot be reduced to easy simplicity. More important than any other factor will be the individual efforts of each people and their dedication to a program of work and savings, and the orderly management of their own government and economic affairs.

Heartening as the flow of foreign capital into Latin America may be, we are all fully aware that such capital can, at the best, make only a partial contribution to the total investment requirements of an expanding economy. The accumulation of domestic savings and the application of those savings in productive activity are essential to sound economic progress. We must not lose sight of this important fact. We should study with great care the general conditions which are necessary to encourage domestic private savings and to insure that these are used productively in the domestic economy.

You and I, as ministers bearing the principal responsibility for our governments in this field, can find real encouragement in the current rate of development in our countries, but we must ask ourselves, are we justified in complacency and satisfaction? We are not. The energetic and farsighted peoples of all of our republics demand that we find effective ways to bring to more and more millions of people throughout the hemisphere those standards of living which are attainable if we make the best use of our human and natural resources and our capital.

It is to consider ways of meeting this challenge that we are here. It will never be simple to put together our natural resources, labor, and capital so as to produce the requirements of a rapidly growing population and, at the same time, raise per capita standards. It will always be a challenging task. It requires unrelenting effort to improve technology. It requires improvement in organization and skills. It will depend upon the people and the leaders of each of our countries and their willingness to work, and save, and encourage efficiency.

The delegation from my country will approach this challenge with sincerity. We shall not underestimate the problems of the future. None of us wishes to encourage unreasonable or impractical expectations. But I hope that we all share the conviction that when the time comes for us to return to our respective countries it will be with the knowledge that each of us has made a contribution to the discharge of our historic responsibility to make of these lands a better home for all of our citizens and for our children, and a better heritage for other generations of Americans.

Mr. SMATHERS. Mr. President, I also ask unanimous consent to have printed in the RECORD an editorial entitled "Spotlight on Buenos Aires" which relates to the same subject.

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

SPOTLIGHT ON BUENOS AIRES

The inter-American economic conference now under way in Buenos Aires can serve a useful function by providing an escape valve for some of the economic discontents afflicting the Latin American Republics. Some complaints about United States policies will undoubtedly have merit, and it is good that a strong delegation—led by the new Secretary of Treasury, Robert B. Anderson—will be present to hear them.

Latin Americans frequently point out that this country's lofty pronouncements on hemisphere solidarity sometimes conceal an attitude of neglect. There is some justice in this assertion; the tide of world events has inevitably diverted attention away from the hemisphere. But there are also signs that a more creative effort is being made to repair backyard fences. Secretary Anderson can point to President Eisenhower's endorsement of a $4.5 million program for economic, health and cultural projects; this country has also been instrumental in fostering the idea of a Latin-American common market.

Now as in the past, the chief problem is the shortage of capital development funds. Latin Americans will undoubtedly be disappointed at this country's continued coolness to a proposed inter-American development bank, to be financed mostly by the United States and run by Latin Americans. Yet in justice, lagging investments cannot be blamed solely on American tight-fistedness. Some Latin American Governments have failed to place their own economic houses in order. The problems of inflation are evaded; loans are sought for development programs only vaguely outlined; domestic capital is invested elsewhere largely because citizens simply do not trust their own governments. To be sure, many Latin Americans are aware of these failings. Mexico, Peru, and Colombia, for example, have relatively stable economies, and in some countries—notably Bolivia and Chile—a vigorous effort is being made to meet basic fiscal problems.

Some investment problems could be ameliorated by establishment of a common market freed of hobbling tariffs. Such a market would encourage United States large-scale investment in certain desperately needed areas, particularly electric power. But any hope for a common market must be tempered by the enormous difficulties and the endless haggling that will precede its establishment. It would seem wisest for the conference to focus immediate attention on regional markets encompassing adjacent states.

The overall outlook at Buenos Aires is hopeful. Politically, some of the harshest despotisms in Latin America have been overthrown and replaced by fairly stable free governments. United States purchases are rising; last year, this country's trade with Latin America reversed its traditional pattern, with purchases of $5.7 billion exceeding sales by $140 million. Few outright solutions are to be expected at Buenos Aires, but with good will and a generous dose of candor, the conference can help illuminate the problems on all sides of hemisphere relationships.

THE HELLS CANYON DAM

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks an editorial from the Oregon Labor Press of August 16, 1957, entitled "Reader's Digest Peddles Idaho Power's Propaganda."

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

READER'S DIGEST PEDDLES IDAHO POWER'S PROPAGANDA

The power trust puts out such a blizzard of propaganda that it's seldom worth while to single out any one piece of it. However, when a particularly devious and deceptive article is published in Reader's Digest, comment is needed because that magazine has millions of readers.

The article—entitled "Pacific Northwest Stands on Its Own Feet"—was written by William Hard.

Hard lauds the Pacific Northwest States for, as he claims, "proving that local agencies can meet their own light and power needs without a penny from the Federal Government."

As examples of this thesis, he cited three power projects in the State of Washington. One is being built by a group of public and private electric utility bodies. Another, the Rocky Reach Dam is being built by the Chelan Public Utility District, a local public power agency. The third, the Priest Rapids-Wanapum project, is being built by the Grant County Public Utility District under contracts to sell the power to 12 distributors, some public owned and some private power companies.

Hard completely disregarded a main point in this story, declared Senators WARREN MAGNUSON and HENRY M. JACKSON, and Congressman DON MAGNUSON, all Washington State Democrats, in a protesting letter to the editor of Reader's Digest.

"This point," they said, "is that neither Rocky Reach nor Priest Rapids-Wanapum could have been built without the upstream water storage and river flow control provided by the Federal dams at Grand Coulee, Albeni Falls, and Hungry Horse.

"This combination of Federal multipurpose projects, plus largely power-only dams built by non-Federal bodies, is a working reality only because the water-storage facilities exist through previous Federal developments," said the three lawmakers from the State of Washington. "We feel that Hard's article, making the illogical conclusion that local utility districts should take over the Columbia River and its tributaries, is misleading and deceptive."

Actually, the first part of Hard's article about the dam projects named above, is merely window dressing for the part he is leading up to—a shockingly distorted version of the Hells Canyon dispute. The real purpose of his article is a devious attempt to justify the administration's giveaway of the Snake River to the Idaho Power Co., thus blocking construction of the high Federal dam in Hells Canyon.

The article contains so many omissions and misstatements that only a few can be noted here. For example:

Hard says that the Idaho Power Co. dams "must impound up to 1 million acre-feet of flood-control water." He fails to mention that the high public dam would provide nearly 4 million acre-feet of water storage—about 4 times as much as the low private dams.

Hard dodges the two biggest issues—the comparative amounts of power which the private and public Hells Canyon projects would produce, and the prices at which the power would be sold. He didn't challenge official figures showing that:

The high Federal dam would produce 1,124,000 kilowatts of power, roughly twice as much as Idaho Power's low dams.

The cost of the public power would be 2.7 mills, less than half the 6.7 mills for the private power.

That's why supporters of the high Federal dam project say that the giveaway is an inexcusable waste of natural resources vital to the Northwest and the Nation.

Discussing the Hells Canyon part of Hard's article in their letter of protest to the Reader's Digest, the two MAGNUSONS and JACKSON said:

"Just as the Grand Coulee, Albeni Falls, and Hungry Horse Federal Dams make downstream projects possible, so would the high Hells Canyon Dam utilize the river's upstream resources to the fullest. The high Hells Canyon Dam would provide an additional 436,000 kilowatts of power at dams downstream on the Snake and Columbia Rivers.

"This is the crux of the fight for the high Hells Canyon Dam project," the letter to the Digest editor declared. "Contrary to Hard's conclusion, the issue is not private versus public power development. The issue is full development of these public resources, as opposed to the partial utilization envisioned by the Idaho Power Co. projects."

Mr. MORSE. Mr. President, I also ask unanimous consent that there be printed in the RECORD at this point as a part of my remarks a letter published in the Oregon Labor Press of August 16, 1957, written by the president of the Oregon Farmers' Union, Harley Libby, on the subject The Fight Goes On, relating to Hells Canyon Dam.

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

THE FIGHT GOES ON

To the Labor Press:

Today many people may view Hells Canyon as a lost cause—and perhaps with mixed emotions. True, it would seem that little short of a miracle, or a return to conscience, could save the high Hells Canyon Dam.

This great site with its multipurpose potentialities may be finally and largely lost, but the philosophy of the full usage of our natural resources in the best public interest will live on as long as people think freely and democratically and have the courage of their convictions.

We read many soothing items and editorials intended—I presume—to ease the feeling of our people, and certainly to erase from their memory the sense of loss.

People will not soon forget. Offering consolation is much like saying to the workman who has just lost his hand in the saw, "There, there—it will soon quit hurting." True, the pain will stop—after a while. But the injured man well knows that he must learn to live with this impairment for the rest of his days.

We all need to remember that this battle concerns much more than a dam site at Hells Canyon, or any other place.

It is a struggle between two distinct philosophies in the generation and distribution of power in this Nation;

1. Whether it shall belong to the people and be produced abundantly for broad use at the lowest possible price;

2. Whether it shall belong to private interests and be produced in planned scarcity to insure prices that maintain sure profits.

If we lose the present issue of Hells Canyon we can expect immediate moves upon the systems of distribution, the preference clause and attempts to break down TVA, Bonneville, et al. These successful examples are a constant threat to the philosophy of the private interests and they shall never rest. Their hope is to gain all possible ground under a political climate favorable to their plans.

If the shortsighted policies of small dams and low up river storage are allowed to progress and dissipate our water and power resources, so will the economic development of the Northwest be impaired forever.

The people must realize, and now, what is truly involved. They must know how high are the stakes, and that we are all concerned. Ground once lost is sometimes gone forever, and always most difficult to regain.

HARLEY LIBBY,
President, Oregon Farmers' Union.

INTEREST RATES AND TIGHT MONEY

Mr. MORSE. Mr. President, I ask unanimous consent that there may be published in the RECORD as a part of my remarks a column from the Oregon Labor Press of August 16, 1957, written by my able colleague, the junior Senator from Oregon [Mr. NEUBERGER] on the subject of "Senator NEUBERGER Reports," in which the Senator discusses very ably, accurately, and effectively some of the policies of the present administration.

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

SENATOR NEUBERGER REPORTS

Some readers of this column may wonder why I have protested so vigorously against the administration's policy of raising interest rates. An explanation which parallels my view appeared in the New York Times last month. Two great railroads, the New York Central and the Boston & Maine, reported that the cost of borrowing money was so high that they could no longer buy the new rolling stock they needed.

If great transportation empires are unable to cope with soaring interest rates, what about the ex-GI who wants to build a home or the farmer who must finance next year's crop. What chance do they have?

Here are the real complaints over tight money:

1. It makes borrowing difficult for small business.

2. It creates a severe shortage of mortgage credit and thus produces a decline in home building at a time when millions already are not properly housed.

3. It causes great difficulty for State and local governments in their efforts to borrow money, especially to finance new school buildings.

4. It afflicts all borrowers with far higher costs and enriches all lenders, particularly bankers. It is hard on the little man, but a bonanza for many who already are wealthy.

5. It pushes up prices because interest rates are a cost of doing business. Thus, it adds to the very inflation which tight money is supposed to prevent.

6. It drives down the price of marketable Government bonds (not savings bonds), thus causing losses to the owners of these bonds.

7. It drives up total Federal spending by increasing materially the cost of interest on the national debt.

8. It chokes off industries such as lumber and plywood, which are reliant on such activities as housing—where the impact of hard money has been so adverse.

VIVISECTION

Mr. MORSE. Mr. President, I wish to say that I have been receiving—and I am sure my colleagues in the Senate have been receiving—a great deal of mail in the past several weeks on two subjects. The first is the need for humane slaughtering legislation, and the other is in regard to antivivisection.

Mr. President, I do not know of anyone who could possibly be more fond of animals than the senior Senator from Oregon. I certainly share the protests we are receiving in regard to the need for humane slaughtering legislation. I shall support a humane slaughtering bill.

I am a little disturbed, Mr. President, about some of the material I have received from representatives of antivivisection groups. They have asked me to put some material in the RECORD, and, by request, I shall do so.

In doing so, Mr. President, I want to make it clear to the antivivisectionists that I am not an antivivisectionist. I am in favor of humane policies in animal experimentation. In our medical schools and in our scientific laboratories I have always taken the position that I did not favor the dissection of animals for any useless purpose.

Mr. President, when experiments on animals are carried on in a humane manner for the welfare of mankind, for the discovery of new drugs and the discovery of new treatments for curing human illness, I think such experiments are proper, since they serve the great humanitarian cause of improvement of human health. Nevertheless, I recognize there are those in my State and outside my State who do not share my views and who belong to the antivivisectionist group.

Mr. President, I ask unanimous consent that there may be printed in the CONGRESSIONAL RECORD certain material sent to me by the antivivisectionist group. I know nothing about the facts, true or alleged, which are set forth in the material, but I think the group referred to is entitled to have this material available for the reading of Senators.

I close these comments by saying that my position in regard to animal experimentation is this: There should not be useless experimentation, and such experiments on animals as are conducted should be conducted in the most humane manner possible.

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

There being no objection, the material was ordered to be printed in the RECORD, where it appears under appropriate headings.

MIDDLE EAST POLICIES OF THE UNITED STATES—THE ASWAN DAM

Mr. KNOWLAND. Mr. President, I ask unanimous consent that I may be recognized for not to exceed 20 minutes.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Is there objection to the request of the Senator from California? The Chair hears none; and, without objection, the Senator from California is recognized for 20 minutes.

Mr. KNOWLAND. Mr. President, on August 14, 1957, the Senator from Arkansas [Mr. FULBRIGHT] discussed his interpretation of certain documents and events which were considered by the Subcommittee for the Review of Middle East Policy of which he was chairman and upon which I served as a member.

During the course of his discussion, I raised a number of questions.

It still is not clear to me as to whether he seeks to prove that President Nasser was right and Secretary Dulles wrong or whether he believes that the Fulbright doctrine—whatever that may be—should be substituted for the Eisenhower doctrine supported by the Mideast resolution—Public Law 7—passed by the House of Representatives on January 30 by a vote of 355 yeas to 61 nays, and by the Senate on March 5 by a vote of 72 yeas to 19 nays.

Since time immemorial the people living in the Nile Valley have sought to harness the waters of their river. A variety of schemes has been advanced—some based on unified development of the valley and others intended to serve primarily a more local interest. Among the better known projects of recent years was one worked out after exhaustive studies by Hurst, Black, and Simaika—Egyptian and British irrigation experts. This plan provided for a series of works starting at Lake Victoria. A proposal for a high dam near Aswan known as the Sadd-El-Aali is understood to have been advanced first privately in 1949. This project falls in the class of those intended primarily to benefit a national interest. Indeed, one of its attractions for the Egyptian Government appears to be the fact that it would lie entirely within Egyptian territory.

Shortly after the present Egyptian Government came into power in July 1952, the Aswan Dam was given official endorsement. Early in 1953 the Egyptian Minister of Finance informed the International Bank for Redevelopment of Egypt's interest in the project and International Bank for Redevelopment President Black discussed the matter during a visit to Cairo. On the basis of available studies, the United States was not at that time convinced that from an economic point of view the high dam would best serve the interests of the region. However, even at that early date, the Egyptian Government attached great political importance to the high dam. Accordingly, in view of our desire to work with the Egyptian Government, in September 1953 we informed the Egyptians of our willingness to finance a study of the valley as a whole by the International Bank for Redevelopment; and at the same time a site reconnaissance of Aswan, also by the bank. The United States noted that according to its understanding of international law and of existing Nile waters agreements there must be consultation and agreement between the riparian states concerned before structures controlling Nile waters were built. This United States offer, however, was not accepted by the Egyptians, presumably because the study

would not focus entirely on the Aswan project.

To meet the wishes of the Egyptian Government the United States refrained from pressing its point of view and in 1954 accepted for planning purposes the concept that a high dam should be constructed at Aswan. In June of that year the IBRD offered to assist Egypt in the preparation and organization of the project and in response to an Egyptian request sent a technical and economic mission to study the proposal with particular attention to the extent to which Egypt might supply funds out of its own resources and its ability to service any foreign borrowing that would be required. By August 1955, the International Bank was in a position to inform the Egyptian Government that it was satisfied that the project was technically sound. The bank at the same time raised certain questions concerning the nonagreement over the division of certain surplus Nile waters and offered to cooperate and in finding solutions of important technical and economical problems. The United States at this time told the Egyptians of its willingness to assist in bringing about agreement between Egypt and Sudan on Nile waters.

In these efforts to work out agreements and arrangements which would make the dam realistically possible the United States acted on the tacit understanding that Egypt would conduct its affairs in such a way as to foster mutual confidence and a close working relationship between the American and Egyptian people; that Egypt would contribute fully toward area stability; that Egypt would concentrate a large proportion of its economic resources upon the project, a most necessary condition, in view of its magnitude; and that the Nile water rights of the other riparian states would be fully protected and any necessary agreements concluded at an appropriate time.

In an effort to work with the Egyptian Government, the United States and the United Kingdom together with the IBRD presented definite proposals for financial assistance toward the Aswan Dam in December 1955. The proposals were worked out during a visit to this country of the Egyptian Minister of Finance.

The huge project involved expenditures of $1,300 million, of which $900 million represented internal costs. The United States joined with the United Kingdom in offering to provide $70 million of grant aid toward defraying the foreign exchange costs of the first stages of work on the dam—the United States $54.6 million and the United Kingdom $15.4 million. This stage, involving cofferdams, foundations for the main dam, diversion tunnels and auxiliary works, would have taken an estimated 4 to 5 years to complete.

The United States and United Kingdom further stated to Egypt that, subject to legislative authority, they would be prepared to consider sympathetically and in the light of existing circumstances further support toward financing later stages of the construction.

At the same time the IBRD planned to participate in the foreign exchange requirements of a project to the extent of $200 million.

In September 1955, there occurred the Egyptian-Soviet arms deal, originally portrayed to us by the Egyptian Government as a one-time commercial arrangement with Czechoslovakia. Concurrently, the government-directed Egyptian press and radio had begun a series of continuing attacks upon the policies and motives of the United States and other Western nations. The offer on the high dam was made despite the fact that these developments had brought seriously into question the continued validity of the assumptions upon which we had been proceeding. We hoped that events in Egypt did not reflect a permanent trend in Egyptian policy.

Announcement of the IBRD-United States-United Kingdom offer immediately met with opposition in this country. Associations connected with the American cotton producer associates expressed fear of increased cotton production. A Congressional letter stated in part:

> There is growing concern among the representatives of the cotton and rice growing industries that the completion of this project, at least partially at the expense of the taxpayer, will have the primary result of increasing the difficulties which their industries are already experiencing in finding a market for their production.
>
> Western power groups and those interested in TVA asserted first attention should be given to comparable projects in this country. Other critics asked why the United States should help a country which recently signed the Communist Czech arms deal.

Governments in the area traditionally friendly to the United States also voiced their concern, in the light of the developing trend of Egyptian policy. One foreign representative described the situation as follows: In many countries which are on the fence politically, it will raise the question of what role pays off. It will tend to bolster the position of neutral elements in countries which are hesitant to stand up and to be counted in the Western camp. Other countries will think it pays off in dollars to flirt with the U. S. S. R.

Furthermore, in Egypt, Government officials indicated that the United States-United Kingdom international bank proposals were likely not to be accepted unless considerably modified. In January 1956, further talks were held in Cairo by the president of the IBRD, with the United States and United Kingdom participating. In February the Egyptian Government reached the decision that it would neither start work on the high Aswan Dam nor require any amounts from grants and other forms of aid until agreement had been reached with the Sudan Government on division of Nile waters. The Egyptian Government also made known to the United States and United Kingdom its desire for modifications in the offer. The changes sought essentially:

First. To assure United States-United Kingdom financial assistance beyond that which had been offered for the first phase of construction; in other words to get a better price in grant aid;

Second. To secure greater freedom of action for Egypt in regard to economic measures which might be required; in other words to give Egypt a free hand;

Third. To increase the political attractiveness of the aide memoire; in other words to make it appear that the West was competing for the privilege of building the dam.

A hiatus then ensued in the discussions between the United States and Egypt on the Aswan Dam, but other events brought about a reexamination of the assumptions upon which the United States had proceeded since 1953. The trend of Egyptian foreign policy signaled out by the Soviet bloc arms agreement in 1955 became pronounced.

Egypt recognized Communist China, indicating that the move was intended to be a slap at the West. Soviet Foreign Minister Shepilov was guest of honor at the June 18 independence day celebrations in Cairo, which featured a display of Soviet military equipment.

Plans were widely discussed for President Nasser's forthcoming visit to the Soviet Union with hints that major agreements might result. Egyption sources indicated that active negotiations were in progress with the U. S. S. R. on the Aswan Dam and that firm commitments with attractive long-term financial clauses had been received. Egypt's activities beyond its borders increased tensions between and within other countries of the area. It became increasingly clear and was in fact confirmed that the Soviet arms arrangement was a continuing one of major proportions involving a long-term commitment of Egypt's economic resources. Other economic development projects announced by the Egyptian Government were bound to make further heavy demands upon Egyptian resources which were already strained by the obligations incurred with the Soviet bloc.

In talks with the Sudan on the division of Nile waters Egypt demanded a share the Sudanese considered exorbitant. Ethiopia asserted its interest in Nile waters and a right to be consulted. The United States informed the Ethiopians that this Government would in all events continue to hold the view that no action in derogation of Ethiopia's legitimate rights in the Nile waters would be taken in any negotiation involving the United States without Ethiopia's consent.

The accumulation of evidence of Egyptian intentions to work closely with the Soviet bloc and of hostility to Western interests had a growing pronounced effect upon the attitudes of the American public and Congress toward the Aswan project. A move was discussed in the Congress to attach a rider to the mutual security bill specifically prohibiting the use of funds for the Aswan project. In the face of this, the Secretary of State provided the Senate Appropriations Committee assurances that none of the funds appropriated for the mutual security program for fiscal year 1957 would be committed to financing the Aswan Dam without specific prior consultation with the committee. Nevertheless, the Appropriations Committee's report included the following statement:

> The committee directs that none of the funds provided in this act shall be used for

assistance in connection with the construction of the Aswan Dam, nor shall any of the funds heretofore provided under the Mutual Security Act as amended be used on this dam without prior approval by the Committee on Appropriations.

In this atmosphere the Egyptian Ambassador to the United States, who was in Cairo on consultation, suddenly announced to the press that he had been instructed to return immediately to his post and to conclude an agreement on the Aswan Dam. The Egyptian press proclaimed that Egypt was thereby offering the West a last chance to finance the dam. Upon landing in New York July 17 the Ambassador reiterated the statement made in Cairo, adding that he was proceeding immediately to confer with the Secretary. Thus Egypt took the initiative in forcing a decision on the Aswan question, and focused worldwide attention upon that decision, under circumstances which had made a favorable decision increasingly unlikely.

In a lengthy meeting with the American Secretary of State on July 19 the Egyptian Ambassador was advised of the reasons which caused the United States to withdraw its offer and a press release was issued, which I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks.

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

ASWAN HIGH DAM

At the request of the Government of Egypt, the United States joined in December 1955 with the United Kingdom and with the World Bank in an offer to assist Egypt in the construction of a high dam on the Nile at Aswan. This project is one of great magnitude. It would require an estimated 12 to 16 years to complete at a total cost estimated at some $1,300,000,000, of which over $900 million represents local currency requirements. It involves not merely the rights and interests of Egypt but of other states whose waters are contributory, including Sudan, Ethiopia, and Uganda.

The December offer contemplated an extension by the United States and United Kingdom of grant aid to help finance certain early phases of the work, the effects of which would be confined solely to Egypt, with the understanding that accomplishment of the project as a whole would require a satisfactory resolution of the question of Nile water rights. Another important consideration bearing upon the feasibility of the undertaking and thus the practicability of American aid was Egyptian readiness and ability to concentrate its economic resources upon this vast construction program.

Developments within the succeeding 7 months have not been favorable to the success of the project, and the United States Government has concluded that it is not feasible in present circumstances to participate in the project. Agreement by the riparian states has not been achieved, and the ability of Egypt to devote adequate resources to assure the project's success has become more uncertain than at the time the offer was made.

This decision in no way reflects or involves any alteration in the friendly relations of the Government and people of the United States toward the Government and people of Egypt.

The United States remains deeply interested in the welfare of the Egyptian people and in the development of the Nile. It is prepared to consider at an appropriate time and at the request of the riparian states what steps might be taken toward a more effective utilization of the water resources of the Nile for the benefit of the peoples of the region. Furthermore, the United States remains ready to assist Egypt in its efforts to improve the economic condition of its people and is prepared, through its appropriate agencies, to discuss these matters within the context of funds appropriated by the Congress.

Mr. KNOWLAND. Great Britain withdrew its offer of aid on July 20, stating, "Our position at the moment is that we have concluded that in the present circumstances it is not feasible for us to participate in the project. The factors which have influenced the United States Government and ourselves are the same in this matter." As a result of the withdrawal of the two offers, the offer of the IBRD lapsed, as it had been made contingent upon those of the United States and the United Kingdom.

At the time the United States decision was taken Egyptian officials were assuring this country the Soviet Union had made a very generous offer on the dam, an offer far more generous from the purely financial and technical point of view than that of the United States-United Kingdom-IBRD. In contradiction the Soviet Foreign Minister was widely quoted on July 21 as stating that the U. S. S. R. was not considering aid to Egypt for construction of the dam.

The impact of Foreign Minister Shepilov's statement in Egypt is indicated by the fact that all Cairo newspapers, reportedly on government orders, carried a version of the Shepilov statement indicating that Russia might build the dam. The headlines, not justified by the story, stated that Russia would in fact build the dam. Three days later, after conferences with Egyptian officials, the Soviet Ambassador to Egypt declared that the U. S. S. R. was prepared to finance the high dam if Egypt should request it, but indicated that Egypt had not so far made the request. The Soviet Union in the months that have elapsed since has made no move toward assistance in constructing the dam if it ever had any intention of doing so.

The Egyptian reaction was hysterical. In a speech in Cairo on July 24, President Nasser declared, "If an uproar in Washington creates false and misleading announcements—that the Egyptian economy is unsound—I say to those behind the uproar, may your hate choke you to death." On July 26 President Nasser announced nationalization of the Suez Canal Co. saying that the proceeds from canal tolls would be used to build the Aswan Dam.

Points brought out by the above record include the following:

First. United States efforts, in cooperation with the United Kingdom and IBRD, to assist Egypt in developing the Nile were long drawn out and patient.

Second. The United States persisted in these efforts despite the first Soviet bloc arms deal, taking in good faith Egyptian assurances that this was a one-shot commercial transaction and hoping that a permanent trend of collaboration with the U. S. S. R. had not been established. It afterward became clear that acquisition of arms by Egypt from the U. S. S. R. was a continuing proposition.

Third. By July 30, 1956, Egyptian actions had made unmistakably clear the new orientation of Egyptian foreign policy, and Egypt's arms and loan commitments to the Soviet bloc had destroyed Egypt's ability to devote adequate resources to assure the Aswan Dam project's success.

Fourth. The United States-United Kingdom-IBRD December 1955 offer met immediate opposition from the American Congress and public, from area states friendly to the West and from other Nile riparian nations.

Fifth. Egypt disregarded the necessity to reach agreement with the riparian states on division of Nile waters.

Sixth. Egypt tried to play the United States off against the Russians over the dam project.

Seventh. American public and Congressional opposition to the project mounted steadily to the point where the Senate Appropriations Committee sought to bar use of public funds for the purpose.

Eighth. Before the Aswan Dam decision, Nasser had already determined to nationalize the Suez Canal Co. at an appropriate moment. Marshal Tito declared in November 1956 that President Nasser told him early in 1955 that one day he would have to nationalize the Suez Canal since Egypt as an independent country could not tolerate foreigners to govern over its territory.

Nasser himself said in a press interview after nationalization that he had been discussing the move for 2 years. Thus, nationalization was in line with the established trend of Nasser's policy, both in the sense that it was a manifestation of nationalism and that it struck at the position of the West in the area.

With this factual record I believe the criticism of Secretary Dulles on the Aswan Dam cancellation is not justified.

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

Mr. KNOWLAND. I yield.

Mr. MANSFIELD. Mr. President, I have listened with a great deal of interest to the distinguished minority leader. I am quite sure that what he gave to the Senate today was an accurate factual account of the situation.

I should like to point out that there was not much stress placed on the riparian rights of Ethiopia and the Sudan in January 1956, when Under Secretary of State Herbert Hoover, Jr., came before the Foreign Relations Committee and in effect told us that it was the position of the administration that this Government would give $56 million to the Government of Egypt, and that the British would contribute another $14 million, all on a grant basis, making a total of $70 million to be given to the Egyptian Government by the two Western nations in order that the Aswan Dam could be started.

The distinguished minority leader will recall that at that meeting of the Foreign Relations Committee Mr. Hoover did not meet with a very warm reception, because it was to be grant aid; because, as the minority leader has pointed out, there were those of us who were inter-

ested in building multipurpose projects in our own country, and we could not even get a loan from our own Government for such projects; and because there were other factors involved, such as the attitude of the Committee on Appropriations, and the statement issued by it, which indicated there was a possibility of friction in view of the development of new cotton and rice areas if the Aswan Dam were built.

However, I do not recall anything being said in January 1956, by Under Secretary Hoover concerning the riparian rights of Sudan and Ethiopia. Does the Senator recall any?

Mr. KNOWLAND. I will say to the Senator from Montana that I recall the question of riparian rights being raised, but, frankly, I am not able to pinpoint at this time where it was raised. As the Senator from Montana knows, I serve both on the Committee on Foreign Relations and the Committee on Appropriations. Also, in a leadership capacity, from time to time, I attend bipartisan meetings and discussions of our foreign policy.

I am quite clear in my mind, however, that at one of the meetings I attended the question of riparian rights was raised, because at one of them I recall there was reference to the grave problems involved, because as the distinguished Senator knows, even in our own country, among States in a common Union, difficulties arise in bringing about interstate compacts when honest differences of opinion exist. States which have such close economic ties and such friendly relationships as Arizona and Nevada and California have had very honest differences of opinion. That situation has prevailed in the case of other States as well.

I recall that the question was raised, because it was pointed out that if in a nation such as ours, with a common language and a common heritage, there arose controversies which sometimes extended over many years, how much more difficult would it be to handle riparian problems which involved several foreign countries.

Mr. MANSFIELD. That is correct, and I agree with the Senator. I think the question was raised after Mr. Hoover appeared before the committee. In my opinion Ethiopia and Sudan could well have had prior rights to the Nile waters.

Mr. KNOWLAND. Some of the water rises in those countries.

Mr. MANSFIELD. That is correct. I was opposed to the earlier offer which was made to Egypt, because, for one thing, it was to be on a grant basis, and because, for another reason, I did not see why we should give money to build a multipurpose project like Aswan Dam in another country when our Government would not even lend money to our people to build multipurpose projects in the Northwest.

Mr. KNOWLAND. I appreciate the fact that the Senator from Montana was here and very attentive during the time when I delivered my remarks. My remarks today were not based on the original Aswan offer.

Mr. MANSFIELD. I understand.

Mr. KNOWLAND. The points I made, rather, grew out of the discussion of the distinguished Senator from Arkansas [Mr. FULBRIGHT]. I should like to say that I called his office this morning to tell him that I was going to make my speech. Unfortunately, he was not able to be present.

Mr. MANSFIELD. The Senator from California is always fair.

Mr. KNOWLAND. My remarks grew out of the remarks made the other day by the Senator from Arkansas in which he seemed to draw the conclusion—from his membership on a special subcommittee which had been established in connection with the Middle Eastern problems—that the cancellation by the Secretary of State had perhaps not been justified, and that the responsibility for other events which took place could be pinned to the Secretary's decision. I was merely trying for the RECORD, in as factual a way as I could and in a wholly nonpartisan way, to outline the record with regard to the Aswan Dam.

Mr. MANSFIELD. I understand that, and I appreciate the viewpoint of the Senator from California. I know he is always fair. What I wish to make clear in the RECORD, in addition to the Senator's factual account, is that I for one was opposed to the proposal of a grant, in the first place, and was not at all averse to the Secretary's decision to withdraw the offer when he did. Of course, it was rather sudden. Within the week Nasser made his 4-hour speech, in which he announced the expropriation of the universal Suez Canal Co. and the Suez Canal itself.

I agree that, whether or not he had received funds from the Western governments for the building of the Aswan Dam, it was his intention to go ahead with the expropriation of the company and the Suez Canal anyway.

From the Aswan Dam withdrawal, however, there did come a series of events which resulted finally in the invasion of Egypt by Israel, France, and England, and from it came the Eisenhower doctrine. The Eisenhower doctrine now is faced with a situation in regard to Syria, which I believe is fraught with great danger.

If the distinguished minority leader will indulge me further, I should like to read from the Eisenhower doctrine, so-called:

> To this end, if the President determines the necessity thereof, the United States is prepared to use Armed Forces to assist any such nation or group of such nations requesting assistance against armed aggression from any country controlled by international communism.

It appears, from press dispatches, that Syria is at the very least controlled by extreme leftist elements, and very likely certain Communists are coming into control of the Government. If that is the case, and if any action is taken by Syria against any of its surrounding neighbors—Israel, Iraq, Lebanon, Jordan, or Turkey—is there not the possibility, under the Eisenhower doctrine, that our country may become involved in such an imbroglio?

Mr. KNOWLAND. I would say to the distinguished Senator from Montana that under the existing policy—and he knows this as well as I do, if not better than I do; and it was true under the Truman administration, just as it has been true under the present administration; indeed, it has been true ever since the United States became a charter member of the United Nations—the United States has certain obligations under the charter, entirely aside from the Eisenhower doctrine and the Middle East resolution, to help defend countries under attack by an unprovoked aggression.

So I believe we would have, in effect, a double obligation—both the one which exists, namely, the one to preserve international law and order under the charter of the United Nations, and the additional, specific obligation in the event of aggression in the Middle East sponsored by the Soviet Union. I think that was fully discussed in the Senate at the time when the resolution was under consideration.

Mr. MANSFIELD. Mr. President, will the Senator from California yield further to me?

The PRESIDING OFFICER (Mr. MORSE in the chair). Does the Senator from California yield to the Senator from Montana?

Mr. KNOWLAND. I yield.

Mr. MANSFIELD. I should like to point out that among all those nations, the only one to whose aid we must come, if it is attacked, is the Republic of Turkey, our NATO ally. So far as the others are concerned, the Eisenhower doctrine is a unique, unilateral declaration on the part of the United States to go to the aid of any nation in the Middle East, and that includes a great area.

But in this specific case we might find ourselves faced with a most difficult situation; if Syria became controlled by international communism, and if Syria were to attack one of her neighbors, then—and I believe we should consider this possibility—the United States might become unilaterally involved, because under the so-called doctrine we have made a commitment in the case of that particular area.

Mr. KNOWLAND. Of course, I do not quite understand the Senator's point, when he says we would become unilaterally involved in all that area, inasmuch as all those countries, as well as other nations, are bound together in the United Nations Charter, which presumably was established to prevent aggression in the world.

It is true—and it has been pointed out on the floor of the Senate from time to time in the past—that although in the case of Korea we had no special doctrine at the time in regard to Korea, nevertheless, under the Charter of the United Nations, we did go into Korea. But of the then 62 member nations of the United Nations, other than the United States, only 15 others joined us in participation; and the other countries "ran out" on their obligations relative to collective security.

So we must be a little realistic and must recognize that, perhaps, other nations will not live up to their treaty obligations.

However, I say there rests on all the nations in that area and all nations elsewhere in the world—I refer to all nations belonging to the United Nations—the obligation to see that a Nation's sovereignty is not wiped out if unprovoked aggression occurs, whether from Syria or from any other place.

Mr. MANSFIELD. Mr. President, will the Senator from California yield at this point?

Mr. KNOWLAND. I yield.

Mr. MANSFIELD. I will not disagree with what the Senator from California has said; but again, I emphasize the point that the so-called Eisenhower doctrine is an instrument under which this country can act on a unilateral basis; and so long as there is a possibility that other nations will not assume their obligations, in the end the difficulties which arise may well be our own, either entirely, or to a large degree.

I should like to ask the distinguished minority leader this question: Why is it that at this time, or within the past several weeks, there has been an announcement to the effect that there will be a 300,000-man reduction in the Armed Forces of the United States during the remainder of this fiscal year and the next fiscal year? I understand that as of now, 10,000 men have been taken out of the Marine Corps. If the projected decrease in the strength of our Armed Forces is made, that will mean that the Marine Corps—the most mobile striking arm we have—will be reduced well below the statutory floor, as set by legislation enacted by the Congress, three combat-size divisions and three air wings. If any untoward developments occur in the Middle East, it will be quite important that we have a mobile, ready striking force attached to the 6th Fleet. I think that point should be given some consideration; and we should recognize the possibility—although I hope it will never eventuate—that this country may become involved in little wars, in limited wars; and we should realize that the United States cannot afford to let down its guard at this time, in view of the insecure position in which the world finds itself.

Mr. KNOWLAND. I may say to the distinguished Senator from Montana, who is the assistant leader on his side of the aisle, and is now acting as majority leader, that, first of all, the purpose of the Eisenhower doctrine was not to get the United States into little wars, or into big wars, either. Instead, the purpose was to prevent wars from breaking out.

Mr. MANSFIELD. That is correct.

Mr. KNOWLAND. That was the purpose, because in the case of World War I and World War II we found that, despite the desires and hopes of, I am sure, the Presidents of the United States at those times, and the public generally, the United States did become involved, once war broke out and once human freedom was jeopardized. The whole effort is to prevent the outbreak of any war—whether small or large—and not to encourage war.

Second, with regard to the matter of defense, I think that ties in very closely with the whole mutual-aid program. We have to consider our defense in its overall capacity. The fact that 15 Turkish divisions may be in existence and the fact that certain divisions may be in existence in other areas of the world mean that we do not have to have American divisions there. Those countries have their obligations under the United Nations Charter, just as do nations in the Middle East. Unless the armed forces of some of our allies are to be completely decimated as a result of deep and perhaps unjustified cuts in our military assistance and defense support, I think we would certainly consider their forces as being a part of the overall, available forces to help defend the Free World.

Mr. MANSFIELD. Mr. President, will the Senator from California yield further?

Mr. KNOWLAND. I yield.

Mr. MANSFIELD. I do not wish to carry the debate further. I recognize the arguments the distinguished minority leader has advanced.

But again I wish to call to the attention of the Senate the fact that the Middle East is a cockpit in which anything can happen, and in which anything may well happen.

I should like to read section 2 of the Eisenhower doctrine resolution.

Mr. KNOWLAND. Before the Senator from Montana does that, let me say that I think we must be realistic and we must recognize that the Middle East is a critical area of the world and is a potentially explosive area. I think the Far East is in the same category. We saw what happened in 1950, as a result of the Communist aggression in Korea and in southeast Asia; and it was not very long ago, certainly, that there were great pressures against Germany and other countries of Western Europe.

So in any area of the world, trouble can flare up at some time, if the men in the Kremlin believe that serves their purposes.

Mr. MANSFIELD. That is true. But with all these danger spots in the world, announcement has now been made that our Armed Forces are to be decreased in size to the extent of 300,000 men, over the next year and one-half.

I should like to call section 2 of the Eisenhower resolution to the attention of the Senate, because I think we had better be aware of all the possibilities inherent in the present situation.

Section 2 reads as follows:

> The President is authorized to undertake, in the general area of the Middle East, military assistance programs with any nation or group of nations of that area desiring such assistance.

Mr. KNOWLAND. In other words, under that provision, they have to request the assistance.

Mr. MANSFIELD. That is right—so far.

I read further:

> Furthermore, the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East. To this end, if the President determines the necessity thereof, the United States is prepared to use Armed Forces to assist any such nation or group of such nations requesting assistance against armed aggression from any country controlled by international communism: *Provided*, That such employment shall be consonant with the treaty obligations of the United States and with the Constitution of the United States.

That is the end of section 2. It does not contain any reference to the United Nations, although incidentally there is such a reference in another section. But the resolution deals with an area in which anything can happen, and in which I think we should expect that anything may happen.

Mr. KNOWLAND. However, I think the Senator from Montana will agree with me that we should not expect that it would be in the national interest of the United States to have the countries of the Middle East pass under the control of the Soviet Union.

Mr. MANSFIELD. Not at all. But a number of us—including the distinguished Senator who now is presiding over the Senate [Mr. MORSE]—tried to have the United Nations brought into that situation, so that if anything happened in that area, action could be taken on a multilateral basis, not on a unilateral basis.

Mr. KNOWLAND. The Senator from Montana has served ably at the United Nations, and certainly he has been interested in that organization. And let me say that I happened to be a delegate to the 11th General Assembly of the United Nations, along with the Senator from Minnesota [Mr. HUMPHREY]; and in the 12th General Assembly, which soon will meet, I shall be an alternate delegate, along with a Member of the House of Representatives, inasmuch as one Democratic Member of Congress and one Republican Member of Congress serve with the United States delegation. I am sure the Senator from Montana has not overlooked the fact that, unfortunately, the difficulty with the United Nations—and we might just as well face it—arises because of the possibility that the Soviet Union will exercise its veto right in the Security Council. If the Soviet Union exercises its veto right there, in the case of such a situation, nation after nation, or perhaps the entire group of those nations, could fall, before the United Nations could act.

Mr. MANSFIELD. That is correct, except I think we should continue to try to find ways and means to bring about the creation of a United Nations police force, so that these "brush fires," these Syrias, these Omans, and these Muscats, which arise from time to time, could be settled on a multilateral basis, by means of an organization which would have the efforts of the most of the nations of the world behind it.

Mr. KNOWLAND. If the Senator from Montana can devise a solution of the problem, I am sure it will be welcomed both at the United Nations and elsewhere.

Mr. JAVITS. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. JAVITS. Is it not a fact that what the Senator from California is pointing out is of tremendous importance, because the forces of the United

States would not have been engaged in Korea, along with the forces of certain other members of the United Nations, if the Russian representatives had been present at the council table of the Security Council when the resolution was passed.

Mr. KNOWLAND. Yes, and I think all of Korea probably would have gone down the drain.

Mr. JAVITS. Secondly, this is not a unilateral doctrine, because it states the aid is to be granted at the request of the nation to be aided, both in respect of military supplies and military aid.

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

Mr. KNOWLAND. I yield.

Mr. MANSFIELD. I think that is being a little technical. Would the Senator call action of two nations multilateral action, in comparison with United Nations action, or action by a group of nations tied together by an alliance? As a matter of fact, rather than the Eisenhower resolution, I think we would have been much better off if we had joined the Baghdad pact.

Mr. JAVITS. I agree with the desirability of joining the Baghdad pact; but unilateral is not bilateral, either. At the very least, the Eisenhower doctrine calls for bilateral action. The majority of this body stated that not only the President can, as the Senator stated, but the President should, if there is danger of the Middle East being subverted, take action on the behalf of the United States.

Mr. KNOWLAND. I may say, as I pointed out in my opening remarks, that action was taken in the Senate by a vote of 72 yeas to 19 nays, and in the House of Representatives by a vote of 365 yeas to 61 nays.

Mr. JAVITS. Mr. President, will the Senator yield further? I do not think that we should miss the main point.

Mr. KNOWLAND. I yield.

Mr. JAVITS. Based on the speech made by the Senator from Arkansas [Mr. FULBRIGHT], I think the Senator from California is performing a great service, not only for this country, but for the Free World. If Nasser can advertise that it is we who forced the things that are taking place, then it would enormously strengthen his hand. By setting the record straight, the Senator from California demonstrates that Nasser has no right to make such a claim; that, on the contrary, this was an action which he had fomented, arranged, contracted for, and harbored consistently. The fact that Secretary Dulles turned Nasser down—many of us thought rather brusquely, but nevertheless he turned him down—did not represent the button which was pressed that led to all the other actions.

Mr. KNOWLAND. The main purpose of my statement was to emphasize that fact.

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

Mr. KNOWLAND. I yield.

Mr. LANGER. I do not know whether I shall compliment the Senator from California, but I am sure the Senator from Montana and the Senator from California have not forgotten that when Secretary Dulles discussed the matter before the Foreign Relations Committee in the very middle of the negotiations over the Aswan Dam, during which we were trying to establish good public relations with Egypt, Russia announced that she was lending Egypt $142 million to build a steel factory, much to the surprise of Secretary Dulles, who had not been informed of that offer on the part of Russia. The loan included payment of interest at the rate of 2½ percent. Russia was not doing anything to help Egypt in the way Secretary Dulles, on our behalf, was trying to assist Egypt. Russia was offering to lend Egypt money, and, of course, Egypt would have to pay interest, which would not be of any help to her.

Mr. KNOWLAND. And it would interfere with the financing originally contemplated.

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

Mr. KNOWLAND. I yield.

Mr. MORTON. I am glad the Senator from California has made the statement and has placed in the RECORD a factual account of what happened. I might say I accompanied Under Secretary Hoover on the three visits to the Capitol concerning the Aswan Dam. He appeared before the Foreign Relations Committees of the Senate and the House of Representatives and the Senate Appropriations Committee. He had an engagement with the House Appropriations Committee, which he could not fill, and I filled it in the role of "pinch-hitter." I must say the reception on the Hill to the proposition was cool, to say the least.

When I had to undertake that appearance alone before the committee, I felt, as the saying is back home, like Fido in the high weeds. I had never before tried to sell anything which was so unpopular as was the Aswan Dam proposition. I appeared before the subcommittee of the House Appropriations Committee, the chairman of which was Representative PASSMAN, of Louisiana. I had a very rough time. There was very little enthusiasm for the Aswan Dam on Capitol Hill, on either side of the aisle. Everybody now says, "If you had gone ahead, there would not have occurred what happened at Suez. Syria would not be in the hands of the Communists." I wish to point out that it has not been a chain reaction at all, and I think we on the Hill should accept our share of the responsibility, if there is any responsibility involved, for the Aswan Dam decision.

Mr. KNOWLAND. I wish to thank the Senator from Kentucky. That is what I tried to bring out in the colloquy with the Senator from Arkansas on the day he spoke, and why I wanted to document the RECORD today.

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

Mr. KNOWLAND. I yield.

Mr. MANSFIELD. I am delighted that the discussion has taken place and that the matter has been cleared up. I hope Senators will read carefully the discussion in the RECORD.

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

TRANSFER OF CERTAIN LANDS TO THE STATE OF MINNESOTA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 301, S. 864, be considered by the Senate at this time.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 864) to provide for the transfer of certain lands to the State of Minnesota.

Mr. THYE. Mr. President, if the Senator will yield, I should like to make a brief explanation of S. 864.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 2, line 3, after the word "tracts", to insert a comma and "which liens shall not include any interest charges which may have accrued after April 19, 1929, for land in the Red Lake Game Preserve and after April 25, 1931, for other lands", so as to make the bill read:

Be it enacted etc., That (a) the State of Minnesota may, within 3 years after the date of enactment of this act, file with the Secretary of the Interior (1) a schedule showing (A) each tract of public land which the State may have selected and which has not been reserved or withdrawn for some Federal use, and each tract of ceded or other Indian lands, which tracts are subject to liens under the act entitled "An act to authorize the drainage of certain lands in the State of Minnesota", approved May 20, 1908 (43 U.S.C. 1021–1027); (B) the amount of the lien under the act of May 20, 1908, on each such tract of land, and the sum of the liens on all such tracts, which liens shall not include any interest charges which may have accrued after April 19, 1929, for land in the Red Lake Game Preserve and after April 25, 1931, for other lands; (C) the date when the lien on each such tract became effective; and (D) the authority under which the charges were assessed; and (2) an application to acquire the lands listed in such schedule in the manner provided in this act.

(b) The Secretary may, in his discretion, approve the listing of the lands in such schedule and accept the application for such lands. Upon such acceptance, the Secretary shall appraise the tracts listed in accordance with their fair market value. Such appraisal shall be conclusive for the purposes of this act. The secretary shall also determine the amount, if any, by which the total appraised value of the lands listed exceeds the total amount of the liens on such lands under the act of May 20, 1908.

SEC. 2. (a) Subject to the provisions of sections 3 and 5, the secretary shall patent to the State the lands listed in any application accepted under the first section upon payment by the State to the United States of the excess of the total appraised value of the lands listed in such application over the total amount of the liens on such lands under the act of May 20, 1908: *Provided*, That the payment for each tract of ceded or other Indian land shall be not less than $1.25 per acre for the use and benefit of the Indian tribe or individual owning the tract. The secretary shall issue a patent to the State under the authority of this subsection only if the State makes payment of the amount of such excess within 2 years after the determination of such amount. The failure of the State to make payment within the time required by this subsection shall not operate

as a bar to the filing of any subsequent schedule and application by the State in the manner, and within the time, prescribed by the first section.

(b) Notwithstanding any other provisions of this act, the secretary may issue a patent to the State for the public lands subject to liens under the act of May 20, 1908, not withdrawn or reserved for Indians or some Federal use, without payment, if he determines through appraisal or otherwise that the total amount of the liens on such lands under that act is approximately equal to or exceeds the total value of the lands.

(c) Any patent issued to the State under this act shall contain the provisions and reservations which are inserted in patents for public lands entered under the homestead law.

SEC. 3. Nothing in this act shall be construed to prejudice any valid claims relating to the lands for which an application has been made and accepted under the first section of this act. The secretary shall notify all entrymen of the sum due the State for drainage charges under the act of May 20, 1908, and shall give to the entrymen any extension of time which he determines is reasonable within which to comply with the requirements of the law under which the entry was made, and to make the payments due the State. The secretary shall not patent to the State any lands subject to such entries unless and until the entry involved is canceled in accordance with the law under which the entry was made.

SEC. 4. After the date of enactment of this act, no further liens or assessments shall be imposed on any Federal lands or any ceded or other Indian lands in the State of Minnesota under authority of the act of May 20, 1908.

SEC. 5. (a) With respect to ceded or other Indian lands, the secretary may exercise the authority granted in the first section and section 2 of this act only with the consent of the Indian owner or owners. The consent of the individuals owning two-thirds of the beneficial interest shall be sufficient in the case of undivided heirship lands. The consent of the Minnesota Chippewa Tribe and of the Red Lake Band of Chippewas, in the case of tribal lands, shall be evidenced by resolution of the recognized governing body of the tribe or band.

(b) Nothing in this act shall be constructed to prejudice Indian title to any lands subject to lien, nor to preclude the right of the Indian owner, or owners, to clear title to their lands by payment of the lien claimed by the State.

(c) Payments made by the State under this act for the purchase of tribally owned Indian lands, shall be deposited in the Treasury of the United States to the credit of the tribe owning such lands, and payments made for the purchase of individually owned Indian lands shall be deposited with the officer in charge of the Indian agency having jurisdiction over such lands to the credit of the Indian owners thereof.

SEC. 6. The secretary may prescribe rules and regulations which he determines will effectuate the purposes of this act.

Mr. THYE. Mr. President, as I understand, the bill was objected to yesterday afternoon on the call of the Consent Calendar. I was in a conference committee of the Appropriations Committee, and therefore could not discuss the bill at the time. I understand objection was raised by the distinguished senior Senator from Oregon [Mr. MORSE]. I have spoken to the Senator from Oregon. He has withdrawn his objection. As I understand, there is now no objection to the bill.

I ask unanimous consent that a very brief statement of mine explaining the reasons for the bill and why it would be beneficial to have it passed be printed in the body of the RECORD at this point, so that I need not take the time to read it.

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

STATEMENT BY SENATOR THYE

This bill, S. 864, which we are now considering would provide for the transfer of certain lands to the State of Minnesota. I first introduced this proposal here in the Senate in the 83d Congress in 1954. At that time, the Department of Interior suggested certain amendments which should be incorporated into the bill. No action was taken by the 83d Congress on that bill.

I again introduced this proposal in the 84th Congress, incorporating the amendments which were suggested by the Department of Interior during the preceding Congress. Again, no action was taken. Now, during this, the 85th Congress, I have introduced my proposal for the third time, and my proposal has received the endorsement of the Committee on Interior and Insular Affairs, by the Department of Interior, and by the State of Minnesota.

This bill will make possible the settlement of claims of the State of Minnesota and of the Federal Government with reference to titles to certain lands in Minnesota. During the first quarter of this century, many county and judicial ditches were constructed to drain the lands here involved and other lands. The cost of construction of the ditches was assessed against the lands benefited thereby and such cost became a lien upon the lands. By enactment of the so-called Volstead Act of May 20, 1908, all Federal lands in Minnesota, when subject to entry, and all entered lands were made subject to the State drainage laws in the same manner in which like privately owned lands were subject to such State drainage laws. The act further provided for the enforcement of payment of such charges against unentered lands or lands covered by an unpatented entry in the same manner and under the same proceedings under which such charges are enforced against privately owned lands. The act, also, provided for issuance of Federal patents to purchasers in the State proceedings upon payment of a minimum price of $1.25 per acre to the Federal Government.

Because of financial conditions prevailing in 1929 and subsequent years in the early 1930's, a number of counties in which such ditches had been constructed were unable to pay the bonds issued by them to finance such ditch construction. The State of Minnesota by laws enacted in 1929, 1931, and 1933 assumed all of said bonds amounting to millions of dollars and paid them as they matured.

Since 1935, the title to much of the lands subject to ditch liens has been forfeited to the State for nonpayment of such liens. Many people have purchased such forfeited lands from the State. A great confusion has arisen about the title to such lands. These purchasers in good faith do not have a marketable title to the lands which they have purchased, because of this confusion. Many entrymen who have obtained patents from the Federal Government are in a like situation.

The purpose of this bill is to remove all this confusion and to resolve all questions of title to the lands whether the lands are acquired by the State or remain in Federal ownership and to give a marketable title to purchasers from the State or Federal Governments.

This bill will permit the State of Minnesota to select and apply, within 3 years after the date of enactment of the act, for conveyance to it of certain Federal public lands and ceded or other Indian land within the State. The Secretary of the Interior may accept or reject the listing of the lands and accept the application by the State. If he approves, the Secretary shall appraise the lands and the appraisal is conclusive. If the Secretary determines that the total appraised value of the lands listed in the application exceeds the total amount of the State's ditch liens upon such lands, plus interest, the State must pay the difference to the Federal Government in order to obtain a conveyance thereof to it. If the total appraised value of the listed lands does not exceed the total amount of the State's ditch liens thereon, the Secretary shall issue to the State a patent for all the listed lands. The State has the right at any time within 3 years after the date of enactment of the act to file new lists and applications for lands included in prior applications and for additional lands.

The patents issued to the State are to contain the provisions and reservations in patents for public lands issued under the Homestead Law.

The bill, also, provides that no further liens or assessments shall be imposed on any Federal lands in the State under authority of the act of May 20, 1908.

The bill, also, provides with respect to ceded or other Indian lands that the Secretary may act only with the consent of the Indian owner or owners. If the lands are tribal lands, the consent must be by resolution of the Minnesota Chippewa Tribe or the Red Lake Band of Chippewas.

The bill specifically provides that it shall not prejudice Indian title to any lands subject to lien nor preclude the right of Indian owners to clear title to their lands by payment of the lien claimed by the State.

The bill also provides for the disposition of payments made by the State for Indian lands.

At this point, I refer to a statement by Chester S. Wilson, the former Minnesota commissioner of conservation, with regard to this proposal. I should like to point out that Mr. Wilson, in his statement, says that the transfer of these lands to the State will relieve the Government of a problem and enable the State to make some use of them for public conservation purposes but with little or no prospect of cash profit.

Mr. MORSE. Mr. President, I wish to thank the Senator from Minnesota for the explanation of the bill. The RECORD will show that yesterday I made it clear I did not think the bill violated the Morse formula unless there were some outstanding bonds which would be picked up, in effect, by the Federal Government, and paid for, when they ought to be paid for by investors. The RECORD will show that I said I did not think the taxpayers of the United States should pay the bill for any bad investments the bond purchasers might previously have made.

The statement which the Senator from Minnesota has just put in the RECORD makes it perfectly clear that there are no outstanding bonds.

I assured the Senator if I could have had that matter cleared up yesterday afternoon, there would have been no objection filed. The Senator could not clear it up because he was in a meeting of a conference committee.

I have no objection to the bill. I am glad to join in its passage.

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

The amendment was agreed to.

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

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

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

ELIMINATION OF CRUELTY AND BARBARISM ON AMERICAN TRAPLINES

Mr. MANSFIELD. Mr. President, may I ask what the unfinished business is now

The PRESIDING OFFICER. The Senate is still transacting morning business.

Mr. NEUBERGER. Mr. President, the degree of protection from unnecessary savagery accorded domestic animals and wildlife is one measure of the advancement of a people's civilization. Such a statement has been made by the great Dr. Albert Schweitzer. For this reason, I have been happy to cosponsor in the 84th and 85 Congresses legislation providing for the humane slaughter of animals used for food. Because I believe that this same principle of decent treatment should be extended to our wildlife, I introduced on July 8 a bill to prohibit the use of inhumane traps for the capture of animals or birds on lands and waters belonging to or under the jurisdiction of the United States.

Mr. President, the American female, a person of great gentleness and compassion, often wears her fur coat at the expense of terrible suffering and cruelty among wild animals.

We consider ourselves members of an enlightened society, yet we condone the use of brutal and primitive trapping practices which cause much needless torture. Use of traps which catch with metal jaws—but do not kill—results in undeniable cruelty. The injured animal may be held for days without either food or water and in constant pain. Sometimes animals are able to travel with the trap still clamped to a limb—as in the case of a beaver trapped near John Day, Oreg., which dragged its snare in agony for 4 days until it finally died.

Since I introduced my bill, S. 2489, I have received support from the Defenders of Furbearers, the Humane Society of the United States, and the National Parks Association. Cosponsors with me of S. 2489 are the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Tennessee [Mr. KEFAUVER]. I should like to read to the Senate a portion of a moving letter sent to me by Mr. Fred Packard, executive secretary of the National Parks Association, an organization which has been active for many years in the struggle to preserve and protect our wildlife:

It seems incredible that 300 years of harvesting of fur on the North American Continent should have produced so little improvement in the practice of taking furs. Americans are a humane people, vitally concerned that domestic animals, birds, and other wildlife be treated kindly, and they contribute vast sums to humanitarian causes for the elimination of cruelty. Yet our smaller mammals, among the most interesting, sensitive, and useful members of the native wildlife, continue to be subjected to barbaric agonies inflicted by antiquated traps which the noted editor Tom Wallace has justly described as "instruments of medieval torture."

The toothed steel trap is the worst offender. Anyone who has been kicked sharply on his shin knows to some slight degree the excruciating pain a blow there causes. These traps do not only strike; they often crack or break the bone and relentlessly hold their grip, driving their victims into frenzies of pain.

Mr. Packard points out that a number of effective humane traps, which either kill quickly or retain the animal unharmed, have been developed, and that use of these snares will greatly decrease pain and anguish on traplines. Provisions of my bill would require the use of such traps and that they be inspected at least every 24 hours. As Mr. Packard indicates in his letter, this latter requirement would directly benefit trappers and fur dealers by reducing wastage in inadequately inspected traps.

Mr. Packard concludes his letter with this statement:

It seems particularly ironic that the present torture of animals should be continued for the purpose of adorning America's women, who are the most sensitive, kindly people in the world. Few of them are aware of the implications behind a coat made of furs obtained by this kind of trapping. Some have awakened and are turning to ranch-raised furs or to fur substitutes. This may be the ultimate answer; but, if the use of wild furs is to continue, it behooves the industry dependent on them to improve its practices and eliminate the cause of the rising protest against its present methods.

Mr. President, because the communication from which I have just quoted offers such compelling testimony to the need for legislation such as that proposed in S. 2489, I ask unanimous consent that it be printed in the RECORD at this point.

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

NATIONAL PARKS ASSOCIATION,
Washington, D. C., August 13, 1957.

Senator RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: It seems incredible that 300 years of harvesting of fur on the North American Continent should have produced so little improvement in the practice of taking furs. Americans are a humane people, vitally concerned that domestic animals, birds, and other wildlife be treated kindly, and they contribute vast sums to humanitarian causes for the elimination of cruelty. Yet our smaller mammals, among the most interesting, sensitive, and useful members of the native wildlife, continue to be subjected to barbaric agonies inflicted by antiquated traps which the noted editor, Tom Wallace, has justly described as "instruments of medieval torture."

The toothed steel trap is the worst offender. Anyone who has been kicked sharply on his shin knows to some slight degree the excruciating pain a blow there causes. These traps do not only strike; they often crack or break the bone and relentlessly hold their grip, driving their victims into frenzies of pain. In constant torment, unable to get relief, to drink or to eat, these animals may survive for days or weeks until they die exhausted, or chew their feet free to starve because no longer can they catch their food. Many trappers are humane men and abhor the cruelty they practice. They try to justify their practices to themselves and to others, including the youths they introduce to the pursuit, on the thesis that "lower animals cannot feel pain as men do," although actually they know this excuse is not valid.

Perpetuation of practices which inflict cruelty on any creature is reprehensible in an age that considers itself enlightened. Nor are such methods of capture necessary today. There have been devised a number of effective traps which kill quickly or which retain the animal unharmed. They have been improved to a point where each is efficient for the capture of the species for which it is designed, economical, and otherwise practical. They have been thoroughly tested and are in use in some localities.

America outlawed inhumane devices that tortured domestic animals of former years; today no one seeks to use them. S. 2489 would apply the same humanitarian regulations to methods of taking wildlife, and require the captured animals be removed from the traps with proper frequency. These reforms cannot injure the legitimate trapper, but rather will benefit him.

There has been serious depletion of some of our furbearers because of unwise harvesting methods. Notable examples are the fisher and marten, now fortunately recovering under sound protective laws and procedures that conform with their gestation period. Hundreds of thousands of wild animals are killed every year to no purpose, because their pelts are not in prime condition and because of wastage in inadequately inspected traps. Not only do they die uselessly, but their potential progeny are lost as well.

In a warehouse in St. Louis, I saw huge rooms filled to the ceiling with rejected furs, a morgue of countless animals taken for fur that could not be used even for trimming. I daresay the loss represented the equivalent of the total animal population of one of our national forests. S. 2489 may not be the whole answer to the problem, for other sound conservation practices should be applied by the fur industry to the natural resource on which it is dependent, but it will improve the situation importantly.

It seems particularly ironic that the present torture of animals should be continued for the purpose of adorning America's women, who are the most sensitive, kindly people in the world. Few of them are aware of the implications behind a coat made of furs obtained by this kind of trapping. Some have awakened and are turning to ranch-raised furs or to fur substitutes. This may be the ultimate answer; but if the use of wild furs is to continue, it behooves the industry dependent on them to improve its practices and eliminate the cause of the rising protest against its present methods.

Yours sincerely,

FRED M. PACKARD,
Executive Secretary, National Parks Association; Member, Board of Directors, Defenders of Furbearers.

TAXES AND INDUSTRIAL DEVELOPMENT

Mr. MORSE. Mr. President, on several occasions my very able junior colleague has had articles printed in the RECORD, and has made statements on his own behalf, with regard to the deplorable economic conditions which now prevail and which for some months past have prevailed in the great State of Oregon.

Supplementing and supporting the observations of my colleague, I hold in my hand an interesting article written by Mike Katz, of Portland, Oreg., entitled "Taxes and Industrial Development."

I ask unanimous consent, Mr. President, that Mr. Katz' 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:

TAXES AND INDUSTRIAL DEVELOPMENT

(By Mike Katz)

With Oregon's economy dawdling along in the doldrums, considerable public attention is being paid to the pressing need for luring new industries and new payrolls to our State. As a result of this increased interest in attracting new payrolls, the question of taxes has been receiving intensive play.

Among the more extreme views, one hears the allegation that Oregon's progressive tax structure is the one factor which is retarding the State's economic development. It is alleged that high corporate income taxes and high personal income taxes are the chief factors obstructing plant location in Oregon and restricting expansion of existing industries. It is even charged that our tax structure is actually responsible for driving some existing industries away.

It should be recognized by all fair-minded persons that the possibility exists that a fair, just, and equitable tax structure, in terms of social justice, might serve to impede economic development. In other words, while Oregon's taxes might be deemed progressive and enlightened in that they tend to be based upon ability to pay, it is conceivable that such a tax structure might be in conflict with the State's program to encourage industrial expansion and thus attract new payrolls. In the event that such incompatibility between tax justice, on the one hand, and economic development, on the other, is in fact found to exist, something should be done to reconcile the conflict in a fashion which will provide optimum standards of fairness in taxation together with a reasonably attractive climate for industrial expansion.

Frankly, however, it is difficult to either confirm or refute the accusations that our present tax policies do indeed retard economic growth. In all honesty it should be admitted from the start that in the absence of a comprehensive and systematic study of the subject—and no such study has ever been attempted in Oregon—it is almost impossible to tell precisely what effect present tax policies are having on the development of Oregon's economy. The absence of an authoritative study, however, has not proven a handicap to some businessmen who claim that were it not for Oregon's taxes, business would be expanding. Lack of data likewise has not deterred executives of eastern financial institutions who, when on a 1-day visit to Oregon, chime in with their respective 2 cents worth to the effect that business would be booming in Oregon if only the income tax would be scrapped in favor of a sales tax.

To begin with, Oregon's economy at present is in bad shape. The State is now in the midst of a business recession while the rest of the country appears to be enjoying the fruits of prosperity. Our presently distressed economic circumstances stem from a combination of factors. Our two biggest industries, for example—forest products and agriculture—are both seasonal and cyclical. In addition we have run out of plentiful low-cost hydroelectric power which, when it was available, was responsible for attracting a substantial electroprocess industry to the Pacific Northwest. Oregon is severely discriminated against in the matter of railroad-freight rates. We lack the teeming populations of the Atlantic seaboard, the industrial Middle West or southern California, which make for the Nation's largest consumer markets. We lack critical raw materials such as oil, iron ore, and coal.

To lack raw materials, power, markets and good transportation facilities is to be found wanting in those classic economic conditions necessary for expansion. These deficiencies have combined to hinder economic development in Oregon. And the situation is made even more critical by a substantial unemployment problem caused by overdependence upon two seasonal and cyclical industries. This then is the crux of the problem confronting our State. To suggest that our tax structure is responsible for this dilemma is an obvious oversimplification and indicates an almost total disregard of the classic requisites necessary for economic growth. After all, why would a corporation be concerned about a corporate income tax if it is unable to generate any income with which to be taxed? What industry, for example, would locate a plant in Oregon, even if it were completely exempted from corporate profits taxes, if it could not operate at a profit? As Ivan Bloch, prominent Portland industrial consultant, recently stated, we could line our streets with bathing beauties and otherwise provide the most attractive and sympathetic business climate as far as taxes are concerned and we would still fail to get even one new plant to locate here if basic economic factors—markets, transportation, raw materials, power, etc.—are inadequate.

This line of reasoning would indicate that while taxes might or might not play a leading role in industrial development, they have probably been of only minor consequence as a factor responsible for Oregon's present economic insecurity.

Of particular interest, as far as the problem of taxes is concerned, is the fact that more and more enlightened industries are becoming apprehensive about State and local tax concessions. Westinghouse Electric Corp., for example, has announced its reluctance to establish new plants in communities which give the company a favored tax status. The company recognizes that tax burdens from which it is relieved must be borne by someone else or else public services must be reduced. Moreover, a tax concession to industry is used only as a lure and plants, once located, become vulnerable to a high tax burden when the concession, which is usually granted for a limited time, expires. Stable taxes are probably of far greater appeal to industries seeking new location sites than special concessions.

The most vociferous critics of Oregon's present tax structure, who see taxes as the leading factor in discouraging industrial expansion, fail to consider the disadvantages of their oft-proposed alternative—the sales tax. Oregon, without a sales tax, imposes a maximum corporate income tax of 6 percent. The effective corporate income tax rate in Oregon is lower than 6 percent, however, since Oregon manufacturing corporations are allowed to reduce their State income taxes by as much as one-third by the amount of personal property taxes they pay on their inventories. California, on the other hand, has a maximum corporate income tax of 4 percent with no personal property tax offset allowed. In addition, according to Professor Robert Campbell of the economics department of the University of Oregon, the 3 percent California sales tax is designed to draw approximately 25 percent of its revenues from taxed sales made to business. In other words, California businesses must pay both a 4 percent income tax and a 3 percent sales tax on selected purchases. California's 4 percent corporation income tax in 1956 was responsible for tax collections totaling about $157 million annually. At the same time, California businesses in 1956 also paid about $150 million annually in sales taxes (about one-quarter of all the sales tax revenues received by the State). This means that California businesses, in addition to paying a 4 percent corporate income tax, pay almost as much again in sales taxes while Oregon corporations, on the other hand, pay a maximum 6 percent corporate income tax without any sales tax whatsoever.

In essence businessmen who advocate substitution of the sales tax for the income tax often fail to realize that under a sales tax, selected purchases by businesses (usually where the business is the ultimate consumer) are taxed. In sales tax States businesses must usually pay taxes on materials used in plant construction, on manufacturing equipment, on autos and trucks, on office supplies and on virtually every other item purchased except raw materials used in the manufacturing process. While industries located in sales tax States might pay reduced corporate income taxes, they nevertheless account for a substantial portion of the revenues derived from sales taxes—a burden which they are completely spared in Oregon. In the State of Washington, for example, there is no income tax either on individuals or corporations. But businesses in Washington must pay the highest sales tax in the Nation and, in addition, have levied upon them a business and occupation tax not levied upon Oregon businesses.

This then exposes the problem of the influence of taxation upon industrial development. No one can deny its complexity. It is not susceptible to easy and impulsive solution. The questions which must be answered in evaluating Oregon taxes insofar as they may or may not influence economic development are these: Do low State and local taxes really attract new industrial plants? Do high taxes repel industry? Is the combined Federal, State, and local tax load upon Oregon citizens and businesses really out of line with tax loads in other States?

First of all it should be understood that all taxes are taxes on income or, in the absence of any income, on savings. The sales tax which consumers and businesses must pay in California and Washington, for example, must be paid out of personal and corporate income. The only difference between a sales tax and an income tax is that the former is based upon consumption (how much is purchased and consumed) while the latter is based directly upon income (ability to pay). Both, however, must be paid out of available income. Thus, if Government services are to be maintained without reduction in scope or quality, the total aggregate tax impact upon income, whether sales taxes or income taxes, will remain unchanged no matter how taxes might be shifted about from one type to another.

In assessing the relative impact of State and local taxes upon economic development, one must consider the total combined tax burden—Federal, State, and local. In addition, industry should consider the impact of unemployment and workmen's compensation taxes which are particularly important for those industries which employ large numbers of workers. When all of these taxes are combined, taxes in Oregon are found to be by no means out of line with most other States throughout the country. This is particularly true because Oregonians are allowed to reduce their individual Federal income taxes by deducting from their taxable income the amount of State and local taxes they pay and thus the combined tax burden is modified. In effect, it means that while Oregon citizens might pay higher State taxes, they also pay lower Federal taxes and thus Uncle Sam indirectly helps to support our State and local governmental units.

A recent study by Fantus Factory Locating Service, of New York and Chicago, reveals that on a per capita basis Oregon's State tax revenues are lower than in 6 States—California, Delaware, Louisiana, Nevada, New Mexico, and Washington—and on a par with 4 other States—Arizona, Michigan, Oklahoma, and Wyoming. Moreover, since one must look at the entire tax picture, it is very important to note that Oregon's per capita

local tax revenues are lower than in 15 States—California, Colorado, Connecticut, Illinois, Iowa, Kansas, Massachusetts, Minnesota, Montana, Nebraska, New Hampshire, New Jersey, New York, North Dakota, and Wisconsin—and on a par with 13 other States—Florida, Georgia, Indiana, Maine, Maryland, Michigan, Nevada, Ohio, Rhode Island, South Dakota, Utah, Vermont, and Wyoming. The added fact that Oregon's total tax payments to the Federal Government (including individual income tax, corporation profits tax, employment, alcohol, tobacco, estate, and excise taxes) amounted to only an estimated $280 per person in the fiscal year ended June 30, 1956, compared with a national per capita average for that same period of $462, indicates that the combined tax burden imposed upon Oregon citizens and businesses is by no means disproportional with other States and is far less than in many States which are participating fully in the Nation's prosperity. This data tends to support the contention that taxes alone are certainly not responsible for economic retardation in Oregon.

Another recent study sponsored by the Committee for Economic Development and undertaken by study groups composed of business executives and university faculty members under the direction of the School of Business Administration of the University of Michigan seems to answer the questions of whether or not taxes play an important role in attracting or repelling industry. The study concludes that "taxation as a factor in industrial location is rarely of primary importance." Taxes on business and individuals are, of course, considered by business management in determining plant expansion plans but, states the report, "rarely will this factor alone be the deciding issue in a location decision." The report pays particular attention to State taxes and declares that they are the least important of all taxes which are considered in formulating plant location decisions.

This comprehensive study, which was based not only on a survey of industrial development in Michigan but on dozens of other surveys on the tax structure problem made in a great number of States and communities around the country, takes a pointed slam at those who insist that Oregon's taxes are the crucial factor in driving industry away from our State by declaring that "it is particularly clear that at the State level no clear relationship between tax burdens and industrial growth can be shown." The main reasons for slower or faster industrialization of one State compared with another are simply not to be found in the field of taxation.

Of salient and primary importance, the University of Michigan study bears out the contention that overemphasis of tax structure by industry may be an illusory pursuit. A company which selects a low-tax community in which to locate a new plant may find itself paying out of its own pocket for any number of community services which are provided publicly in other higher tax communities. A low-tax community, for example, might demand that a new plant, spared a part of the tax burden, nevertheless pay for its own sewage installation or pave roads in front of its facilities or have its employees' children attend inferior schools or be denied a countless number of State and local public services which plants located in higher tax communities take for granted.

Enlightened and competently managed business, before making a plant location decision, will first consider those basic economic factors which make or break any industrial enterprise irrespective of whether taxes are high or low, progressive or regressive, fair or discriminatory. It is only after these primary economic factors of markets, materials, power, transportation, and labor have been satisfied that the intelligent corporate manager will consider the effect of State and local taxes.

Oregon does have an impressive potential for future economic development. We can develop our hydroelectric power resources by speeding Federal construction of multipurpose dams and local construction of other dam sites. We have direct ocean access to the potentially enormous consumer markets of the transpacific hemisphere wherein resides most of the world's population. We have a river system which, if developed can be of monumental importance in providing our State with a first-class transportation system. We have a highly skilled and intelligent labor force and can offer the good life to highly paid scientific and technically trained workers who demand top standards in health, education, and recreation for themselves and their families. Our State's literacy rate is one of the highest in the world. Our schools are first rate. Our public services cannot be matched anywhere. Our recreational facilities are renowned throughout the world. Most important of all, perhaps, Oregon can offer to industry, in abundant quantities, that most precious (and fast becoming critical) industrial resource of all—water.

One of the first jobs of Oregon's new department of planning and development should be an exhaustive and comprehensive study on the precise effect which Oregon's tax structure has on industrial development and, if the study bears out the conclusions of the University of Michigan report cited above, it would then seem the job of the development department to give those conclusions widespread publicity. After that it will be essential for all interest agencies and organizations—State and local governments, chambers of commerce and other business associations, farm groups, city planners, and civic clubs—to jointly embark upon an aggressive and imaginative promotional campaign to point out to industry the numerous advantages of Oregon and the extraordinary character of our economic potential.

The job cannot be done by adopting a defeatist attitude. It cannot be done by hiding our heads in the sand and pretending that all that is needed is a revamping of our tax structure. It cannot be done if timidity permits us to be misled by the self-serving proclamations of vested interest groups. Oregon has the talent, the potential, and the wherewithal to sell itself to industry and escape from the economic lethargy which too many years of complacency has imposed.

COMMENCEMENT DAY ADDRESS BY JUSTICE JESSE W. CARTER, OF THE SUPREME COURT OF CALIFORNIA

Mr. MORSE. Mr. President, the west coast is proud to claim one of the outstanding jurists of today, Associate Justice Jesse W. Carter, of the Supreme Court of California.

A commencement address he delivered on June 8, 1957, at Shasta College in Redding, Calif., is among the most provocative speeches I have read in a long time. I desire to read excerpts from the address before I incorporate it in the RECORD as a part of my remarks.

Justice Carter said:

While economists may not agree as to the cause of economic depressions, I think they will all agree that they have resulted from manipulations in both the financial and industrial fields which are planned and executed by individuals for their own financial gain. Just prior to the depression which occurred between 1893 and 1897, President Grover Cleveland made this observation: "As we view the achievements of aggregated capital, we discover the existence of trusts, combinations, and monopolies, while the citizen is struggling far in the rear or is trampled to death beneath the iron heel. Corporations which should be carefully restrained creatures of the law and servants of the people, are fast becoming the people's master."

Justice Carter goes on to say:

President Theodore Roosevelt, a few years later, declared that the panic of 1907 was caused by "the speculative folly and flagrant dishonesty of a few men of great wealth," and he attributed the depression to "malpractices of business and industry." And it may be remembered by some here tonight that President Franklin Roosevelt charged that a group of "economic royalists" were attempting to obstruct the recovery program he had inaugurated to bring us out of the 1929 depression. * * *

From my study of history, I am led to the definite conclusion that we cannot look to the leaders in finance and industry to chart a course which will prevent another depression. I feel that we may expect little from the National Manufacturers' Association, the State and National Chambers of Commerce, or the labor unions in this direction.

Each of these groups represent and seek to advance the selfish interests of their members. While I am sure that none of them would like to see another economic depression, I doubt if they are devoting any substantial effort toward the charting of a course which will prevent one. This is most regrettable, however, because they exert tremendous influence in the casting of legislation affecting our social and economic stability, but there is little doubt that the influence exerted is for the purpose of securing legislation which will favor the particular group promoting it and is not in the interest of the general welfare of the people as a whole.

To this excerpt from the address by Justice Carter, Mr. President, I say "Amen."

Because there is so much in this address which I think is deserving of consideration by the Senate, I ask unanimous consent that the entire address be printed in the RECORD, as a part of my remarks in the RECORD.

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

SHOULD OUR EDUCATIONAL INSTITUTIONS CHART OUR COURSE TOWARD ECONOMIC STABILITY AND SOCIAL EQUALITY?

(Commencement day address delivered by Justice Jesse W. Carter, of the supreme court of California, before the Shasta College at Redding, Calif., June 8, 1957)

This is a happy occasion. I am sure it must be for those of you who are graduating here tonight and for the members of your families. I am sure that it is likewise a happy occasion for the school officials and members of your faculty who have been instrumental in directing your educational pursuits thus far. This graduating class here tonight is a credit to any educational institution and the officials of Shasta College and its faculty should be justly proud of their accomplishment. This is also a happy moment for me as it takes me back to a period about 30 years ago when I was a resident of this community and somewhat active in its civic affairs. At that time I advocated the establishment of a college here to accommodate the youth of northern California who might want to pursue their studies in an institution of higher education after graduating from a local high school. At that time I visualized such an institution as Shasta College, but the economy of the

locality was such at that time that the establishment of such an institution seemed impracticable. While I did not have the privilege of personally participating in the proceedings which culminated in the establishment of Shasta College, I am both proud and happy tonight to participate in this commencement day program and view the accomplishment of those whose wisdom and foresight resulted in the establishment of this institution. * * *

It cannot be denied that the great progress which has been made in the various fields of science has brought to light knowledge, by means of which navigation, methods of communication, and the amelioration of human ills have been the direct product of our educational institutions.

While I do not wish to assume the roll of a critic, I have a very definite belief that these institutions have not produced comparable results in the field of human behavior. By this I mean to refer to the fields commonly known as social, economic, and political sciences.

I have witnessed three major economic depressions. The first of these occurred between 1892 and 1897; the second between 1907 and 1912; and the third between 1929 and the beginning of the Second World War. These so-called depressions have been sometimes referred to as panics. During each of these periods many financial and industrial institutions failed, unemployment rose to a point where jobs were at a premium and there were numerous business failures because the purchasing power of the public was at such a low ebb that there was no market for the goods produced. During these periods there was untold suffering by millions of people who suffered financial ruin and were unable to obtain adequate food or clothing and the grief and mental anguish which was endured by the less fortunate defies description and probably cannot be fully comprehended by anyone who had not witnessed it with his own eyes. It took a war to bring us out of each of these depressions. I do not want to see another depression or another war. They are both unnecessary, and I am confident that at this advanced stage of our civilization, they can both be avoided by the charting of a course toward social equality and economic stability.

We are now riding on a receding wave of unstable prosperity. It is supported largely by defense spending. In other words, it may be said that our present national economic structure is supported by activity in the field of military operations which are made necessary as an aftermath of the last war or in anticipation of a future war. Of course, the wisdom of these activities, so far as we are presently concerned, is exclusively for those at the head of our Government. Future events will afford us true perspective of the wisdom of contemporary decisions in this field.

While I have no crystal ball, I believe I can foresee a somewhat drastic economic readjustment in the not too distant future, and it will require the ingenuity of the best minds in the fields of social, economic, and political philosophy to avert another economic depression. I say this not as an alarmist but as a student of history which is the only true guide we have to foretell of future happenings. I believe there are cures for our economic ills and that the time will come when our people will not be victims of economic depressions and required to suffer the misery and grief which is the direct result of the poverty and want which follows from such depressions.

The scenes are rapidly changing on the social and economic screen. Customs and practices which were basic in the social order 2 or 3 generations ago have lost their appeal to present-day society, and present-day economy finds no parallel in any prior decade.

It would seem that with the occurrence of 3 major depressions and 3 major wars in 1 generation, the causes of such depressions and the solution of the problems arising from them should be readily apparent and that we should now be able to chart a course which would prevent their recurrence. But from my observation of the picture on both the national and international scene, I have the feeling that the same forces are now at work and the same trends now exist which preceded each of the economic depressions I have witnessed during the last 60 years.

While economists may not agree as to the cause of economic depressions, I think they will all agree that they have resulted from manipulations in both the financial and industrial fields which are planned and executed by individuals for their own financial gain. Just prior to the depression which occurred between 1893 and 1897, President Grover Cleveland made this observation: "As we view the achievements of aggregated capital, we discover the existence of trusts, combinations, and monopolies, while the citizen is struggling far in the rear or is trampled to death beneath the iron heel. Corporations which should be carefully restrained creatures of the law and servants of the people, are fast becoming the people's master." President Theodore Roosevelt, a few years later, declared that the panic of 1907 was caused by "the speculative folly and flagrant dishonesty of a few men of great wealth," and he attributed the depression to "malpractices of business and industry." And it may be remembered by some here tonight that President Franklin Roosevelt charged that a group of "economic royalists" were attempting to obstruct the recovery program he had inaugurated to bring us out of the 1929 depression.

From my study of history, I am led to the definite conclusion that we cannot look to the leaders in finance and industry to chart a course which will prevent another depression. I feel that we may expect little from the National Manufacturers' Association, the State and National Chambers of Commerce, or the labor unions in this direction. Each of these groups represent and seek to advance the selfish interests of their members. While I am sure that none of them would like to see another economic depression, I doubt if they are devoting any substantial effort toward the charting of a course which will prevent one. This is most regrettable, however, because they exert tremendous influence in the casting of legislation affecting our social and economic stability, but there is little doubt that the influence exerted is for the purpose of securing legislation which will favor the particular group promoting it and is not in the interest of the general welfare of the people as a whole.

I am convinced beyond doubt that the only safeguard we have against a future economic depression is leadership which may develop as a result of training in our educational institutions. I have no panacea to offer as a cure for future economic ills. They are bound to occur. My thought is that with a clear concept of the problems and wise planning the effect of an economic depression may be ameliorated so that the anguish and misery of the less fortunate may be alleviated.

While political leadership in this field is important, I am constrained to warn against the idea some may have that a political Moses will arise and lead us out of the wilderness of economic bewilderment. Such a solution would be highly improbable, as the solution lies within our own power. We have a highly literate society. Our schools have done and are doing a good job. There is no doubt that we have the brainpower to solve any problem we are required to face if such power is properly directed and applied. First, the problem must exist and be recognized. Second, it must be freely discussed, debated, and explored. And third, the general welfare of our people as a whole must be the controlling factor in its solution. The ever present outstreached hand of selfish, special interest groups should be turned away empty handed. The economic history of our country is replete with the exploitation of our national resources by special interest groups and such groups are still active. National statistics reveal the appalling fact that since the institution of our Government more than two-thirds of our public domain in Government ownership has been given away for the promotion of enterprises controlled by special interest groups. The railroad companies were granted over 130 million acres of our public domain as a so-called subsidy for the construction of the railroads. Our valuable oil lands have likewise been acquired by one method or another by special interest groups, and before the enactment of the Forest Reserve Act a considerable portion of our most valuable timberlands was allowed to fall into private hands and ultimately acquired by special interest groups.

In recent years we have heard a lot about the giveaway policy of the national administration. While this policy has received a severe setback as the result of recent elections, its specter still remains on our national political scene, and it may be considered a current political and economic issue as to whether our vast water resources should be turned over to special interest groups for exploitation or preserved and controlled by governmental agencies for the promotion of the general welfare. The solution of this problem will have a tremendous impact on our national economy.

Right here at your back door a controversy is now raging over the disposal of the falling water from the so-called Trinity project. Here again special interest demands that this water be turned over to a privately owned public utility for exploitation by it rather than the Government retaining the power-development feature of this project as a Government owned and operated facility.

It might be well to consider for a moment the background of the great water conservation and power development projects which our Government has undertaken in recent years. It is an accepted proposition that none of these projects was economically feasible or would justify the investment of private capital to promote their development.

In other words the cost of these projects was so great compared to the anticipated return therefrom that they were not attractive to those operating in the field of private enterprise. The interest of the government in developing these projects may be said to be fourfold. First, conservation of the vast water supply which had been running to waste and destruction; second, the reclamation of arid lands by the use of the water so conserved; third, flood control and navigation; and fourth, the development of hydroelectric power by use of the falling water stored behind giant dams. While private enterprise is happy to make use of this falling water for the generation of electric energy to be disposed of by it for private profit, it is obviously not interested in the other features of these projects. Experience has shown, however, that the chief source of revenue produced by these projects is from the sale of the electrical energy produced thereby, and of course, special interest groups are interested in this feature.

Since the turn of the century the development of these projects has been a highly controversial subject in the national legislative halls. Muscle Shoals on the Tennessee River was developed during the Wilson administration as a war measure. It was almost completely abandoned during the three Republican regimes which followed. It was

again revived during the administration of the late Franklin D. Roosevelt, and many other similar projects, including the Shasta, Grand Coulee and Friant Dams, came into existence during this period. The economic and social philosophy behind these projects is to make available arid lands which were previously unfit for agricultural purposes and thereby provide homes for those who desire to follow agricultural pursuits. The Reclamation Act limits the quantity of water available to any one person from these projects to an amount adequate for irrigation and domestic use upon 160 acres of land. This provision was contained in the original act which was adopted in 1902 and still remains a part of the act. The Supreme Court of California recently declared this provision unconstitutional as applied to the distribution of project water by irrigation districts in California. The effect of this decision is to give to the large landowners a Federal subsidy in the form of water for excess lands which will, in certain instances, amount to millions of dollars to an individual landowner. In my opinion this decision is bound to have a detrimental effect on the economy of this State and will probably curtail the development of similar projects in this State in the future. It may also have the effect of expanding large holdings of land by private interests and change our agricultural economy from a large number of small landowners with happy homes to a few large landowners with many employees or sharecroppers which will ultimately result in a semifeudal system.

These are matters which will definitely affect our present and future economic structure and should be the subject of extensive study by our educational institutions. Prof. Paul Taylor, of the University of California, has made extensive studies in this field and written many articles which should be read by those seeking light on this subject.

The whole civilized world came out of the last World War a more homogeneous people than ever before. The United Nations brought the nations of the world together as one people. There, people with white, black, brown, yellow, and red skins meet, discuss and endeavor to solve the problems which beset the nations of the world. There, Christian, Jew, Mohammedan, Buddhist, and all other creeds and denominations join in a sincere effort to preserve the peace of the world.

It would seem that the time has arrived in the history of the world when the social concept of Thomas Jefferson has been given recognition by the people of the world. This concept was expressed in these words: "We hold these truths to be self-evident: That all men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness." While these words are a part of our Declaration of Independence, they typify the basic concept underlying the charter of the United Nations. * * * Yet we are told that in certain portions of this country there is vigorous organized opposition to recent decisions of the Supreme Court of the United States declaring illegal, the practice in some States, of segregating schoolchildren because of race or color. While I can appreciate the feeling of those who may have a personal preference for those with a skin of a certain color in the selection of their associates, I cannot justify opposition to the mandate of the Supreme Court on any constitutional or legal ground. Neither can I see any basis or justification for such segregation in the social concept embraced in the above-quoted language from the Declaration of Independence which is also a part of our Federal statutory law. Nevertheless the problem is with us and it is probably our most vital domestic social problem. Fortunately it does not exist in this State as both our legislature and our courts have struck down every vestige of the once accepted concept that a person could be denied a right, privilege or immunity on account of his race, color, or creed. This does not mean that those of other races and skin types are given equal recognition in our society. It is obvious to the casual observer that they are not, but this situation must be met by a process of education and enlightenment. Those who have a keen sense of social consciousness are more apt to classify people socially on the basis of culture and character rather than their race or the color of their skin. When our society as a whole recognizes and accepts this concept the present false barrier of race or color will disappear from our social register.

PUBLIC VERSUS PRIVATE POWER

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from a newspaper in my State, the only Pulitzer prize-receiving newspaper in my State, the Medford Mail Tribune, entitled "Jumbo As a Switch Hitter."

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

JUMBO AS A SWITCH HITTER

It's an old story but time really does fugit.

It seems only yesterday that former Secretary of the Interior McKay and the Republican "Old Guard" were celebrating their miracle-making solution of the public versus private power issue.

It was all so simple. There would be a partnership between the taxpayers of the country—that is the Government—and the private power combine.

Instead of the Government paying all the expenses—and eventually getting it all back—the Government would only pay for the nonprofit features such as irrigation, transportation, and recreation. Private power would pay for all the features that would bring them the usual assured and gratifying return.

It listened well, particularly when an economy drive was in the air.

But the people were not as dumb as the "fast-buck boys" assumed. It didn't take the FBI to divulge the fact that this was "a heads we win tails you lose" proposal—the taxpayers would pay out millions and not get a dime in return, while the private power companies would invest millions and make a killing.

It was just as simple as that.

But what do we find today?

Even the Oregonian admits that in this part of the country, this phony deal is as moribund as Rameses the Second. Not only that, but in spite of its strong endorsement of former Secretary McKay and his anti-public-power policies, it welcomes a million-dollar appropriation for John Day and wishes it increased and condemns the Federal Power Commission for licensing a low dam in Hells Canyon. Finally it admits that Congressional hopes for a partnership plan are dead.

As indicated above, so much is happening these days it seems it happened only a few days ago.

R. W. R.

GEORGE OF GEORGIA

Mr. MONRONEY. Mr. President, I was unable to be present when many of my colleagues saluted the late Senator George, and I want to pay my humble tribute to my former colleague.

George of Georgia truly was one of "the choice and master spirits" of the Senate, not only "of this age," as Mark Antony said of Caesar, but of all the years since its beginning.

Majestic was the word quite often used to describe Senator George, both before and after his death earlier this month. Bill White, in The Citadel, spoke of his majestic voice. One editorial writer recently spoke of the Senator's majestic decency.

I think all of us would agree that Senator George did have a majesty about him, part of which he brought to the Senate with him as a retired judge in November 23, 1922, and part of which developed as he served here, learning and teaching the fine art of politics and at the same time growing in stature as a statesman.

Certainly the Senate and Walter George seemed to be made for each other. Despite any differences of philosophy or conflicts in approach, all of us felt a deep and abiding respect for this man's calm and wisdom, his force and his character.

STUMPED HIS TOES

Most of us see Senator George, in our memory, as the polished, distinguished southern gentleman we knew. When I recall how many times I have seen him rise to speak with that special dignity and flourish which was his, it is difficult to see him as a barefoot "cracker" boy doing the chores on a small tenant farm in Georgia. It is easy, however, to chuckle at his own estimate that in his barefoot childhood he had more than 100 stumped toes and that he learned on the first one not to cry.

It is hard for me to imagine him in a country school, but easy to recognize that he would have stood at the top of his class there; hard to realize that he had to earn much of his way through Mercer University and law school, by teaching, but easy to visualize the ferocity and stubbornness with which he later fought his lawsuits, even though he rode to town bareback on a mule. He became solicitor general for his judicial circuit, married the fine woman we know as Miss Lucy, and became the father of two boys.

The rest is history. I remember a paragraph from one of his biographies:

> Rapidly young Walter rose * * * never so much a brilliant, as a majestically calm and patient superior court judge, a methodical, carefully correct member of the court of appeals, a fair and learned justice of the Georgia Supreme Court.

GEORGE SOUGHT PEACE

We know his record in the Senate. He started quietly and slowly but somehow moved fast. There is a monument in Vienna, Ga., which signals the fight he made in 1929 to pass the Vocational Education Act which bears his name. He was identified with much tax, farm, social security, and veterans' legislation. In 1928, he was proposed for President of the United States as a Georgia favorite son. In 1938 he successfully resisted a Presidential attempt to purge him for his stand on the Supreme Court plan.

It was in the foreign relations field that Walter Franklin George reached his

greatest heights. Under both Democratic and Republican Presidents, he exerted an important influence in the Senate and in the Nation toward an understanding, and the full implementation of this country's increasing role of leadership and responsibility in the world.

We were sorry to see him leave the Senate last year, but proud of his new role as a Presidential representative to NATO. Now we must say another sorrowful farewell, with gratitude, however, that Walter George served here among us.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Tulsa (Okla.) Daily World of August 6, 1957.

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

SENATOR WALTER F. GEORGE

The Nation does not readily grant the term "statesman" to its political leaders. Singularly few in recent decades have been given this lofty recognition. One of few was former Senator Walter F. George who died at the age of 79 years in his home in Vienna, Ga.

The Georgian has been a figure of integrity, courage, and intelligence in the United States Senate for 34 years. His distinguished career came to an end as he was serving as special Presidential Ambassador to the North Atlantic Treaty Organization.

President Eisenhower and leaders of the Democratic and Republican Parties alike spoke in unstinted terms of their high respect for Mr. George. The Senator was a man who rose completely above partisan politics. It was as chairman of the Foreign Relations Committee that he climaxed his Senate service. In this capacity he was credited with major contributions to the success of the foreign policy pronounced by Mr. Eisenhower as the Nation's first Republican President in 28 years.

Walter F. George has earned the Nation's respect and gratitude.

CONFERENCE REPORT ON S. 939, TO AMEND SECTION 22 OF THE INTERSTATE COMMERCE ACT, AS AMENDED

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

The Chair lays before the Senate the pending business, which will be stated for the information of the Senate.

The LEGISLATIVE CLERK. The conference report on S. 939, to amend section 22 of the Interstate Commerce Act, as amended.

Mr. KENNEDY obtained the floor.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Massachusetts may yield to me for the purpose of suggesting the absence of a quorum, without the Senator losing his right to the floor.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. 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 Senator from Massachusetts [Mr. KENNEDY] is recognized.

THE STRUGGLE AGAINST IMPERIALISM, PART II—POLAND AND EASTERN EUROPE

Mr. KENNEDY. Mr. President, in my address to this body on July 2, I spoke of man's eternal desire to be free and independent, of the continuing clash between the forces of freedom and the forces of imperialism, and of the critical challenge which this overriding issue presented to American foreign policy today. I spoke in that context of the handicap to our prestige created by what is regarded as western imperialism, and specifically of the critical impasse in Algeria. Without attempting to equate western and Soviet imperialism, I indicated at that time my intention to examine, in a two-part series of speeches, the role of our foreign policy in the continuing struggles between the forces of imperialism and independence within both the Soviet and Western Worlds. Having discussed in that address the complex problems of western imperialism and Algeria, I desire to turn now to the problems posed by the evil of Soviet imperialism.

Just as the challenge of western imperialism is most critically confronting us in Algeria and North Africa, so, too, does the challenge of Soviet imperialism confront American foreign policy today in one critical area in particular—Eastern Europe and Poland.

The Soviets, of course, regard their actions in Eastern Europe much as the French regard their actions in Africa—as none of our affair. Our own Department of State and diplomatic officials are also likely to regard Congressional discussion of these vital world issues as a trespass upon their private domain.

I am strongly persuaded that the inadequacies of current American foreign policies and programs concerning Poland and Eastern Europe require their public review and reexamination by the Senate, the Congress and the people of the United States—not to assign the blame for our past failures, but to explore what steps might be taken to increase the future effectiveness of our foreign policy in this area.

OUR GOALS AND APPROACH IN EASTERN EUROPE

I realize that it is not difficult to make a popular speech on Poland and Eastern Europe. It is easy to denounce the treachery of Yalta; to call upon the enslaved millions to cast off their chains; to decry Soviet brutality and greed; and to predict eventual deliverance of those nations now held captive behind the Iron Curtain. If necessary, it can even be easy to favor American aid—to be delivered only to those satellite nations that become truly independent, or that join an anti-Russian alliance, or that abandon national communism—or to be limited to emergency relief or surplus foods, with its distribution in each village carefully supervised by American observers to guaranty its delivery to the needy and the starving alone.

But such a speech, however plausible it may seem in its oratorical or political context, only makes it more difficult to take the hard decisions and real risks necessary in any effective policy for Eastern Europe. We are reluctant to take risks in this dangerous age; we are reluctant to make hard and unpopular decisions in this popular democracy. But the complex problems of Eastern Europe—the area which at one and the same time represents a great Western setback and a great western hope—will never be solved with an excess of caution or an avoidance of risk.

It is baffling beyond words to review that so-called liberation policy which this administration has proclaimed and on which it has taken patent rights. In several speeches in 1952 Mr. Dulles sought to shed light on a new liberation policy which would replace the supposed sterilities of containment. For example, in a prepared address before a learned gathering in Buffalo on August 27, 1952 Mr. Dulles elaborated a three-pronged program for the freeing of the Iron Curtain satellites. In this speech he emphasized that the Voice of America and other agencies should stir up the resistance spirit of peoples behind the Iron Curtain and make certain that they have the assurance of our moral backing. He went on to say that resistance movements would spring up among patriots who "would be supplied and integrated via air drops and other communications from private organizations like the Committee for Free Europe." Finally, he underscored his now-familiar thesis that the Communists would disintegrate from within and that the Russian's, "preoccupied with their own problems, would cease aggressive actions" and eventually give up and go home "realizing that they had swallowed more than they could digest."

Four years later, on October 29, 1956, the distinguished Vice President announced confidently at Occidental College that the Soviet setback in Poland and Hungary proved the soundness of the administration's liberation policy. A little more than 2 weeks later on November 14 the President, in a prepared preface to his press conference, spoke of our sympathy for the suffering people of Hungary—"Our hearts have gone out to them and we have done everything it is possible to, in the way of alleviating suffering." "But," he continued, "the United States doesn't now, and never has, advocated open rebellion by an undefended populace against force over which they could not possibly prevail." One needs little imagination to appreciate the feeling of frustration which overcame the people of Eastern Europe to hear that the United States had never meant the obvious implications of its liberation policy.

It is all very well to talk of liberation or peaceful evolution. But until we formulate a program of concrete steps as to what this Nation can do to help achieve such goals, we are offering those

still hopeful partisans of freedom behind the Iron Curtain nothing but empty oratory.

AMERICAN POLICY TODAY

I respectfully suggest that the last comprehensive review of our policies with respect to the satellite areas by the Secretary of State failed to provide the specific steps necessary to implement his rhetorical goal of liberation. In that address of April 23 in New York, Mr. Dulles outlined, as I analyzed his speech, six steps as constituting our approach to liberation:

(1) Provide an example which demonstrates the blessings of liberty, and spread knowledge of that around the world, through our information and cultural exchange programs.

(2) See to it that the divided or captive nations know that they are not forgotten through such means, for example, as sponsoring a U. N. resolution condemning Soviet intervention in Hungary.

(3) Never make a political settlement at their expense.

(4) Revere and honor those who as martyrs gave their blood for freedom * * * but do not * * * incite violent revolt.

(5) Make apparent to the Soviet rulers (that) our real purpose in liberation is peace and freedom and not the encirclement of Russia with hostile forces.

(6) Encourage evolution to freedom * * * and when some steps are made toward independence * * * show a readiness to respond with friendly acts * * * see to it that the divided or captive nations know * * * that a heartfelt welcome and new opportunity await them as they gain more freedom.

This policy, if it can be called a policy, is easily stated and even more easily implemented. It requires practically no risk, no cost, no thought, and very little explanation. Its contents are neither new nor tangible, and its results in terms of helping liberate Eastern Europe are speculative, to say the least.

The key to our present policy, I believe, is found in the sixth and final item I quoted from the Secretary's address. We will "show a readiness to respond with friendly acts," with "a heartfelt welcome and new opportunity," whatever that may mean, only "as they gain more freedom and some steps are made toward independence," not before. No suggestion is made as to what we might do, in the way of positive and concrete diplomacy, to help them take those steps and gain that freedom.

I believe it is this status quo policy which has stultified all discussion of new proposals for the area—the terms under which withdrawal of Soviet troops from Eastern Europe might be arranged, Hungary neutralized, or Germany united—proposals which merit more careful analysis than they have been given. It is this approach of broad generalizations and platitudes that treats all European satellites alike, without regard to anti-Russian and anti-Slav traditions—as in Rumania—higher rates of industrialization and living standards—as in Czechoslovakia—and other distinguishing characteristics that lend themselves to individual approaches. And finally, it is this attitude, of merely waiting and hoping, that caused us to be caught wholly unprepared for the events in Poland and Hungary last October.

POLAND TODAY

I shall limit my discussion today to Poland, because that is the area of both our greatest failures and our greatest hope, and the area most urgently demanding a reexamination of our current policies. I make no claim that Poland is a typical example of Eastern Europe. On the contrary, it would be dangerously erroneous to assume that our policies and programs for that area may be applied generally behind the Iron Curtain. But the nature and success of our relations with Poland—like a wind, good or ill, that blows through the only open window in a vast and crowded prison—will vitally affect the future, the hope or despair, of every satellite country.

The most important fact about Poland today is that it is different, however easy it may be to dismiss it as just another Communist country. To be sure, it is still in many outward appearances a Communist regime. There are many magnetic pulls toward the Soviet orbit; Russian soldiers still patrol in the country; antiwestern sentiments in the U. N. are supported by Polish representatives. But it is essential that we look deeper than the labels of communism. Terrorism and thought control have very much diminished; public opinion, very markedly anti-Communist and always anti-Soviet, is influential; and at least a precarious working accommodation has been reached with the Catholic Church in Poland under Cardinal Wysznyski. Visitors in Poland note practically no Red flags and feel little of the inquisitorial pressure that has characterized most of the Iron Curtain countries. We must be very careful not to miss the internal realities of the Polish scene while looking at the outward and legal forms.

Moreover, Mr. President, there has been an increasing decentralization of agriculture. The denationalization and decentralization of industry has not been nearly as effective, but in April the Polish Parliament approved a new budget and economic plan to slacken the rate of heavy industrial expansion and raise the living standards. And perhaps most telling of all, the Polish Government last fall turned for the first time toward the West—for friendship, for increased trade, and for American credit and economic assistance.

This economic assistance was made urgent by the cruel and corrosive results of Communist mismanagement, inefficiency, and exploitation. Absentee Soviet centralization and nationalization resulted only in lower productivity, widespread raw material deficits, both labor shortages and surpluses, and increasing uselessness and obsolescence of machinery. At the moment, the unemployment problem is assuming critical proportions. This provides melancholy testimony as to the ability of a directed Communist economy to cure dislocations, maintain planning goals, and allocate raw materials—supposedly the peculiar virtues of a Socialist state. The attempt to force a heavy industralization and rearmament program too rapidly upon an economy milked dry by Soviet demands resulted in drastic shortages of consumer goods and housing, spiraling inflation, and a raging black market. It is no wonder that, without decent living standards, adequate housing or fuel, and ravaged by tuberculosis and other diseases, the Polish people turned rumbling discontent into a violent roar at Poznan, and finally last October insisted upon the new anti-Stalinist regime of Mr. Gomulka.

THE UNITED STATES RESPONSE TO POLAND: THE LOAN AGREEMENT

But it is not my intention today to dwell on Soviet brutality or Polish bravery—for I am sure this body is well aware of both—but to examine instead the response of our own foreign-policy makers to the Polish crisis and our preparedness to meet this problem.

The adequacy of that response ought to be reviewed by the Congress now, even after the Polish loan agreement has been concluded—not for purposes of distributing credit or blame, but for purposes of revising our policies and statutes for the future. In my opinion, revision will definitely be in order—for the loan agreement of last June for American aid to Poland can unfortunately be summed up in only five words—too little and too late.

I do not mean to say that that agreement was worse than no agreement at all, that it will accomplish nothing, or that it should be regarded as a waste of American funds and a mistake in American diplomacy. But I do say that this inadequate agreement, coming at such a late date, after months of haggling, indecision, and delay, fell so short of our earlier boasts and our earlier promises that it failed to obtain for either our country or the people of Poland the full benefits for the cause of independence which such an agreement might have achieved.

TOO LITTLE

Permit me to explain further what I mean when I say that this agreement is "too little." American aid under the new agreement will be helpful, to be sure. The Poles, without doubt, appreciate it and will make good use of this assistance and Mr. Khrushchev has indicated that he is not happy about it. But let us compare the assistance contained in this agreement with the needs of the Polish people embraced in their original request, a request which a bolder, more imaginative American foreign policy might have met more closely.

The Polish mission originally requested a total of over $300 million worth of aid, to prevent mass unemployment, discontent, sabotage, and either a recurrence of violence and revolt doomed to be crushed, or a return to complete economic subservience to the Soviet Union. We agreed to less than one-third of the amount requested.

Perhaps most desperate of all their needs was the Polish request for 1 million tons of wheat and other grains—to end compulsory deliveries of grain by the Polish farmers, a chief cause of discontent; to prevent skyrocketing prices from spreading hunger and starvation in the cities; and to reduce reliance upon

the irregular supplies of the Russians. One million tons of grain would have provided the Polish Government with an adequate reserve against another bad crop year, and with enough grain for use on the domestic market as a means of holding down inflation and abolishing the compulsory deliveries—a major step in transforming the former Stalinist pattern of the Polish economy, and a genuine incentive for greater farm production. But these plans are now less certain—for we agreed to only one-half of the amount requested.

The next most urgent request was for at least 100,000 tons of our surplus cotton. The Polish textile industry, one of the nation's most important, employing one-sixth of the labor force, is operating far below capacity, with many mills shut down and thousands out of work, despite a crying need for cloth—and unless their needs for cotton can be met, experts have warned, the industry will be chronically restless and completely dependent on the Soviets. But we agreed to only one-half of the amount requested.

The next Polish request was for upward of $30 million in coal-mining machinery. Coal is a mainstay of the Polish economy, constituting 40 percent of its export trade—and yet their equipment is so outmoded and run down that productivity is actually below its rate of 20 years ago. New machinery in new mines could do wonders in putting the Polish economy back on its feet without dependence on the U. S. S. R.—but we agreed to less than one-seventh of their request on this item.

Finally—in addition to a request for surplus fats, oils, and soybeans—the Poles were interested in obtaining $70 million to $100 million worth of American farm machinery, fertilizer, and seeds, to increase the output of the gradually decollectivized Polish farms. Once Poland was the breadbasket of East Central Europe—now there is not enough grain to supply bread for her own people. Here again, this nation had a dramatic opportunity to demonstrate to other Iron Curtain countries that courage in turning away from complete Soviet domination, and looking to the West for aid, could mean a better life for the farmer and the consumer. But we failed to grant a single dollar of this request.

I say, therefore, that our final offer was too little to match the striking opportunity that has been ours to seize. Mr. Gomulka is grateful for the help, and he needs it badly—but considering the risk undertaken by his government in turning to the West for aid, I can only repeat my statement that our action was too little and too late. The failure by the United States to deliver on the implied promises of Mr. Eisenhower's October speech, widely advertised through the Voice of America and other United States information media, has brought much disappointment to anti-Soviet Poles and greatly weakened their authority. The frustration of hopes has unquestionably strengthened the anti-Gomulka faction in the Central Committee, which argues that American aid is largely verbal and propagandistic. The pro-Soviet faction in the Central Committee contends that United States assistance is too erratic and meager to provide the catalyst for long-term economic development. We must make every effort to avoid a further disenchantment with the United States and a heightened acceptance of fraudulent Soviet promises.

TOO LATE

Why do I say "too late"? Let us review the record of events following the dramatic Polish revolution of last October. On October 20, President Eisenhower promptly pledged the United States to offer economic aid to Poland because of our mission to expand the areas in which freemen and free government can flourish; and the official Polish newspaper Trybuna Ludu commented editorially that we are in favor of assistance with no political strings attached. The Polish Government thereupon advised the United States that it would be interested in concluding a loan agreement. But other than a reiteration on December 18 by Secretary Dulles of our willingness to give assistance to Poland which would assist it to maintain its growing independence, the American Government took no further steps. Finally, the welcome mat was haltingly extended in February after 4 precious months had gone by; and negotiations began here on February 26. Then, while the Gomulka regime teetered on a dangerous tightrope between a new bloody, fruitless revolt and a return to Soviet domination, we offered delay and indecision, and we extended an offer of aid so small the Polish delegation dared not return home with it. On May 26, as negotiations continued to drag, a news dispatch from Warsaw reported that the Poles were forced once again to ask Moscow for increased economic help.

Long before now—

The report went on—

the Poles had hoped to be receiving United States economic assistance that would have made it unnecessary to turn to their mighty eastern neighbor again. A sense of frustration and dismay has been gathering strength for weeks in Poland over the failure to complete the Polish-United States negotiations in Washington.

Finally, after nearly 4 more precious months had passed, a partial agreement was signed in June.

The need to set our economic relations with Poland in a fresh perspective is further underscored by the fact that the survival of the Gomulka regime is more and more dependent on economic progress and specific achievements. Mr. Gomulka's early successes rested primarily upon a political ascendancy and a political detachment from the U. S. S. R. Inevitably these successes will fade into the background and popular anticipation of economic improvement will have to be met. The Polish story is but one more lesson illustrating the close harness in which political and economic development occur in the modern world. A political convalescence has no durability unless it is invigorated by economic therapy.

THE RATIONALE OF ECONOMIC AID TO POLAND

There were two fundamental reasons for the failure to meet fully Poland's needs and our opportunities. The first was a pervading doubt as to whether aid to this Communist state was a wise policy after all. The distinguished minority leader, I know, has strongly criticized such a policy; and its controversial nature convinced the administration that it should not request Congress for the specific statutory authority necessary to make the loan complete. The negotiations dragged on while the risks were weighed—and they were very real risks. There was the risk that we would be doing nothing more than aiding the prestige of a Communist regime that all too often praised the Soviet Union and criticized the West; strengthening the Communist bloc; relieving pressure on the Soviets; and permitting the U. S. S. R. to divert to armaments those resources devoted to staving off Polish discontent. Others warned that extensive American aid to Red-occupied Poland may serve only as a pretext for violent Soviet intervention, permanently crushing the Gomulka government and completely wasting any American investment.

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

Mr. KENNEDY. I yield.

Mr. MANSFIELD. The Senator has pointed out the risks in the administration's negotiations with the present Polish Government. It is true, is it not, that Gomulka is a Communist?

Mr. KENNEDY. That is correct.

Mr. MANSFIELD. It is true, is it not, that the present government in control of Poland is a Communist Government?

Mr. KENNEDY. There is no doubt of it.

Mr. MANSFIELD. Is it a Communist government closely allied to Moscow, or does it have a semi-independent status, with a certain degree of autonomy?

Mr. KENNEDY. As the Senator knows, the Secretary of State, in order to make the loan possible, defined Poland as a friendly country. It is difficult to defend that definition completely, because, of course, economic ties are intimate. But I think there is no doubt that Gomulka has attempted to and to some degree succeeded in loosening the ties with the Soviet Union which existed before the Polish revolt of last October.

Mr. MANSFIELD. Is it true that Secretary of State Dulles and the National Security Council both made a legal finding to the effect that Gomulka was not, in the strictest sense, controlled by Moscow, and therefore was eligible for American aid consideration?

Mr. KENNEDY. That is correct.

Mr. MANSFIELD. Is it true that 95 percent of the Polish people are strongly anti-Communist?

Mr. KENNEDY. I do not think there is any doubt that they are probably as strongly against communism as any other people behind the Iron Curtain, if not more strongly so.

Mr. MANSFIELD. Is it true that in the elections last January Cardinal Wyshinsky took to the radio and exhorted the faithful to vote for Gomulka?

Mr. KENNEDY. He did; and the reason he did so was that he realized, as many others realized, that there are only three choices available to the Poles, namely, the Gomulka regime of national communism; a return to the Stalinist tyranny of previous Soviet domination; or a Hungarian type experience of revolt, in which they could anticipate no aid from the West. For that reason, this represented a step away from Soviet control.

Mr. MANSFIELD. Is there any deep affection between Gomulka and the cardinal?

Mr. KENNEDY. No. I think it is a working relationship, with advantages to each—with respect to the cardinal, for the reasons given, that he feels that the alternative to Gomulka would be worse; and with respect to Gomulka, because the arrangement is a source of strength to him, and helps to cement his position, and also to fight the Stalinists within the Communist Party who are still strong politically in Poland.

Mr. MANSFIELD. Is it not true that because of Cardinal Wyyshinsky's attitude there is a greater degree of religious freedom in Poland, and a good deal more in the way of church education for the children?

Mr. KENNEDY. The Senator is correct.

Mr. MANSFIELD. Can the Senator point out what would likely be the situation if no aid were extended to Poland, and if, because of that situation, Russian penetration, a la Hungary, took place, and if, because of that fact, Eastern Germany itself should become stronger? Suppose that happened. What would be the effect on the West? What would be the effect, eventually, on East Germany pulling away from the Soviets if there were a weak Poland between it and the Soviet Union? If on the other hand, the program is successful, as the Senator has pointed out so succinctly—and of course it is a calculated risk—there is no reason why its effect will not be felt in East Germany, or other Communist satellites; nor is there any reason why it will not be felt eventually in other areas of Eastern Europe. Does the Senator agree?

Mr. KENNEDY. Yes; I agree with the Senator. I recognize the fact that there is a calculated risk involved. Nevertheless I think it is to our interest to help the Polish people at this time. I would say to the Senator the reason I am particularly concerned about this situation is, as I intend to explain, the legislative legerdemain by which we gave Poland the aid she is receiving. If the Soviet Union should turn off its supplies to Poland, there would be no funds and little authority available with which to help Poland, except possibly, under Public Law 480. In other words, because of legislative restrictions, assistance to a country like Poland would be impossible for the United States to render, and we could not give assistance to Poland until next year, first, because the $30 million which is permitted under present legislative restrictions, have already been given to Poland and, furthermore, we would have to wait for another year; secondly, because the President's discretionary and emergency fund has already been committed to Poland to the extent of $30 million, and also because there are claims on it from other areas of the world. Therefore, we have come to an impasse; and if the Polish people turned to us for assistance, if the Soviet Union cut off economic aid, I do not believe we could respond until next January or February at the very best.

Mr. MANSFIELD. I think that is correct. The administration ought to be commended for the initiative it has shown in this situation. It is a calculated risk, but it is a risk worth taking, because, if something is not done to bring about a break between the satellites, especially Poland, on the one hand, and the Soviet Union on the other, I think the peace of Western Europe, and perhaps the peace of the world, is in great danger.

Mr. KENNEDY. I thank the Senator.

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

Mr. KENNEDY. I yield.

Mr. KNOWLAND. I had not intended to interrupt the Senator at this time. However, he was kind enough to yield to the Senator from Montana, and I should like to ask some questions for clarification purposes, and I should like to have his answers to these questions, if he would be kind enough to yield to me. I very carefully read the advance copy of his speech, and I have listened to his remarks today. The proposed change in the law which the Senator has in mind would apply not only to Poland, as I understand, but also to the other so-called satellite nations. Is that correct?

Mr. KENNEDY. The Senator is correct.

Mr. KNOWLAND. I notice that the Senator states that the amount requested by the Polish mission from the Communist Gomulka government, when it came to Washington, was more than $300 million worth of aid, which amount was rather substantially cut down, as the Senator has already indicated. Assuming that the precedent of providing for the Polish Government $300 million in aid were established, has the Senator any estimate as to what, on a comparable basis, the satellite governments of Rumania, Bulgaria, Czechoslovakia, Hungary, and Albania might reasonably expect, on the basis of either population or industrial activity, or need?

Mr. KENNEDY. I would say to the Senator from California that, in my opinion, the same conditions would not prevail for a grant to any of the other countries at this time. What I am attempting to point out is this: In view of what has happened in Poland, it is possible that East Germany or other satellites may pull away from the Soviet Union, and I am thinking of legislation which will be needed over a long period of time. I hope, therefore, that such other satellite countries will come into the same position that Poland occupies today. Then, in my opinion, the Battle Act would be too restrictive to meet a situation like that. By the change I have suggested, the President would have to make a determination, as he must make now in the case of Yugoslavia, before aid could be given. However, today Poland is the only country which can qualify for aid. Not that the people of the other countries do not need aid, but Poland is the only country in which a condition of government exists and where the circumstances are such that aid can be fruitfully given.

Mr. KNOWLAND. The problem I have is that the bill covers more than Poland, and covers all satellites. I can well imagine a government sitting at Bucharest, Rumania, saying, "Mr. Gomulka, by indicating some independence"—and I will not use this time to debate how much independence he may have of the Soviet Union, but at least he has made some show of independence—"has been able to get from the United States $300 million of economic aid. If we show a little independence, as Mr. Gomulka did, we may get some economic aid, too."

Not long ago I made some computations, based on population and other factors, which would indicate that if Poland was in the $300 million bracket, and if that is the correct bracket for Poland, East Germany, and the other satellite countries could reasonably expect aid to the extent of a billion and a half dollars.

Mr. KENNEDY. If I may interrupt the Senator at that point, I should like to say that if the situation in other satellite countries were similar to that which prevails in Poland, although I do not think we can now expect that, we would be making a very worthwhile and substantial investment, because there is no doubt such a condition would imperil the security of the Soviet Union.

I would not object if there could be similar unrest and discontent with Soviet domination in other countries, to the same extent it prevails in Poland. It would be worth an investment to us.

Mr. KNOWLAND. That is the point I find difficult to understand in the Senator's thesis and presentation. He says that if there could be some discontent it would be of benefit to us, as I understand his statement. Actually, the reason for the so-called mutual-aid assistance program, under which we give assistance to the Western free nations is for the purpose of strengthening their economic foundations, so that they will have a solid political structure and so that they will be able to function, and so that their defense efforts will help protect the Free World, because we recognize the fact that if there were an economic collapse in France, or if there were an economic collapse in Western Germany, or in Italy, it would not only imperil their economies, but would certainly disrupt their political systems, and would tend to enable the Communist Parties in those countries to grow in strength, and would, in effect, help disintegrate the Free World.

What the Senator is proposing is, to the contrary, that with respect to the nations which are behind the Soviet Union, and which are under occupation by the Soviet forces, we should help strengthen their economies. In that way we would make them more satisfied with

the Communist government and we would make them less likely to try to throw off the yoke of Communist regimes, and we would make it more possible for the Soviet Union, which has been stripping the economies of those nations of billions of dollars in the way of coal and industrial production in order to strengthen the Communist war-making potential.

That is why I have great difficulty in understanding the Senator's proposal. However, I am glad he raised the issue in the Senate, because I am sure that if the bill were reported, it would have been under a most searching study. It seems to me that the Senator is now asking the American people to undertake a whole economic plan of bolstering the Communist world.

Mr. KENNEDY. There is nothing contained in the bill which would provide an appropriation. The Senator talks about making countries eligible. The point I am making is that we have seen what happens in countries like Hungary when they try to revolt. In such a case, the United States has taken a position that we will not assist a satellite country in revolting against the armed forces of the Soviet Union. That being true, I do not see how the people of those countries can win through to freedom, except through a gradual evolutionary policy such as is developing, I hope, in Poland. With such an evolution, if the Polish people turn to us for assistance, in order to lessen their dependence on the Soviet Union, we should be in a flexible enough position, if the President makes the appropriate finding, to assist them at the time when aid might best promote their freedom. If the Soviet Union, as I have said, turned the heat on the Poles today and denied them economic assistance—such as oil, for example—we would have to wait at least until next year to give assistance, because of statutory restrictions, and in the meantime it would be impossible for us because of the legislative and administrative straitjacket to grant them economic assistance.

Mr. KNOWLAND. If the Soviet Union should turn on the heat, what would be the result? Would that cause contentment behind the Soviet lines, or would it cause discontent?

Mr. KENNEDY. I do not think there is any doubt that it would bring about discontent.

Mr. KNOWLAND. When there is in the world a force which is a threat to the security and peace of the world—and at least some of us believe that the Soviet Union is such a threat——

Mr. KENNEDY. I believe it, too.

Mr. KNOWLAND. If that be the case, is it to our advantage to have contentment behind the enemy lines, or is it to our advantage to have discontent behind the enemy lines?

I could see some merit to the Senator's proposal if he were to say that we should be prepared, in the event the Soviets withdrew their forces from Poland or Hungary or Rumania, the President should have authority to help governments which would have an opportunity to be free and not be under Soviet occupation, and I would perhaps even join the Senator in proposing legislation of that kind.

However, the Senator's proposal does not state that as a condition precedent, the Soviets will withdraw their forces from Poland or Hungary or Rumania or Bulgaria before those countries will get such assistance.

Mr. KENNEDY. No.

Mr. KNOWLAND. In effect, we will be picking up the tab, so to speak, and in that way strengthening the economies of the nations while they are still under Soviet occupation.

Mr. KENNEDY. My proposal would provide that the President would have to make a finding that giving the aid would "enable such freedom-loving peoples to strengthen their capacity to maintain a sovereign national government increasingly independent of outside domination and control of the Soviet Union."

The only point I make is that we have seen, when discontent becomes too great, as in the case of Hungary, what has happened within the country when the United States has considered itself powerless to assist it. Therefore, at this time we do not wish to encourage those people to revolt, because there is nothing we can do for them, or nothing that we will do for them.

Consequently, it seems to me there is a limbo or a twilight zone between complete Soviet domination—as is true in the case of Hungary—and a free, friendly nation—a nationalist Communist government such as is evolving in the case of Poland. The question is whether, when that kind of government is evolving and developing in other satellite countries, the United States should choose to assist them. My point is that because of legislative restrictions, there is practically nothing the United States can do to aid them further except by lengthy negotiations and resort to a medley of legal artifices.

Mr. KNOWLAND. My only point is that no one can be wise enough to say that the spark which was struck in Hungary, and which developed into the revolt which occurred in Budapest, may not have set off a chain reaction which ultimately will have its repercussions in the Soviet Union itself, because Hungary was the first country within the Soviet orbit to rebel. It is important for us to point out that the people of Hungary who rebelled were the people of the younger generation, not the older people who could remember the economic or political conditions which existed under former regimes. Instead, those who rebelled were the members of the younger generation, who had never known anything but the indoctrination of communism. Despite the fact that their entire indoctrination had been by the Communist line, they were the leaders of the rebellion in Hungary. That rebellion certainly weakened the Soviet's international position and the Soviet's position in the United Nations. Certainly, it has weakened the Soviet's position in Asia, in the Middle East, and elsewhere.

The Senator from Massachusetts, with his Irish ancestry, of which he should be very proud, knows very well that for a very long period of time the Irish engaged in unsuccessful revolts. But probably the spirit which developed by means of those revolts ultimately led to the independence of Ireland. The Easter Rebellion was put down; but growing out of it, and as a result of the fires which had been lit and the chain reaction which had been begun, ultimately Ireland gained its freedom and independence.

I think none of us is able to predict what will happen; of course none of us has a crystal ball. But I believe that the spirit demonstrated by the Hungarian people may have indeed struck a spark which will have its effect for many years to come.

However, what worries me about the proposal of the Senator from Massachusetts is that unless an additional authorization is made or unless additional appropriations are made, in order to bolster the economies of these Communist countries, then the only source of aid for them will be our friends who have been prepared to stand up with us in the Free World, such as Turkey, the Republic of Korea, the Republic of China on Formosa, and our allies in Western Europe.

Many of us feel that the reductions voted by the House of Representatives were too severe. But that matter will be argued later in the Senate. However, it is certainly true that drastic cuts have been made.

There is no magical source for these funds. So, unless the Senator from Massachusetts is going to propose additional funds for these Communist-controlled nations, in addition to the mutual-aid program, then the only source of the funds will be the nations which are standing up with us in opposing the Communist menace.

Mr. KENNEDY. In the first place, the Irish revolt lasted 700 years, and the Easter Rebellion was one of a long series of disasters which befell the Irish people before they became independent. I do not wish to have the Poles undergo the same experience, especially under conditions of modern totalitarianism, and I know the Senator from California does not.

Second, the revolt in Hungary resulted in the slaughter of great numbers of Hungarians and in putting the surviving and suffering Hungarians even more tightly in bondage.

At this time, in view of the unwillingness of the United States to decide on an aggressive policy, if such an event occurred in the case of Poland, I do not wish to have the Poles have to go through the same ordeal the Hungarians went through last year, even if the result were to weaken the Soviets. I do not wish to have the Poles become storm troopers in connection with such an effort, and to have them go through such disaster and bloodshed, even though the Senator from California has said that, as a result, discontent might develop among the satellite countries in the Soviet orbit. I do not believe these countries can make one leap from Soviet domination to freedom.

I am proposing that if the United States gave money to a country which

found itself in the same situation as that in which the Poles now find themselves, the President could submit the matter to Congress, and request Congress to make the authorizations and the appropriations. In that way, I think the proper safeguards would be provided.

But when a country is going through the evolutionary process through which I believe Poland is going, I believe it is in the interest of the United States to reasonably assist that country. As I understand, the position of the Senator from California is that unless the country is free, it would not be in our interest to assist it.

Mr. KNOWLAND. I would say to the distinguished Senator from Massachusetts, that when we can give hope and assistance to enslaved people in the world we should do so. But I do not believe we should use the funds of the American people to bolster the economic and political systems of the Soviet world and of the Communist governments which control the people of satellite countries without their approval, and by means of the force of Soviet divisions which are kept in those countries. If there is any way by which we can give encouragement to those people—for instance, if there is any way by which we can negotiate with the Soviet Union for the withdrawal of its troops, and if, as a result, they are withdrawn—then I think we can well give help to the peoples of Hungary, Rumania, Poland, and Czechoslovakia, who then would be outside the Soviet occupation. I think there would be great merit in doing that.

If there is no other way, then I should think we would be prepared to help them—and I believe there would be merit in it—by working toward modification of the Yalta and other world-war agreements, so as to enable those countries to have free elections. In that event, so long as the elections were free, we would be willing to have the people of those countries elect according to their own choice—regardless of whether, as a result of the election, they were to have a Communist government, a Socialist government, or a democratic government.

But I believe it would be a great mistake for us to strengthen the economic and political systems of the Communist dictatorships in those nations, while they are behind the Soviet lines or within the Soviet orbit, and when we know that, on the other hand, any weakness behind our lines would, in effect, be a contribution to the Soviet potentials.

Mr. KENNEDY. Of course I should like to see the Soviet Union withdraw its forces. Of course I should like to see free elections held. And, of course, I should like to see the provisions of the Yalta Pact affecting these areas changed. But in my opinion those things will not happen in the foreseeable future.

Because I recognize the situation as it is, I am interested in whatever practical assistance we can give the Polish people, as they turn to us for aid. In my opinion, what I have proposed is all we can do for them, short of the things the Senator from California has described, which I hope for just as much as he does, but which the Soviet Union will not permit to happen, in view of the present cold war which exists between the Soviets and the West.

Mr. KNOWLAND. Of course what we do not know, and what the distinguished Senator from Massachusetts and I cannot demonstrate to the satisfaction of each other, or perhaps to the satisfaction of our colleagues—in fact, perhaps only history will demonstrate it—is whether the theory of the Senator from Massachusetts is correct. The Senator from Massachusetts has one theory regarding what will happen if the United States does what he proposes and what will happen if the United States does not do so.

However, I submit to him that there is another tenable position, namely, that if we do not do as he has suggested, then the Soviet Union must itself contribute more aid to those countries. Certainly there is serious question as to whether the Soviet economy could stand the strain which would result from giving such aid to those countries.

In that connection, of course, we are aware of the internal pullings and haulings within the Kremlin and of the fight which has been going on there, and we realize that only recently Molotov and others of the Kremlin hierarchy were deposed. Furthermore, we realize that the giving of such additional aid by the Soviets might result in bleeding the Russian people white. Moreover, probably only a minority of the Russians want a Communist regime.

So at that point, if we did not "pick up the check" for the Soviets and take care of stabilizing the Communist regimes in the satellite nations, the Soviets might then find themselves in such a position that they would be willing to negotiate for the withdrawal of Soviet forces, so long as there could be, at that point, a guaranty that the United States had no aggressive intent against them—and, as the Senator from Massachusetts and I know, no responsible person in this country has such an intent—and so long as we could obtain from the Soviets assurances that they had no aggressive intent. In that event, it might be possible to build up a neutral bloc of such nations—including Hungary, Poland, Rumania, and Czechoslovakia—which would not be under Soviet occupation, and which really would contribute to the peace of the world and, equally important, to the freedom of those peoples, because I submit there is something more in life than merely looking forward to having to live in perpetuity under a Communist regime.

Mr. KENNEDY. If the United States were ready to say to the Poles that if they revolted, the United States would come to their assistance, as the administration once seemed to suggest, then I would agree that the Senator from California is correct. But experience shows that we would not come to their assistance. Therefore, I do not believe it is beneficial to deny them aid to lift their standard of living, on the theory that to do so would mean that eventually they would revolt, and then to have the United States say that it would not do anything to help them after they had revolted. I do not believe such a circular position makes much sense, in view of the practical realities of the situation existing behind the Iron Curtain.

Mr. MANSFIELD. Mr. President, will the Senator from Massachusetts yield to me?

Mr. KENNEDY. I yield.

Mr. MANSFIELD. I think it would do all of us good to examine the map of Western Europe and the position in which Poland finds herself. She is squeezed between the Soviet Union, on the east, and East Germany, on the west. We know there are 50,000 Soviet troops on Polish soil. They cannot be dislodged, except by force. We know that the Soviets have in excess of 20 divisions in East Germany, a satellite country. I have an idea that the future of the peace of Western Europe is tied up with the question of the unification of Germany.

If the Poles can be dragged away from complete and outright domination by the Soviet Union—and at the present time the Soviet Union exercises such dominations over Bulgaria, Rumania, Hungary, and Czechoslovakia—then I think there is a chance of furthering the existing difficulties and causing greater unrest among the other satellites; and—and this is most important, in my opinion—I think there is also a chance of bringing about a weakening of the East German Communist People's Republic, so-called. If we can do that, then I think we shall be hastening the day, through the use of aid to Poland, for the reunification of Germany and the settling of one of the deep-seated problems of friction in all Europe.

I point out, with reference to maintaining the lines of communication and troops in Hungary and Rumania, that under the agreement, the Soviet Union was supposed to have withdrawn its troops from the two countries when the Austrian peace treaty was finally ratified. We made no move to call that matter to the attention of the Soviet Union; at least I do not know of any move we made in that direction. Certainly, after more than 274 meetings of our representatives with those of the Soviet Union, Great Britain, and France, which led to the Austrian peace treaty, we should have brought to the attention of the Soviet Union at that time the clause in the prior agreement that Russia would withdraw its troops and not maintain lines of communication in Rumania and Hungary. We did not do that.

I certainly think the President, the National Security Council, and Mr. Dulles are right in taking this calculated risk, because while it may fail and react against us, if we do nothing we pave the way for the Soviet Union to entrench itself that much more strongly in Poland, in East Germany, and in Central Europe.

Mr. KENNEDY. I thank the Senator.

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

Mr. KENNEDY. I yield.

Mr. LONG. It seems to me of the matters we must keep in mind with respect to Poland is that a revolt is not likely to be successful so long as Soviet troops are kept there, as the Senator has said, whereas the Polish people

might rise in revolt if there were no Russian troops present.

If the Soviets should decide to take an all-out risk and gamble with the possibility of war with the West, which would include the United States and the NATO nations, the question then would be, Where would the loyalty of the Polish people be? Having been there, I do not think the Soviets could count on even 1,000 people in Poland taking Russia's side. It might be that Russia could find that many persons who would say that they would take Russia's side, but so far as finding 1,000 people in Poland on whom Russia could rely, I doubt that it could be done. We saw what happened in Hungary when Hungary's forces were called to put down the revolt. Instead of the Hungarians using the arms furnished by the Soviets against those who were revolting, they used them against Russia's troops. Russia would have that same problem in Poland. In other words, I think it is quite possible that the arms Russia is giving to Poland might be used against Russia in case Russia became involved in a great aggression against Poland.

One reason for the ill will of Poland against Russia is the fact that the Russian Army sat across the river while the German stormtroopers were liquidating the underground fighters who were trying to help defeat the Nazis before the Russians crossed the river. Warsaw was more completely destroyed than was any city in Europe. It always seemed to me it would be of great help if this country should offer to rebuild the city, in order to indicate the good will of this Nation toward the people of Poland, which good will might some day pay off in the event an occasion arose where we would want Poland to be on our side.

Mr. KENNEDY. I think that would be particularly helpful in the field of housing. I was going to mention that a little later in my statement. I thank the Senator very much for what he has said.

No, I do not say that there are no real risks in aiding the Gomulka government. But I do say that the United States had an even greater responsibility, as leader of the Free World, to take those risks, to meet this opportunity and this challenge. Any other course would have either forced a suffering nation into a fruitless revolt—or forced the Polish Government to become hopelessly dependent once again on Moscow completely, on Moscow's terms. Any failure on our part to help Poland today is only encouraging the Polish Stalinists—who have already considerably exploited the delay in our loan negotiations—in their anti-Western propaganda; and it is very possibly causing the collapse of the present, more independent government. Other satellites, we may be sure, are watching—and if we fail to help the Poles, who else will dare stand up to the Russians and look westward?

If, on the other hand, we take these risks, through a more adequate program of loans and other assistance, and provide a dramatic, concrete demonstration of our sympathy and sincerity, we can obtain an invaluable reservoir of good will among the Polish people, strengthen their will to resist, and drive still a further wedge between the Polish Government and the Kremlin. For the satellite nations of Eastern Europe represent the one area in the world where the Soviet Union is on the defensive today, the tender spot within its coat of iron armor, the potential source of an inflammation that could spread infectious independence throughout its system, accomplishing from within what the West could never accomplish from without.

Poland may still be a satellite government—but the Poles, as I have said many time, are not satellite people. To deny them help because they have not been able to shake off total Communist control would be a brutal and dangerous policy, either increasing their dependence on Russia, driving them into the slaughter of a fruitless, premature revolt, or causing them to despair of ever regaining their freedom.

It is difficult to believe the latter could ever come about. I was in Poland less than 2 years ago. I saw firsthand not only the total repression which gripped that country in contrast with the gradual increases in freedom we have witnessed since last October; but I saw, too, that the Polish people of the mid-20th century would never in their hearts accept permanent status as a Soviet colony. Indeed, the people of Poland—because of their religious convictions and strong patriotic spirit, because of their historical hatred of the Russians—are perhaps better equipped than any people on earth to withstand the present period of persecution, just as their forefathers withstood successive invasions and partitions from the Germans and the Austrians and the Russians for centuries before them, and just as theirs was the only country occupied by Hitler that did not produce a quisling.

But time works against the people of Poland. It is upon the youth who have no recollection of a free Poland that the Communists concentrate their attention. Given control over education, given control over all the means of communication, given at least an indirect limitation on the traditional influence of the church, given all of the weapons of a modern police state and given time to consolidate their gains, the Communists feel that they can remake Poland and the Polish people.

If the Poles come to believe that we in the West, with all of our advantages and wealth, care little about their problems and are unwilling to risk going to their assistance even economically, then even their courageous struggle to preserve the spirit of independence may fail.

I recognize, of course, that others have pointed out advantages for us in refusing aid to the Poles—it will make matters more difficult for their Communist government and absentee Soviet masters, and it will demonstrate our recognition of the degree to which the Polish Government is still within the orbit of Soviet control and ideology. But the hunger and misery of other freedom-loving peoples have never been weapons of American foreign policy—and if there is even a slight chance that this demonstration of friendship on our part will help the Polish people to loosen further the bonds of Soviet domination, then the obvious gains to this Nation and the Free World will have been well worth the effort. If, on the other hand, Poland should once again slip completely behind the Iron Curtain, then this Nation will have at least demonstrated to the world our willingness to help impoverished, freedom-loving people in any land, whatever the political situation may be.

THE STATUTORY FRAMEWORK HAMPERING POLISH AID

The second reason for the final American loan agreement being too little and too late was the inflexibility of our various foreign-aid statutes in dealing with a nation in Poland's unique position between Moscow and the West. The Battle Act, which is the pertinent law governing this aspect of our foreign aid under the Mutual Security Act, and the Agricultural Surplus Disposal Act, recognize only two categories of nations in the world: nations under the domination or control of the U. S. S. R. or the world Communist movement—and friendly nations. They make no recognition of the fact that there can be shades of gray between these blacks and whites—that there are and will be nations such as Poland that may not yet be our allies or in a position to be truly friendly, but which are at least beginning to move out from Soviet domination and control.

Thus, in order for American surplus cotton and wheat to be sent to Poland as a part of this loan, it was necessary for Secretary of State Dulles to make the highly arguable finding that Poland is not dominated or controlled by the U. S. S. R. and is a friendly nation—a finding which was vulnerable on its face to criticism and ridicule from the opponents of Polish aid. In order for the rest of the loan to go through, the administration was forced to resort to still another legal artifice to get around the Battle Act, transferring to the Export-Import Bank for loan purposes money from the President's unrestricted foreign aid contingency fund under section 401 of the Mutual Security Act—an action which brought with it a $30 million limitation on the amount going to any one country in any fiscal year. Morever, part of the local currencies resulting from sales of agricultural surpluses are often loaned back to the recipient nation for economic development projects—but this presumably cannot be done in Poland's case because of the Battle Act.

We may, by resorting to these artificial—though self-defeating—devices, have avoided for a time the responsibility of openly ventilating this problem in the Congress and the larger forum of public opinion. But the issue cannot be long smothered. The existing agreement may need additional legislative implementation—a new and more adequate Polish loan undoubtedly will be requested in the near future—and while the Gomulka government falters and all of Eastern Europe watches its performance and our response, Congress and the administration must face up to this issue directly.

PROPOSED LEGISLATION

For these reasons, I am introducing today a bill to amend the Battle, Surplus

Disposal, and Mutual Security Acts which would make unnecessary these strained interpretations to sell or loan surplus foods for local currencies to countries in Poland's situation; which would permit regular Export-Import Bank loans, guaranties of private loans, and presumably regular foreign-aid development loans under the Mutual Security Act; and which would thus recognize that nations in neither the completely friendly nor completely dominated categories may be in a situation where American aid—surplus sales, development loan, commercial loan, technical assistance—might well, if the President so determined on a selective basis, be in the interest of the national security of the United States.

Specifically, this bill would authorize such assistance whenever the President shall determine that there is an opportunity thereby—

1. To assist the freedom-loving peoples of any such nation to achieve greater political, economic, and social freedom and well-being; or

2. To enable such freedom-loving peoples to strengthen their capacity to maintain a sovereign national government increasingly independent of outside domination and control; and thus to promote world peace and to strengthen the national security of the United States by expanding the areas in which freemen and free governments can flourish.

OTHER STEPS

Finally, what other steps might be taken to help the Poles short of civil or international war?

First, perhaps the next most important step we could take would be an increase of people-to-people contacts, of cultural, scientific, and educational exchanges, of reciprocal visits by delegations representing every aspect of life in the two countries. In addition to improving our propaganda activities, let us also break through the long isolation from the Western World, imposed upon the Polish people by the Soviets with films, records, and a true picture of life in the West. I emphasize "true," for it has repeatedly been shown that cheap sensationalism, public-relations gimmicks, and the propagation of unrealizable promises and hopes only injure our prestige. Though no information program can be perfectly attuned to political needs or address itself to all potential audiences, it is probably true that the British, working with a much smaller budget, have very often had better effect in radio broadcasts to East Europe—especially in their transmissions of simple, unadorned, and factual news broadcasts.

There has been some progress made already in unofficial student-teacher exchanges through the generosity and foresight of the Ford and Rockefeller Foundations. These are beginnings, which the Congress, acting within the framework of the Smith-Mundt Act, could further consolidate to demonstrate our readiness to take advantage of a unique opportunity to strengthen our ties with the Polish. This kind of aid is not costly, and yet is rewarding—especially in Poland, where the younger generation and university students and teachers have been singularly brave and resistant to Communist pressures. In no small measure, the Polish Revolution is an intellectual revolution fed by the infusion of Western ideas, books, and principles of conduct.

Second, we may strengthen ties by an expansion of trade, visible, and invisible, between our countries. American exports are only a fraction of their prewar level. Other than Polish hams and coal-tar derivatives, we have done very little to encourage those imports which might be most suitable for our markets. The Poles have indicated their desire to accelerate considerably the flow of commerce between our two countries—and I am confident that some of these wishes can be fulfilled. One very practical step we could take would be to lift the bars—as the Canadians have done—against Polish ships and liners coming to our ports. At a later date it may be possible to certify a Polish airline for transatlantic air service. These are very practical moves which would have a bracing effect on Polish dollar income, fill a general consumer need with ever enlarging international travel, and encourage people of Polish extraction to make visits to Poland.

There are also exports which the United States might make to Poland through private-capital investment, possibly with governmental sponsorship. One suggestion which has been under discussion is American sponsorship and financing of a housing district in Warsaw, preferably illustrating also some of the best features of our contemporary architecture and urban planning. We have seen in Berlin how the Germans with Western help have undertaken some large building and construction programs which not only fill vital needs but also offset the impressive showpiece facade of Russian rebuilding in the Stalinallee of East Berlin. In Warsaw, too, we could counter the gaudy and hated Soviet Palace of Culture with such a municipal project.

Third, we should explore further the possibilities of offering a program of technical assistance to the Gomulka government. Such a policy is obviously subject to some of the same risks as economic assistance, but it also offers even greater possibilities for enlarging the independent personality of the Polish nation. I feel certain that ways can be found to help the Poles acquire expert help, especially for agriculture and the management of medium-sized industry.

Fourth, the United States should consider some humanitarian relief to repatriates who are still, 12 years after the war, returning from Russia. This is more in the nature of emergency, short-term aid to tide over some of these persons who are finding it very difficult to locate jobs and shelter. All in all there are about 300,000 returning, of whom 20,000 to 25,000 were members of the Polish underground, whom General Eisenhower in September 1944 rightfully called fellow combatants.

Fifth, we must think more clearly and make more specific preparations for effective action in case of another outbreak of violence or Soviet intervention in Eastern Europe. The dangers of such a crisis persist in Poland, where anti-Russian sentiment and continued political and economic discontent make Mr. Gomulka's efforts at gradualism very hazardous indeed. It could recur in Hungary—or East Germany—or Rumania, or elsewhere in Eastern Europe. The West cannot be caught again, as it was during the Berlin riots of June 1953 or last fall in Poland and Hungary, without coordinated policies or machinery to meet such a crisis.

For on last October 21, Mr. Dulles, during an era of Republican campaign pacificism, veered to an extreme position when he wrote off completely any possibility of the use of American military means in East Europe, thus inviting Soviet intervention. I suggest that Mr. Dulles and his party, who have often condemned the previous Secretary of State for his January 1950 speech on the Far Eastern perimeter and Korea, might usefully ponder Mr. Dulles' much more sweeping remarks of last October in regard to East Europe. At the very minimum, it would be desirable at once to create a permanent U. N. Observation Commission, ready to fly at a moment's notice to any spot where an advance toward freedom is menaced by Soviet intervention. The recent and classic U. N. Commission report on Hungary, though in the nature of a post mortem, indicates how world opinion could be rallied if such an investigation could be made on the spot and simultaneously with the rupture of a nation's independence.

Sixth, finally, we must view the Polish problem in its wider European setting. Though chances for a general European and German settlement are not at the moment bright, we must not foreclose possibilities when they present themselves. New policies and proposals for troop withdrawals, disarmament, and neutralization must receive our careful consideration. Moreover, the effect of our present policies—our failure to outlaw genocide, the inadequacy of our assistance to refugees, escapees, and repatriates—must be reexamined.

Especially, we cannot honestly overlook the close connections between our policies toward Germany and those toward Poland. Though I agree in very wide measure with the policies of our Government toward Germany under both Democratic and Republican administrations, there is, I think, a danger that the very unanimity of support which they have enjoyed makes them a little too rigid and unyielding to changing currents in European politics. The United States has had every reason to rejoice in the statesmanship of Chancellor Adenauer and the impressive leadership he has given in shaping the new German democracy. But I do think that the United States, in assessing this achievement, has in its public statements and in the more informal workings of its diplomacy unduly neglected the contribution of the democratic opposition, the German Socialists, whose resistance to communism has been stalwart and who may someday become a part of a German Government with whom we shall be allies. Especially in Eastern Europe, it has not been to our interest

to make pariahs of the German Social Democrats.

Chancellor Adenauer on August 4 gave public voice to the rising realization that there will soon have to be an exchange of recognition between Western Germany and Poland, despite the unfortunate fact that all the countries of Eastern Europe recognize also the Communist regime of Eastern Germany. There is already substantial trade between Western Germany and Poland, and we should seek to clarify the benefits of an exchange of political recognition between the two countries.

I realize that this raises some collateral issues of great complexity—particularly the question of the Polish western borders and the German eastern territories which the Potsdam Agreement passed under Polish administration. This question, perhaps, more than any other, serves to create gravitational pulls in Poland toward Russia. It is not possible or proper to freeze the legal status of these territories until there has been a final peace conference. The German Foreign Minister, Dr. von Brentano, asserted last December 14 that this was an issue which could be worked out in a European spirit and that there are possibilities for negotiation. One former High Commissioner in Germany, John McCloy, a distinguished Republican who ably served the United States and the cause of the new Germany, has likewise pointed to the danger of failing to determine the future of these territories. This is not a matter on which the United States should impose a settlement, but we can encourage the many reasonable voices in all parties who have recognized the need in Germany to press toward an accommodation of this dispute. Fortunately, with full employment and a sustained prosperity in Western Germany, this is a matter which is less charged with emotional asperities than it was some years ago. It is certainly within the interests of the United States to adopt an attitude which accepts no settlement which has not been recognized by a free Polish nation. To say this is not, of course, to gloss over the fact that many Germans have suffered in these territories and that many expellees—especially the older ones—have not found happiness or even a tolerable existence in their new homes.

Finally, it is obvious that we should, where possible, avoid the minor irritants which can be magnified into national affronts. A small recent example was an action of the State Department in changing methods of issuing passports. Although perhaps meaningless to us, it was provoking to the Poles when the State Department altered the way in which the birthplace of persons born in the eastern territories is indicated. For nearly 12 years after the war, a person born in Breslau or Stettin was identified as having been born in Poland. This year the identification was changed to Germany—under Polish administration. Whatever the reasons for such an action, it only plays—at this date—into the hands of the U. S. S. R.

CONCLUSION

There is, Mr. President, no single passkey to freedom in this program, no easy solution by which Poland can gain its freedom effortlessly or by simple counting on the internal erosion of the Soviet Union. Action and foresight are the only possible preludes to freedom. And there are, I repeat, obvious risks. There is a sardonic saying of a Polish exile that we might recall: "I wish," he said, "that Poland would become the world's business rather than the world's inspiration." We have too long covered a nakedness of policy with lofty phrases, which call attention to the glory of Poland, but hardly offer signposts to her salvation. Recent dispatches from Warsaw have made it all too clear that the brave people of Poland are still, even under present conditions, in a prison—however more tolerable their jailers may have become. But are we to ignore their needs because they cannot escape by one leap or by picking one lock? Is this an excuse for inaction? Have we forgotten the words—I was—

> Hungry, and you gave me to eat;
> Naked, and you covered me;
> Sick, and you visited me;
> I was in prison, and you came to me.

Mr. President, I introduce, for appropriate reference, a bill to authorize the President under certain conditions to permit the entering into of loan, grant, or other aid agreements with certain nations.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2828) to authorize the President under certain conditions to permit the entering into of loan, grant, or other aid agreements with certain nations, introduced by Mr. KENNEDY, was received, read twice by its title, and referred to the Committee on Foreign Relations.

AMENDMENT OF SECTION 22 OF INTERSTATE COMMERCE ACT—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. SMATHERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMATHERS. What is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the conference report on Senate bill 939.

Mr. SMATHERS. I thank the Chair.

I might state, for the information of the Senate, that the conferees are of the opinion that they are ready to vote. However, I have been advised that the Senator from Tennessee [Mr. KEFAUVER] desires to make some expression in opposition. I am of the opinion that the Senator from Alabama [Mr. SPARKMAN] also wants to make a record.

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

Mr. SMATHERS. I yield.

Mr. SPARKMAN. There is a little matter with relation to the veterans' housing bill which I hope we can dispose of in a very short time. It is a matter of agreeing to a House amendment. That will give time to give notice to the Senator from Tennessee.

Mr. SMATHERS. Mr. President, I am happy to yield, with that understanding, to the Senator from Alabama.

HOUSING ACT OF 1957

Mr. SPARKMAN. Mr. President, there is on the Secretary's desk the bill, H. R. 4602, which passed the Senate recently. The Senate asked for a conference and appointed conferees. The House, instead of agreeing to a conference, accepted the bill with an amendment. It is apparent that in the amendment of the House the amount of authorization is greater than the Senate intended, in that it would be $350 million. It seems to me the amount really intended was $200 million.

I should like to move, Mr. President, that the Senate accept the amendment of the House with an amendment which I will send to the desk and ask the clerk to state.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4602, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
August 13, 1957.

Resolved, That the House agrees to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 7 to the bill (H. R. 4602) entitled "An act to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from $10,000 to $13,500, to authorize advance financing commitments, to extend the direct loan program for veterans, and for other purposes."

That the House agrees to the amendment of the Senate numbered 6, with an amendment, as follows: Strike out the matter proposed to be stricken out by the Senate amendment and in lieu thereof insert the following:

"(c) Subsection (d) of such section 513 is amended (1) by striking out '1957' and inserting '1959'; (2) by inserting immediately after 'so advanced' the following: 'under this sentence'; and (3) by inserting immediately after the first sentence therein the following new sentence: 'The Secretary of the Treasury shall also advance to the Administrator from time to time until July 25, 1959, such additional sums as the Administrator may request (not in excess of the difference between the amounts advanced under this subsection

after June 30, 1955, and the maximum amounts which could have been advanced upon the request of the Administrator after June 30, 1955, and before the date of the request).'"

Mr. SPARKMAN. Mr. President, I send to the desk an amendment to the amendment of the House to Senate amendment No. 6, and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment to the House amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. In lieu of the language inserted by the House amendment to Senate amendment No. 6 it is proposed to insert the following:

(c) Subsection (d) of such section 513 is amended (1) by striking out "1957" and inserting "1958"; (2) by inserting immediately after "so advanced" the following "under this sentence"; and (3) by inserting immediately after the first sentence therein the following new sentence: "The Secretary of the Treasury shall also advance to the Administrator from time to time until July 25, 1958, such additional sums as the Administrator may request (not in excess of the difference between the amounts advanced under this subsection after June 30, 1955, and the maximum amounts which could have been advanced upon the request of the Administrator after June 30, 1955, and before the date of the request)."

Mr. SPARKMAN. Mr. President, I move that the Senate agree to the Senate amendment to the House amendment to Senate amendment No. 6.

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

Mr. SPARKMAN. I yield to the Senator from Ohio.

Mr. BRICKER. The suggestion of the Senator from Alabama is to the effect that there will be added $125 million to the sum which has already been authorized?

Mr. SPARKMAN. One hundred and fifty million dollars.

Mr. BRICKER. One hundred and fifty million dollars?

Mr. SPARKMAN. That is correct.

I may say to the Senator that is the amount which heretofore has been added automatically each year for which an extension was granted.

Mr. BRICKER. Each year, when an extension was made, it has automatically carried such an authorization from the original bill.

Mr. SPARKMAN. That has been true heretofore.

Mr. BRICKER. Mr. President, I should like to say to the Senator from Alabama that this is about the best which can be done under the circumstances. The House increased the authorization in the bill as passed by the Senate to, I believe, $300 million.

Mr. SPARKMAN. Three hundred and fifty million dollars.

Mr. BRICKER. Which amount is entirely out of reason. There was a great deal of opposition, as the Senator knows, in the committee to any extension of the program. The necessity for the program, if there be one, arises from the unrealistic interest rate carried on the GI loans, which has practically dried up the market for GI money. The Government is now entering into the direct-lending field, which, I think, is unsound, except in those cases where it is necessary in a war or defense effort, or something of that kind.

I should like to see this matter go to conference, but I presume that such a delay would not accomplish a great deal.

Let me emphasize the fact that we are now approaching the ceiling on the debt limit. We are, by the action proposed, asked to add another $150 million to the authorized expenditures of our Government, so that we will push the total debt amount that much closer to the debt ceiling.

I do not think any Member of the Senate wants to see an increase in the debt ceiling; I know the Senator from Ohio does not; although it may be necessary if the Government keeps on borrowing money and lending money, and going into this and that field, which I do not believe is essential or necessary at this time.

We have entered into a program by which interest rates are increasing, yet we have been unwilling either in the Senate or in the other body to increase the interest rates on the GI loans. If there is any reason for this at all, it is because that program has broken down simply because the Congress will not meet the practical situation and make a realistic reappraisal of the interest rates on the GI loans.

I am opposed to the action. I think the matter ought to go to conference and be worked out. On the other hand, I realize the Senate passed the bill, and possibly such action would not achieve a great deal.

Mr. SPARKMAN. Mr. President, I wish to say to the Senator from Ohio that I know he did not intend to leave the impression that this is a new program.

Mr. BRICKER. The program has been carried on for many years, with the exception of 1 year when there was nothing appropriated and another year when only $25 million was authorized.

Mr. SPARKMAN. I believe there has been a program every year since it started. The primary purpose is to reach veterans who live in rural and semirural areas in which mortgage money is not available. This program had that purpose in view even when the interest rate was the same on the GI and FHA loans.

Mr. BRICKER. These programs have a way of going up and up and up, and adding more and more to the debt which, in the final analysis, the general taxpayer has to carry. I do not feel that it is an essential program, because of the limited amount available and because there will have to be discrimination between the veterans who apply. I think the Senator realizes that there cannot be enough money to supply everybody, under the present market demand, with 4½ percent interest loans.

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

Mr. SPARKMAN. I yield to the Senator from Connecticut.

Mr. BUSH. I feel, Mr. President, very much as does my distinguished colleague, the Senator from Ohio [Mr. BRICKER], who has just expressed himself. This program originally was designed to attract the money of private investors to finance the home-building program. As the Senator from Ohio says, the fact that the Congress insists on keeping an unrealistic interest rate on the program has resulted in a disinclination of private investors to put up the money.

We now ask the Federal Government to buy up these mortgages to the extent that the Senator from Alabama recommends. I agree that we should not be doing so at this time.

The Senator from Ohio has pointed out that we must consider the debt limit. The authorized legal debt limit is under pressure. By the action proposed, we will authorize the expenditure of an additional $150 million today, which is a potential $150 million additional pressure against the debt limit, at a time when we should be trying, in my judgment, to reduce the budget so as to offer to the people next year some opportunity for a tax reduction.

I feel very unhappy about this procedure. I feel we are somewhat handcuffed by the situation we face. I do not propose to do very much more about it, but I wish to register my protest for the RECORD, and to state that this is not a sound way to conduct the program. If the interest rate had been raised to an amount comparable with the interest rates other citizens have to pay, I think the money could have been attracted to the program so that we would not be faced with the budgetary situation we confront today.

I thank the Senator very much for yielding to me.

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

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

Mr. LONG. The RECORD should indicate that there are varying points of view on this matter.

I should like to make clear that in my judgment the Congress is not derelict in not raising interest rates for veterans' housing loans. If the Congress is derelict in its duty in any respect, it is derelict in not requiring the Federal Reserve Board to use its powers, which Congress delegated to the Board, in the national interest to hold down interest rates.

I believe that by the time the investigation of this matter is completed it will be established that the high interest rates and the so-called tight money policy are not doing what it has been claimed they would do, when it was said they would resist inflation. They are not stopping inflation. As a matter of fact, inflation is occurring in areas where this policy has practically no effect whatsoever.

However, the policy is penalizing the National Government by increasing the cost of government $1,250 million a year at the present time. If continued, the policy will increase the cost of government more than $4.5 billion a year. If applied to the private debt as well as the public debt, the result of the policy would be that those who must pay interest on borrowed money would have to pay an increased charge of $15 billion a year. That is the same, in effect, as putting a tax on the poor for the benefit of those who are better fixed financially.

Many of us feel that if we are going to take any action it should not be an action to raise interest rates on a veteran's loan, but it should be an action which will make credit more freely available to all people who wish to buy homes on more reasonable terms—on terms which are in line with what we have had in the past.

The Senator knows as well as I do that housing starts at the present time are 20 percent below what they were about 18 months ago. We could have cleared many slums and could have built many new houses, more decent and fit for human use, in that period of time. The facilities, the labor, and the materials are available.

The Senator perhaps knows, as I know, that when we increase the cost of interest 1 percent, we increase the monthly mortgage payments by 10 percent. We increase the over-all cost of buying the house by 10 percent. Realizing all those consequences, some of us feel that while we need to go forward with home construction—and this bill will help—we are not prepared to vote to raise interest rates, because rather than raising them we ought to be doing something to bring them down.

Mr. SPARKMAN. Interest rates are not involved in the bill at all. I appreciate the remarks of the Senator from Louisiana, but there is no provision in the bill relating to interest rates, one way or the other.

Mr. LONG. The point is made that the bill is necessary because Congress has thus far declined to raise interest rates on veterans' loans. I wish to say for the RECORD that so far as I am concerned, I believe our effort should not be directed toward increasing interest rates but toward reducing them.

Mr. SPARKMAN. I appreciate the remarks of the Senator from Louisiana.

I wish to make it clear that this law was in existence when interest rates were low. The program has gone forward at the rate of from about $100 million to $150 million a year. This is nothing new. It is simply an extension of the program for a year, with the provision of about the same amount of money we have provided heretofore. It is for the purpose of reaching those veterans who could not be reached, regardless of what the interest rates are, simply because mortgage money is not available in many rural communities.

Mr. LONG. There is one Senator who is not unhappy about voting to reduce interest rates.

Mr. JAVITS. Mr. President, I should like to express my support of the Senator from Alabama on this subject.

This measure is only making good the promise we made to veterans. I feel that we should not yield to the argument for higher interest rates. I have heard the figure of $15 billion mentioned time and again as to the cost of higher interest rates; it must, of course be juxtaposed to what the American working man has been saved in terms of inflation which is probably a multiple $15 billion.

However, low interest rates are characteristic of our vital economy and should be the norm. But, I do not think this is the place for that argument on interest rates. We promised the veteran a 4½-percent interest rate because of his special status, because he lost essential years of his earning power. I am for making good on our promise.

I think that is all the Senator from Alabama is doing in advocating giving the veteran a loan opportunity for housing. It is true that this bill would not greatly benefit my section of the country. In the large cities there are also great problems involved in raising money for mortgages. However, the bill would help to take the strain off the mortgage market to a certain extent. But whether it did or not, the point is that we are redeeming our promise to at least some of the veterans.

I am glad the Senator has brought about an accord to get this bill passed.

Mr. SPARKMAN. I thank the Senator from New York.

With further reference to the interest rates, I was quite pleased to read in the Wall Street Journal of yesterday that the Chairman of the Federal Reserve Board, William McChesney Martin, Jr., said he saw some glimmer of hope that interest rates would come down. I look forward to the day, let me say to the Senator from Louisiana, when that becomes a reality.

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

Mr. SPARKMAN. I yield.

Mr. LAUSCHE. I do not recall what the amount was that the Senate committee recommended to deal with this item.

Mr. SPARKMAN. In the Senate committee we recommended an extension of the program for 25 days, in order to make it coterminous with the VA guaranty; and we provided $50 million additional.

When the bill came to the floor of the Senate, the Senator from South Carolina [Mr. THURMOND] representing the entire Labor and Public Welfare Committee, offered an amendment to extend the VA program by another year, and we extended this program for another year, to make it coterminous.

All we are seeking to do is to ratify the appropriation of $150 million, which ordinarily would have been for the full year.

The House, in its amendment, voted not only that amount, but an additional $150 million. We are asking that the bill be sent back to the House carrying a figure of $200 million, rather than $350 million.

Mr. LAUSCHE. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama that the Senate agree to the Senate amendment to House amendment to Senate amendment No. 6.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 96) to authorize establishment of the U. S. S. *Enterprise* (CV–6) in the Nation's Capital as a memorial museum.

The message also announced that the House insisted upon its amendment to the bill (S. 1791) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1959, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DAWSON of Illinois, Mr. CHUDOFF, Mr. BROOKS of Texas, Mr. Moss, Mrs. HARDEN, Mr. BROWN of Ohio, and Mr. MICHEL were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1937) to authorize the construction, maintenance, and operation by the Armory Board of the District of Columbia of a stadium in the District of Columbia, and for other purposes; insisted upon its disagreement to said amendments, asked a further conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MCMILLAN, Mr. HARRIS, Mr. TEAGUE of Texas, Mr. SIMPSON of Illinois, and Mr. O'HARA of Minnesota were appointed managers on the part of the House at the further conference.

The message also announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 2741. An act to authorize and direct the Administrator of Veterans' Affairs to convey certain lands of the United States to the Hermann Hospital Estate, Houston, Tex.; and

H. R. 8005. An act to provide for the conveyance of an interest of the United States in and to fissionable materials in a tract of land in the county of Cook, and State of Illinois.

The message further announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 3658. An act to liberalize certain criteria for determining eligibility of widows for benefits;

H. R. 6952. An act to authorize the transfer of naval vessels to friendly foreign countries; and

H. R. 7697. An act to provide additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

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

H. R. 1652. An act for the relief of Rajka Markovic and Krunoslav Markovic;

H. R. 1797. An act for the relief of Maria Sausa and Gregorio Sausa;

H. R. 2058. An act for the relief of the Franklin Institute of the State of Pennsylvania;

H. R. 2237. An act authorizing the transfer of certain property of the Veterans' Administration (in Johnson City, Tenn.) to Johnson City National Farm Loan Association and the East Tennessee Production Credit Association, local units of the Farm Credit Administration;

H. R. 2354. An act for the relief of the estate of Leatha Horn;

H. R. 2816. An act to provide for the conveyance of Esler Field, La., to the parish of Rapides in the State of Louisiana, and for other purposes;

H. R. 5757. An act to increase the maximum amount payable by the Veterans' Administration for mailing or shipping charges of personal property left by any deceased veteran on Veterans' Administration property;

H. R. 5807. An act to amend further and make permanent the Missing Persons Act, as amended;

H. R. 6521. An act to modify section 3 of the Act of June 30, 1945 (59 Stat. 265);

H. R. 7825. An act to exempt from taxation certain property of the B'nai B'rith Henry Monsky Foundation, in the District of Columbia;

H. R. 8429. An act to amend the Vocational Rehabilitation Act;

H. R. 8586. An act for the relief of Pasquale Pratola;

H. R. 9188. An act to amend the act to authorize the Secretary of the Navy to transfer to the Commonwealth of Massachusetts certain lands and improvements comprising the Castle Island terminal facility at South Boston in exchange for certain other lands;

H. J. Res. 354. An act to authorize the designation of October 19, 1957, as National Olympic Day;

H. J. Res. 367. An act to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens;

H. J. Res. 370. An act to extend the time limit for the Secretary of Commerce to sell certain war-built vessels for utilization on essential trade routes 3 and 4;

H. J. Res. 393. An act to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain persons;

H. J. Res. 404. An act providing for the recognition and endorsement of the second world metallurgical congress;

H. J. Res. 408. An act authorizing the President to invite the States of the Union and foreign countries to participate in the St. Lawrence Seaway celebration to be held in Chicago, Ill., from January 1, 1959, to December 31, 1959; and

H. J. Res. 410. An act to facilitate the admission into the United States of certain aliens.

AMENDMENT OF SECTION 22 OF THE INTERSTATE COMMERCE ACT—CONFERENCE REPORT

The Senate resumed consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended.

Mr. KEFAUVER. Mr. President, I wish to file a motion in connection with the pending conference report, and ask that it be read.

The PRESIDING OFFICER. The motion will be read.

The LEGISLATIVE CLERK. Mr. KEFAUVER proposes that further consideration of the pending conference report be postponed until January 30, 1958, at 2 o'clock p. m.

Mr. KEFAUVER. Mr. President, at this time I ask for the yeas and nays on my motion.

Mr. LONG. Mr. President, what is the motion?

Mr. KEFAUVER. The motion is that further consideration of the conference report on Senate bill 939 be postponed until January 30, 1958, at 2 o'clock p. m.

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

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. If the yeas and nays were ordered on this motion, would that subsequently prevent a motion being made to lay the motion on the table?

The PRESIDING OFFICER. It would not.

Mr. KEFAUVER. I ask for the yeas and nays.

The yeas and nays were not ordered.

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

Mr. MORSE. Mr. President, will the Senator withhold his suggestion of the absence of a quorum while I make a speech which I intend to make? Later I shall join with him in suggesting the absence of a quorum and in the request for the yeas and nays. I completely agree with the Senator from Tennessee.

Mr. SMATHERS. Mr. President, I think possibly the Senator from Tennessee could obtain an order for the yeas and nays. I wonder what the Senator's disposition would be if, after some debate, a motion were made to lay his motion on the table. Would it satisfy the Senator to have the yeas and nays on the motion to lay on the table? Would not that accomplish the Senator's purpose?

Mr. KEFAUVER. I would rather have the yeas and nays on my motion to postpone. Then if any Senator wishes to make a motion to lay my motion on the table, and to ask for the yeas and nays, that is his prerogative.

Mr. MORSE. Will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. MORSE. I have a suggestion to make to my friend from Tennessee. I think it is perfectly obvious that the Senator from Tennessee needs a little time to negotiate in the cloakrooms of the Senate. My speech will give him the time necessary. At the end of my speech there can be a quorum call, and I think there will be more support for his motion then than now.

Mr. KEFAUVER. I think the Senator from Oregon was first on the list. He was good enough to allow me to file my motion.

With the understanding that the Senator from Oregon will suggest the absence of a quorum upon the conclusion of his speech, and request the yeas and nays——

Mr. MORSE. I will suggest the absence of a quorum.

Mr. KEFAUVER. I yield the floor now.

Mr. KNOWLAND subsequently said: Mr. President, apropos of the request of the Senator from Tennessee, that the yeas and nays be ordered on his motion to postpone, I ask for the yeas and nays.

The yeas and nays were ordered.

LIPSERVICE TO CIVIL RIGHTS—THE SENATE BILL

Mr. MORSE. Mr. President, for the past several days I have been subjected to very severe and bitter criticism in some quarters because of my position in the Senate on civil rights. I propose this afternoon to make my last major speech on the subject in this session of Congress. I shall make it without interruption, because I wish to have the RECORD show, in continuity, exactly where I stand on this issue—if, perchance anyone really does not know; although, as I read some of the criticisms of the senior Senator from Oregon I am satisfied that the writers of the criticisms, and in some instances the speakers of the criticism, know full well that their editorials and comments do not accord with the facts.

I do not expect my speech to be pleasing to many, but it is my record that I must live with, and it is my conscience that I must live with. I intend to make this record once and for all, so far as the senior Senator from Oregon is concerned, crystal clear as to where I stand on civil rights. When I shall have concluded my speech, I shall be glad to yield.

It is one of the ironies of the civil-rights controversy that there has been more intensive public discussion of the measure since it passed the Senate than there was about the contents of the bill and the amendments when they were under consideration. The politics of civil rights has come in for more attention than the bill in its relation to actual protection and advancement of the rights of Negroes as citizens.

The Negro as a voter for or against Republicans and for or against Democrats is the great concern of the day. The Negro as a citizen with rights to be secured has become the forgotten man of civil rights.

On the one hand, the President, whose walkout on part III of the bill led to the emasculation of the bill in the Senate, is reported by his political lieutenants to be damned mad. What is he mad about? His generalship led the retreat.

The Republican leader of the House has attempted to create a deadlock in favor of an undefined strong bill, yet the House Republican leadership cynically supported a desegregation amendment to the Federal aid-to-education bill with the knowledge that the amendment would kill the bill and achieve neither school desegregation nor school construction.

Senate Republican leaders who helped kill part III of the bill and thereby started the stampede to the exits profess chagrin at the addition of a jury-trial amendment to the voting-rights section.

The Democratic leaders of the Senate who engineered the gutting of part III and the virtual incapacitation of the remainder of the bill now cry that the opponents of the bill are more interested in a political issue than a bill. That may well be true. But are the accusers in any better position to withstand the same charge?

Many Senators who voted for the amended Senate bill did so with a heavy heart and grave misgivings. Judging

from their comments, they voted for the bill more in the hope than the belief that it might accomplish some good.

The original supporters of the bill in and out of Congress can do little more than say it is better than nothing. Only the opponents of the original measure can be heard to hail it as a good bill.

It is not a good bill and there is growing realization that its enactment will serve principally to postpone effective legislation.

BACKGROUND OF THE CIVIL-RIGHTS BILL

Let me review the background of this measure briefly.

For many years there has been a hardy band of liberals who sponsored and fought for affirmative legislation to secure for our Negro people their rights as free citizens. The measures we proposed were specific and provided for enforcement. They covered nondiscrimination in employment, nondiscrimination in public transportation, abolition of the poll tax, Federal protection against attack for those serving in the national armed services, and other procedural protections for the rights of citizens.

During the first 3 years of the Eisenhower administration, none of these bills or proposals received a helping hand from the President.

At the 11th hour in the campaign year of 1956, the Eisenhower administration proposed a civil-rights bill composed of the least vigorous parts of the legislative program of Congressional supporters of civil rights.

As originally proposed by the administration last year, late in the session, the civil-rights bill was a pale shadow of the program of the civil-rights bloc in Congress, composed in the main of Democrats.

House Democratic civil-rights leaders, such as EMANUEL CELLER, pointed out that the administration bill was a plagiarization of the weakest parts of the program for which he and his associates had worked for years. They swallowed their pride, political and legislative, and supported the bill because it was the price for the first organized Republican support for civil-rights legislation since reconstruction.

The Democratic House in 1956 passed the so-called administration bill, despite the political credit it would give the administration and despite the poor timing and limited content of the administration bill.

So let us remember, we started this year with a watered-down version of Congressional proposals of long standing.

After a struggle, the Democratic-controlled House passed the very limited administration bill with bipartisan support.

THE DEATH OF PART III

When the bill was headed for a showdown vote in the Senate, the President pulled the rug out from under the supporters of the overall measure by indicating in a press conference that he was primarily concerned with part IV of the bill dealing with voting rights and that he was relatively unconcerned over part III—which only deals with the rights of citizens under the 14th amendment.

This was the beginning of the end for part III of the bill. If that Presidential statement did not kill the major portion of part III, the announcement by supposed supporters of civil rights, such as the senior Senators from New Jersey and Massachusetts, that they were willing to sacrifice part III were the all but final lethal blows.

At that time some of us pleaded that the rights of citizenship could not be divided in so arbitrary a fashion. Either a citizen of the United States is to have Federal protection for his rights under the Constitution or he is not, we said in effect. You cannot have fractions of citizenship.

The discussion of the merits of part III was complicated by two major factors.

CLOTURE AND RULE XXII

On the one hand, the cloakroom argument was spread that there would be no bill if part III stayed in; that a filibuster would result and there were not the votes to impose cloture. That was an artful argument the accuracy of which we shall never know. For my part, I believe that the Senate should not have bowed to this secret threat. At the very least, we should have tried our strength and gone to the mat. It would have been time enough to decide what should be done if cloture was tried and failed.

There again we were haunted by the ghost of rule XXII and the failure to modify it so that a recalcitrant one-third of the Senate does not have the power to exercise a veto power over whether the Senate can ever reach a final vote on legislation.

THE JURY-TRIAL ISSUE

The record complication was the jury-trial issue. Those who opposed legislation to protect civil rights attempted to discredit the bill, and particularly part III, by claiming that its enforcement by contempt proceedings in Federal courts would deprive defendants of their supposed right to a trial by jury.

The confusion surrounding this issue was a wonder to behold. The claims of the jury-trial advocates constantly changed.

They implied that there was a constitutional issue involved, but eventually conceded this was not so.

They claimed that there should be a jury trial in all contempt cases under the bill, but retreated to cases of criminal contempt.

And at this point confusion became confounded. The impression was given that criminal contempt is a crime in the ordinary sense. The chief sponsor of the various jury-trial amendments, the junior Senator from Wyoming, on July 16, made this the burden of his argument. His detailed argument in the RECORD is the work of an excellent advocate; but I differ with him most emphatically.

The thread of his contention is that the civil proceeding provided by part III covered acts already classified as crimes. As a result, the failure to adopt his jury-trial amendment would enable the Attorney General to choose between the civil and criminal proceeding and, if he chose the former, to deny defendants their right to trial by jury.

In order to be logical, the Senator from Wyoming's amendment should have provided for a jury trial in the civil proceeding itself in which the issue of denial of rights is tried and a remedial order issued. But that was not in any of the amendments he proposed.

The jury-trial amendments, including the one adopted, applies only to the violation of orders or decrees of a court issued in the civil proceeding. The proceeding itself goes to a final determination made by a judge alone.

Only where it is alleged that a person willfully has failed to comply with or violated a judge's order or decree is there to be a jury trial.

As I pointed out with several illustrations on July 26, such willful contravention of orders or decrees are not necessarily violations of the underlying criminal statutes.

On that occasion, I said:

WHAT IS CRIMINAL CONTEMPT?

It has been contended that the law since 1914 requires jury trial in all cases of criminal contempt. That is not so. The Clayton Act provisions requiring jury trial for criminal contempts apply only to those cases in which the violation of the court decree is also a violation of a criminal statute of the United States or a State. The elements of a criminal contempt are willful disobedience and punishment which cannot be avoided by later compliance. The factor, under the Clayton Act, which has been applied to all classes of criminal contempt, and not merely violations of antitrust law decrees, requiring jury trial, is that the violation of the decree is also an act which violates a criminal statute. The mere fact that the underlying case may be similar to a criminal case does not make it a certainty that criminal contempts invoke the violation of the similar criminal statute.

VIOLATION OF COURT ORDER NOT NECESSARILY AN INDEPENDENT CRIME

For example, a remedial decree may require a vote registrar to report back to the court at fixed intervals what he is doing to comply. If he willfully fails to report as directed, he would violate the decree—but not the statute prohibiting officials to discriminate in the registering of voters. Or the decree may order the official to post and publish notices as to new registry procedures. A willful refusal to follow the order could be punished as criminal contempt and yet not be a violation of a criminal statute.

I digress from the quotation to say that that point has been missed, by and large, by all the editorials, newspaper articles, and periodical articles I have read on the subject. The assumption is abroad—and Senators would be surprised to know how many people seem to believe it to be well-founded—that when we are talking about criminal contempt, we are talking about a violation of a criminal statute. That is not true at all. We are talking about a violation of an order of a court, issued by a court to protect its own judicial integrity. We are talking about a lawful order. Of course it is foreign to our conception of judicial processes, and the protection thereof, that a jury should intervene between the court and the integrity of the court to determine a question of contempt.

I continue with the quotation:

A lawful order to remedy discrimination can have requirements very different from the prohibitions of a criminal statute on the

same subject. So it is not accurate to say that in civil proceedings in the field in which there is also a criminal statute, trial for contempt is essentially the same as trial for violation of the criminal statute.

Even beyond that, the purpose of the trials is different. Sentence for violation of the statute is punishment for the transgression of law. Punishment for willful contempt of a court order is in vindication of the court's authority to require compliance of orders presumptively valid.

Mr. President, the offense of a criminal contempt is not the violation of a statute; it is the willful flouting of the authority of the courts as organs of government.

This element is made quite clear by the authorities.

Mr. President, I take pride in the fact that I do not argue in support of a legal premise at any time when I am not willing to back up my premise by reference to legal authorities.

Black's Law Dictionary, third edition, page 417, draws this distinction between civil and criminal contempts:

Contempts are also classed as "civil" or "criminal." The former are those quasi-contempts which consists in the failure to do something which the party is ordered by the court to do for the benefit or advantage of another party to the proceeding before the court, while criminal contempts are acts done in disrespect of the court or its process or which obstruct the administration of justice or tend to bring the court into disrespect. A civil contempt is not an offense against the dignity of the court, but against the party in whose behalf the mandate of the court was issued, and a fine is imposed for his indemnity. But criminal contempts are offenses or injuries offered to the court, and a fine or imprisonment is imposed upon the contemnor for the purpose of punishment.

To the same effect is this comment in 17 Corpus Juris Secundum:

A criminal contempt is conduct directed against the dignity and authority of the court, or a judge acting judicially; it is an act of obstructing the administration of justice, which tends to bring the court into disrepute or disrespect. It may arise in the course of a criminal action, in special proceedings, or in civil or private litigation.

In *Myers* v. *U. S.* (264 U. S. 96 (1924)), in which the Supreme Court held that a contempt proceeding did not amount to prosecution for a criminal offense within the meaning of the venue section of the Judicial Code, the Court stated—and, Mr. President, at this time I wish to quote from the Supreme Court on this issue, which I respectfully submit has been left in a very confused and confounded condition throughout the entire debate because of the impression which has been created that when one is dealing with a criminal contempt he is dealing with the violation of a criminal statute, whereas that simply is not so.

Mr. President, listen to what the Supreme Court said in its decision in the Myers case:

While contempt may be an offense against the law and subject to appropriate punishment, certain it is that since the foundation of our Government proceedings to punish such offenses have been regarded as sui generis and not criminal prosecutions within the sixth amendment or common understanding (pp. 104, 105).

In reaffirming the nonapplicability of constitutional jury-trial guaranties to contempt proceedings, the courts have repeatedly pointed out the judicial necessity which prompted the rule. Thus, in *Gompers* v. *Buck's Stove & Range Co.* (221 U. S. 418 (1911)), the Supreme Court explained in these words the necessity for enabling a court to find the facts concerning violations of its authority, as well as to punish violators without resort to another factfinding agency—the jury:

For while it is sparingly to be used, yet the power of courts to punish for contempts is a necessary and integral part of the independence of the judiciary, and is absolutely essential to the performance of the duties imposed on them by law. Without it they are mere boards of arbitration whose judgment and decrees would be only advisory.* * *

There has been general recognition of the fact that the courts are clothed with this power and must be authorized to exercise it without referring the issues of fact or law to another tribunal. For if there was no such authority in the first instance, there would be no power to enforce its orders if they were disregarded in such independent investigation. Without authority to act promptly and independently, the courts could not administer public justice or enforce the rights of private litigants. *Bessette* v. *Conkey* (194 U. S. 337), supra (p. 450).

Mr. President, I wish to stress this point, because I desire to say—and I have great respect for lawyers who differ with me—that, as a lawyer, I cannot vote for such a piece of proposed legislation, and I will not vote for any conference report which comes from the House of Representatives, if one does, with this provision in it.

So far as I am concerned, as a lawyer, I consider the decisions of the United States Supreme Court from which I have been quoting as final and binding in the case of this issue.

Again, in *Eilenbecker* v. *Plymouth County* (134 U. S. 31 (1890)), in which the defendant in a contempt proceeding in a State court claimed that his right to jury trial under the due process clause of the 14th amendment had been infringed, the United States Supreme Court stated at page 36:

The contention of these parties is that they were entitled to a trial by jury on question as to whether they were guilty or not guilty of the contempt charged upon them, and because they did not have this trial by jury they say that they were deprived of their liberty without due process of law within the meaning of the 14th amendment to the Constitution of the United States.

If it has ever been understood that proceedings according to the common law for contempt of court have been subject to the right of trial jury, we have been unable to find any instance of it. It has always been one of the attributes—one of the powers necessarily incident to a court of justice—that it would have this power of vindicating its dignity, of enforcing its orders, of protecting itself from insult, without the necessity of calling upon a jury to assist it in the exercise of this power.

That is the Supreme Court speaking, Mr. President; and, so far as I am concerned, it puts to rest any argument that there is any right of a trial by jury in a criminal-contempt case.

Mr. President, to sum up my position on this phase of the bill:

First. Criminal contempts are not crimes in the ordinary sense; they are offenses against the courts;

Second. The authority to punish for willful contempt is a necessary power of the courts to protect the integrity of their orders and decrees.

The jury-trial amendment was justified on the unsound argument, in my opinion, that criminal contempts were crimes.

The jury-trial amendment threatens to deprive the courts of their necessary and inherent power to preserve the judicial system.

All seem agreed that to graft a jury trial upon all manner of criminal-contempt proceedings to which the United States is a party is to invite chaos. The jury trial proponents seem to be saying: "Just this once; let us change the whole method of law enforcement just this once."

The importance of just this once is that, whether intended to do so or not, the little remaining power of the bill is placed in jeopardy.

WHAT REMAINS?

The jury-trial issue helped kill part III. The junior Senator from Idaho even took the position that although he was for part III, he wanted a jury trial amendment adopted, and that without a jury trial provision, he had to vote against part III. It was this kind of self-defeating reasoning which contributed to the demise of part III.

We are left then with part IV, which provides for civil proceedings to protect voting rights.

The voting rights provisions are little enough, especially when we view the one-party monopoly which exists in so many States. In Georgia, for example, the county unit system already segregates the voting strength of Negroes found in cities such as Atlanta. Under the county unit system, a vote in Atlanta is worth only a small fraction of a vote in counties with small Negro population and registration. The one-party primary situation makes it all but impossible for the Negro minority to vindicate its own rights of citizenship by the ballot.

On July 21, the Washington Post published an article which emphasized the relative unimportance of Negro voting, actual and potential, in the South. The article read in part:

The controversial voting rights provisions of the civil-rights bill may be keeping the Senate up nights, but the threat that it may be enacted into law is having curiously little effect on the practical southern politicians.

In fact, as the bill is viewed by politically wise southerners, both Negro and white, it will, if passed, have little or no immediate effect on southern politics. * * *

A Negro college professor agrees with this estimate and adds:

"The fight for the ballot has far less appeal to the southern Negro today than things like the Montgomery bus boycott, or school integration, things that involve a more direct fight for personal dignity."

Outside the South, where things look simple, and where southern politicians sometimes try to make them look even more simple, the debate over the voting rights bill seems like a profound cause involving clear

rights and unmistakable wrongs, depending on where you stand.

But in the South, where nothing is ever quite what it seems on the surface, it looks only like one, and perhaps at the moment, not the most important of the many points at which the Negro is seeking to upgrade himself.

But, Mr. President, part IV itself is weighted down and hobbled by the jury-trial amendment, which can render it meaningless, for if a few irreconcilables succeed in defying the courts, and obtain acquittals or hung juries, the remainder will be on notice that the law is ineffectual. Only a few such cases will be needed to render the law impotent. Once it becomes into such disrepute, no avalanche of cases could fill the breach. A law is effective only if it is regarded as meaningful and enforceable. Observance is obtained by respect, if not for the substance of the law, then at least for its enforcement. The jury-trial amendment creates the strong possibility that the law will be regarded as of dubious enforceability.

It is clear to me that the little which remains in the bill is too little to be worthy of the name civil rights.

GROWING REALIZATION OF BILL'S WEAKNESS

That view is widely shared, and its adherents are growing more numerous every day.

For example, a highly significant letter to the editor is to be found in the Washington Post of August 19. It is signed only "Louis R. Lautier," without identification. But Mr. Lautier is the Senate representative of the National Negro Press Association and the Atlanta Daily World. He has been a reporter and observer of Negro affairs for many years. He knows something about discrimination at first hand; as the Senate will recall, his election to membership in the National Press Club was the subject of a referendum vote. To the credit of the press, he was elected; but it took until a year or so ago for Mr. Lautier to become the first Negro member of the association.

He writes in part—and I shall quote the letter only in part, because if I were to read the entire letter, I might become involved in a transgression of rule XIX of the Senate:

CIVIL-RIGHTS FRAUD?

I have hesitated to comment upon the tenor of editorials on civil-rights legislation which have appeared in the Washington Post during consideration of the civil-rights bill, but I think someone needs to express what I believe to be the prevailing opinion among Negroes, literate and illiterate.

That view is that the bill, in the form in which it was passed by the Senate, is virtually worthless.

The action of the Senate in stripping part III from the bill assures the South that it may violate the rights of colored persons, guaranteed by the 14th amendment, without interference from the Government.

The 14th amendment has been in the Constitution since July 28, 1868.

Yet when the Senate had an opportunity to give the Attorney General authority to bring civil actions to enjoin threatened violations of rights guaranteed by the 14th amendment, 52 Senators—34 Democrats and 18 Republicans—voted to strip part III from the bill.

They substituted language purporting to give to aggrieved persons the right to sue for damages after their civil rights have been violated.

That was a fraud, Negroes have had the right to sue ever since Congress passed the Civil Rights Act of 1866 over the veto of President Andrew Johnson.

The jury-trial amendment is another fraud. There is no requirement in the Constitution for a jury trial in contempt-of-court cases. Part IV of the bill, as it passed the House, deprived nobody of any right.

Those are Mr. Lautier's views, Mr. President. I do not think anybody can dispute the fact that he is a great leader among Negroes. I consider him one of the best qualified witnesses who could be produced regarding the effect of the Senate bill on the great civil-rights cause, and I may say I share the views expressed in the portion of Mr. Lautier's letter which I have just read into the RECORD. I think they are sound.

The views expressed by Mr. Lautier are the growing sentiment of American Negroes and those of us who seek legislation to give them their due as citizens.

My strong belief is that the American people believe in equality before the law and would support legislation to accomplish that purpose. A bill bearing the title "civil rights" is not enough to accomplish what they want, although it might be enough to take the pressure off for decent legislation for years to come. That is what I fear, and I fear it greatly. Let the Senate bill become law, and I think the pressure will be off, for years, for the passage of a true civil-rights bill that will give legislative implementation to the 14th and 15th amendments, which implementation is so essential if we are to guarantee first-class citizenship to the Negroes of America. The time is long overdue for the bestowing of first-class citizenship on the colored people of America.

In both public and private discussion it has been urged that this bill is only the beginning. It is said that if enacted into law, the bill will open the door for further legislation and that proven shortcomings will be changed by amendment. I seriously doubt it.

I have heard arguments like that before. Legislation once enacted has permanence and imperviousness to change. Rule XXII is one example. In that case advocates of civil rights found that in order to obtain a rule to make cloture applicable to a motion to take up, they had to buy a more stringent vote requirement and exempt amendments to the Senate rules from cloture. I warned that the Wherry amendment made the so-called compromise worse than the poor situation in which the Senate found itself when cloture was held inapplicable to the motion to take up.

I stood on the other side of the aisle in those days, Mr. President, in opposition to the Wherry amendment. The RECORD will show that I said that if the amendment were adopted it would make it more difficult to have rule by the majority prevail in the Senate of the United States; but, oh, no, the argument was, as I have said, that in order to obtain a rule to make cloture applicable to a motion to take up, it was necessary to buy a more stringent vote requirement and exempt amendments to the Senate rules from cloture.

It is only further evidence that the senior Senator from Oregon is not a Johnny-come-lately in this fight for first-class citizenship for the Negroes.

Mr. President, so long as I have been in the Senate, for 13 years, I have fought shoulder to shoulder with a band of liberals trying to get legislative implementation of the 14th and 15th amendments. That is why I speak with some feeling today in regard to the false charges made in some quarters against the senior Senator from Oregon in regard to my position on civil rights. There are Members of the Senate who have fought as vigorously as I have for civil rights; but, Mr. President, I do not intend to yield my position and my record in this field to anyone in the Senate.

In regard to the compromise which was sought at the time of the Wherry amendment, on the terms I have just described, I would say we ate that pudding in the civil-rights debate this year. This sort of compromise, with phantom hopes for a better future, are not for me. American people—not only American Negroes—do not want that kind of horse and rabbit compromise. The American people want and deserve a meaningful civil-rights bill from this Congress. If H. R. 6127 is not enacted at this session, I believe public sentiment will be so strong that next year a much better bill will be enacted. I think the demand for a better bill will come not only from Negro Americans, but white Americans as well.

I am for putting a new cake to bake and letting the yeast of democracy operate. By next January both parties in Congress and the administration, as well, will be on notice that the American people want the real thing—real protection for the rights of United States citizens—not a civil-rights cake with an escape file built in.

THE ROLE OF THE DEMOCRATIC PARTY

On May 18 of this year it was my privilege to address the Michigan Jefferson-Jackson dinner at Detroit. In that speech I discussed this problem and said:

An old, old issue that plagues the Nation and therefore the Democratic Party, too, because of the very fact that we are a national party, is that involving civil rights. I am not one to stand up in Detroit, or in Chicago, or Cleveland, or New York, and point to the South and say that that region of the country is the one that must start assuring its racial minority of equal protection of law, and social and economic opportunity. But I do say that the Democratic Party must show the way, and to the extent that we fail to do so, we fail the people and do not deserve their support.

The day when an eligible voter can be intimidated, or otherwise denied the exercise of this basic right of participation in self-government, belongs to the historic past. It is abhorrent to every principle on which our Nation was founded, and is therefore equally abhorrent to the principles of our party. That practice must be attacked wherever it occurs, and the voting privilege protected vigorously by all three branches of the Government.

Equivocation on suffrage and on equal protection of the law is intolerable and inexcusable, and will lose for the Democratic Party the confidence of millions of Ameri-

cans who have every right to expect strong leadership from us. If we fail them, they will be right to turn away from the Democratic Party.

What I said in Detroit that day, in my judgment, has greater meaning today. The voters will feel, and with some reason, that the Democrats in the Senate let down the Negro and the cause of equality before the law in this debate.

I greatly admire the expertness of the Senate Democratic leadership in this debate. It was impressive, as it always is. I further believe that the majority leader honestly believes that he has served both the Democratic Party and the cause of civil rights. I do not question that he believes the Senate has passed the best bill on that subject that could be passed in this Congress. I simply just do not agree with him.

But if the Senate bill is the best that the Democratic-controlled Senate can do, then the voters have cause to be dissatisfied, and I predict they will be. The fact that Republican leaders, such as the senior Senators from New Jersey and Massachusetts, led the initial rout of the civil-rights forces will not protect the Democratic Party from the wrath of voters who care about civil rights.

I would regret that, and I think it is avoidable. I believe that with determination a better bill can be passed by this Congress at the next session, and possibly a special session for the purpose.

The fortunes of any political party mean less to me than the fortunes of the American people and our constitutional system. The Democratic Party can serve them as they have in the past. I joined the Democratic Party because I believed it held greater promise for constitutional liberalism. And I have no regrets for my course of action. But it is no consolation to me that the Republicans have talked "big" and performed "little."

The Democratic Party has its own responsibility. That Senators from the South oppose civil rights is no surprise to anyone. It is a fact of political life in America. In the same fashion, northern and western Democrats have traditionally advocated sound civil-rights legislation. That surprises no one, including our brethren from the South. However, when nonsouthern Democrats act to weaken civil-rights legislation, with, I say most respectfully, the most questionable legal reasoning, then the American people are both surprised and chagrined. When only nine Democratic Senators vote against the crippling jury trial amendment, I care not what rationalizations are employed nor how many Republicans supported the amendment, the American people will hold our party accountable in large measure for the emasculation of this bill.

The Democratic Party of Roosevelt and Truman stood for equality of citizens before the law, regardless of race or color. If a majority of Americans come to believe that this is no longer the case, Democrats in Congress have only themselves to blame. It is little defense that many Republicans have been cynical or ineffectual in advocating strong protection for civil rights.

URGES NO BILL THIS YEAR

For my part, I believe the country will be better off without the enactment of this weak and unsound bill if Congress, having heard from the people, comes back in January and starts work afresh.

If Congress cannot do better than the Senate has done, let the people know it. And let the chips fly where they may in 1958 and 1960.

I have made this speech knowing full well, as I said in the beginning, it will not be pleasing to some, but I have made the speech because I feel some of the criticisms on civil rights in which the opposition has indulged will not be borne out by the record, and I felt I owed it to myself to set the record perfectly straight.

I close by saying I shall continue to fight in the Senate for first-class citizenship for all people of the country, irrespective of race, color or creed.

Mr. President, at no time will I vote for a bill based upon a compromise of what I think is a precious constitutional principle with the excuse that half a loaf is better than no loaf at all. Sometimes it is better to be defeated and try again on a new day. I think it would have been better for us to be defeated on the civil rights issue and to try again at the dawn of a new day, come January or a special session of Congress called for the purpose of enacting a civil rights bill which does not have the shortcomings I feel this bill has.

Unless there are questions, Mr. President, as I previously stated, I would suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

AMENDMENT OF SECTION 22 OF THE INTERSTATE COMMERCE ACT—CONFERENCE REPORT

Mr. KEFAUVER obtained the floor.

Mr. CHAVEZ rose.

Mr. KEFAUVER. Mr. President, I shall be happy to yield to the Senator from New Mexico if he desires to make a unanimous-consent request.

Mr. CHAVEZ. I do not desire to make a unanimous-consent request. I merely wished to take care of a 4-year-old child in New Mexico, adopted by a veteran.

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from New Mexico?

Mr. KEFAUVER. I yield for that purpose, Mr. President.

JOANNE LEA (BUFFINGTON) LYBARGER

Mr. CHAVEZ. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 660, Senate bill 491.

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

The CHIEF CLERK. A bill (S. 491) for the relief of Joanne Lea (Buffington) Lybarger.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment, on page 2, after line 2, to insert:

SEC. 2. Claim for such benefits shall be filed within 6 months of the date of enactment of this act: *Provided*, That no benefits shall be payable prior to the date of filing such claim.

So as to make the bill read:

Be it enacted etc., That, for the purposes of any benefits payable to, or on account of, the surviving children of deceased individuals under (a) the Railroad Retirement Act, or (b) any law conferring benefits upon the survivors of veterans of World War I, the minor child, Joanne Lea (Buffington) Lybarger, of Albuquerque, N. Mex., shall be held and considered to be the child of Alvin Earl Lybarger who died on October 28, 1953, the said Alvin Earl Lybarger having cared for such child since her birth and having instituted proceedings to adopt such child which were pending at the time of his death.

SEC. 2. Claim for such benefits shall be filed within 6 months of the date of enactment of this act: *Provided*, That no benefits shall be payable prior to the date of filing such claim.

Mr. CHAVEZ. Mr. President, this bill would authorize the widow of a World War I veteran to apply for dependent's benefits in favor of a child for whom she and her husband initiated adoption proceedings prior to her husband's death, and which proceedings did not become final until about 8 months following the death of the adoptive father.

There is no question in the mind of the committee that the deceased veteran fully intended to go through with the adoption and would have participated in the final order had he been alive at the time and, for this reason, believes that, if otherwise eligible, the child should derive whatever benefits she may be entitled to under the veterans' regulations and those of the railroad retirement board.

So far as the Veterans' Administration is concerned, the only thing the bill would do would be to increase the payment to the mother of a 4-year-old child from $50.40 to $63. If there are any objections to that kind of treatment, let me give the further story. I read from the report:

Joanne Lea (Buffington) Lybarger was born on June 2, 1953, to a daughter of the deceased and was immediately given to the deceased and his wife to rear as their own. On October 8, 1953, a petition for adoption was filed by the deceased and his wife. Under the law of New Mexico, it is necessary, as a condition precedent to a legal adoption, that if the child to be adopted is under 1 year of age, no final decree of adoption shall be entered until the child shall have attained the age of 1 year. Such an order was entered in the New Mexico court records on June 3, 1954, which was subsequent to the death of the foster father and, therefore, under the existing law and regulations, with respect to both the Railroad Retirement Act and the Veterans' regulations, Joanne could not be considered to be the adopted child of the

deceased so as to entitle her to the benefits of that legislation.

It is evident to the committee that both the deceased and his wife fully intended to and did treat the infant as their own, and had not the death of the foster father occurred, he would have participated in the final court action.

Under these circumstances, the committee recommends enactment of the bill, as amended.

In the report there is a letter from the Railroad Retirement Board dated February 18, 1957, and a letter from the Veterans' Administration dated June 20, 1957, which set forth in detail the facts in this case.

Mr. President, I believe that the case is worthy. There never was opportunity for more humane treatment.

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

The amendment was agreed to.

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

SETTLEMENT OF CERTAIN INEQUITABLE LOSSES IN PAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 988, House bill 293.

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

The CHIEF CLERK. A bill (H. R. 293) to authorize settlement for certain inequitable losses in pay sustained by officers of the commissioned services under the emergency economy legislation, and for other purposes.

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

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

Mr. WILEY. Mr. President, enactment of H. R. 5888 would remove an injustice of long standing and one which was imposed upon officers actually advanced in rank as distinguished from those due increases in pay based upon longevity or advancement to the next pay period. It is believed that the Congress did not mean to impose this inequity on these officers.

Yesterday, when this bill was reached on the call of the calendar, objection was made to its consideration. The objection has now been withdrawn.

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

Mr. WILEY. I yield.

Mr. POTTER. Let me say to the Senator that I interposed an objection to the bill, not because I am opposed to the bill, but the cost will be in excess of $1 million, and a bill of that kind should not be passed by unanimous consent on the call of the calendar. That was the reason why I objected.

Has the Senator from Wisconsin an estimate as to the cost of the proposed legislation?

Mr. WILEY. Yes. If all those involved could be found, the cost would amount to $1,400,000. However, it was stated in committee that it was estimated that the cost would not be more than $700,000. The proposed legislation would give to each of these officers a payment of about $400.

The record shows clearly that the committee approved the bill. It involves only the question of doing justice. I feel that it should be passed; and I ask the Senator to withdraw any reservation.

Mr. POTTER. Mr. President, let me ask one further question. What are the years involved, with respect to which back payment would be considered?

Mr. WILEY. It involves only the period between 1932 and 1934 when these officers were promoted. For that period, because of the statute which was enacted, they did not receive all the pay they should have received, and which others in other classes received. The $400 is approximately the amount which each will receive. It was really withheld from them.

Mr. POTTER. What will be the administrative procedure? Will the officers themselves have to apply for this back payment, or can the military make the grants without further ado?

Mr. WILEY. No. Each case will have to be passed upon by the Comptroller General of the United States.

Mr. POTTER. I have no objection.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

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

DISPOSAL OF CERTAIN FEDERALLY OWNED PROPERTY—CONFERENCE REPORT

Mr. CHAVEZ. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1520) to amend an act entitled "An act to provide for the disposal of federally owned property at obsolescent canalized waterways and for other purposes." I ask unanimous consent for the present consideration of the report.

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

The legislative clerk read the report. (For conference report, see House proceedings of August 20, 1957, p. 15392, CONGRESSIONAL RECORD.)

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

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

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF SECTION 22 OF THE INTERSTATE COMMERCE ACT—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on disagreeing votes of the two Houses on the amendment of the House to the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee [Mr. KEFAUVER] to postpone until January 30, 1958, at 2 o'clock p. m., the further consideration of the conference report on Senate bill 939.

Mr. KEFAUVER. Mr. President, I hope Senators will give me their attention in connection with this motion, because I think it involves not only a very important subject, but a most important principle as well.

The motion is to postpone until January 30, 1958, at 2 o'clock p. m., the further consideration of the conference report on Senate bill 939.

This motion is made because the subject matter is very complicated and intricate. The proposed legislation involves a very important change in the Interstate Commerce Act. It involves an important policy in connection with our antitrust and monopoly laws. No hearings whatsoever have been held on this point. It involves a very important change in the Interstate Commerce Act, and in the principles of the antitrust laws, in the absence of an opinion from the Interstate Commerce Commission itself, and in the absence of an opinion from the Department of Justice as to what effect the proposed legislation would have.

When I first heard about this subject, on August 14, I wrote a letter to Judge Hansen, the head of the Antitrust Division of the Department of Justice, asking what effect the proposed legislation would have, and what the opinion of the Department was. I have not received a reply to that letter.

We should not be legislating on such an important matter as is involved in the so-called Harris amendment which is contained in the conference report without the opinion of the Interstate Commerce Commission and of the Department of Justice——

Mr. SMATHERS. Mr. President, will the Senator yield so that I may correct the RECORD on that point?

Mr. KEFAUVER. And of the railroads themselves, as well as of the small airlines, and others who may be interested. Of course, there were hearings held on the original Senate bill, on the surface transportation bill, in which section 22 was discussed, and there were hearings on section 22 before the House committee. However, the Harris amendment was added on the floor of the House. On that amendment no hearings have been held. This is a matter of important policy which has been brought to the floor for the first time. Am I correct in my statements?

Mr. SMATHERS. The Senator is correct in the last part of his statement. However, when he says that we do not have the opinion of the Interstate Commerce Commission, he is in error. As a matter of fact, I filed for the RECORD last night, and it is in the RECORD this morning, the statement of the Interstate Commerce Commission with respect not

only to the Harris amendment, but to the bill as amended.

The Senator is correct with respect to the fact that we did not have any hearings on the particular amendment, and that the bill was amended on the floor of the House of Representatives. However, after the matter was presented to the House of Representatives, and after debate and discussion, the House overwhelmingly supported the measure which is now before the Senate.

The reason that was done, as I attempted to explain yesterday on several occasions, was that after the hearings on the bill had been concluded and the Senate had passed the Senate bill, and after it had gone to the House of Representatives, where hearings on it had been held, and after the bill itself had been passed by the House, the local district court rendered a decision, which upset the interpretation heretofore made, and which provided a new and unusual interpretation, we might say, of section 5 (a) of the Interstate Commerce Act.

It was then felt by the Defense Department, unless we took action to offset the opinion of the district court, and unless we put the railroads and the Government and the commercial shippers back in the same relationship they had occupied since 1948, it would cost the Defense Department alone $100 million. That is why this rather unusual action was taken.

Mr. KEFAUVER. I appreciate the comments of the Senator from Florida. I do find that in fine print last night the Senator from Florida did put some statement from the Interstate Commerce Commission in the RECORD.

Mr. SMATHERS. Does the Senator from Tennessee know how I can get it into the RECORD in large print?

Mr. KEFAUVER. I have not had an opportunity of reading the statement; but I insist that on an important matter such as this we ought to hold a regular hearing and call upon the chairman of the Interstate Commerce Commission to appear, and give an opportunity to all interested parties to ask him questions. I have no brief for the small airlines, and I have no brief for the railroads. As such, they do not mean anything to me. However, the small airlines say this bill, if enacted in its present form, will put them out of business, and will take away the competition they have been offering the railroads on the transportation of Government property. I say before we put an important segment of our economy out of business, or before we enact a law which, it is contended, will put an important segment of our economy out of business, we ought to give them the opportunity to be heard.

It is not right to do what is proposed. It smells to high heaven. It is an amendment brought forward, after the railroad companies lost a lawsuit, in an effort to enable them to win their lawsuit in Congress rather than in the courts. I do not like that way of doing business. It is an imposition on Congress to do that. They ought to conduct their lawsuits in the courts, not run to Congress because they have received an adverse decision, and insist that Congress pass a bill on which no hearings have been held, and on which the people affected by it have not even had an opportunity to present their views.

Let us follow the history of the bill, and see whether what I have said is correct.

On June 13, 1957, the bill which was reported from the Committee on Interstate and Foreign Commerce passed the Senate. That bill simply provided, in substance, that on Government business the railroads would make reports to the ICC, but the ICC would not be required to approve them; they would simply make their reports, and the reports, apparently, were to be made for statistical studies or for informational purposes. The bill did not endeavor to give the ICC any jurisdiction or any right of approval or any requirement of approval or regulation whatever. There was merely a matter of submitting reports. That had nothing at all to do with helping the railroads win their lawsuits or further exempting them from the antitrust laws, as the Harris amendment does.

That was a Senate bill. That was a good measure, I think. It required the railroads and trucking companies to file certain reports for study and information. If that statement is not correct, I should be glad to have the Senator from Florida correct me.

As I have said, the Senate passed that bill on June 12, 1957.

We now come to the action of House of Representatives. Apparently the bill as originally filed in the House was for the purpose of merely striking out section 22. Finally, the bill that went to the floor of the House of Representatives was the Senate bill, providing for the reporting to the ICC, plus an amendment to the effect that the household goods of the armed services would be exempt from the operation of section 22 when the carriers were transporting household goods for the services. Such transportation, in other words, would be exempt from the operation of section 22.

What did the House of Representatives do? The House of Representatives adopted the section exempting household goods from the operation of section 22, and also adopted the section of the Senate bill requiring reports by the railroads. Then the railroads, having lost the lawsuit before a judge in the district court, rushed forward and presented an amendment to change the antitrust laws, in an effort to win their lawsuit in Congress, rather than to fight it out in the courts. That amendment was offered on the floor of the House, and adopted by the House of Representatives. Then when the bill went to conference, the exemption on household goods, which was in the House bill, was stricken by the conferees. The reporting features of the bill were not disturbed.

The group of small airlines, which it is intended to crucify, ought to have an opportunity to be heard before such a bill is passed. At least we ought to give them their day in court before a bill affecting them is passed. In the conference the Harris amendment was included. It is a provision which apparently attempts retroactively to allow the Reed-Bulwinkle Act to be applied to section 22, referring to Government business, and reports to be filed, and then subsection 9, to provide antitrust immunity, was added.

This is a tremendously important matter. It was a public issue for a very long time. Congress debated the question whether the Reed-Bulwinkle bill should be passed, to allow carriers to take concerted action in fixing rates for transportation; that is, to have one person speak for them, which ordinarily would be a violation of antitrust laws. The Reed-Bulwinkle Act gave them immunity from the antitrust laws, allowing them to take concerted action. But to get that immunity they had to go through certain steps; they had to file with the ICC their rates or tariffs, which today they work out by concerted action, and the ICC had to approve them.

Under the Reed-Bulwinkle bill, section 22 rates were not covered. There may have been some argument about the matter, but the Interstate Commerce Commission has long since said they were not covered.

Mr. SMATHERS. Mr. President, if the Senator from Tennessee wishes to make a correct statement, he should read the letter from the Interstate Commerce Commission, in which the Commission says they were covered.

Mr. KEFAUVER. In its reports issued from time to time, the Interstate Commerce Commission has said they were not covered.

Mr. LAUSCHE. Mr. President, at this point will the Senator from Tennessee yield for several questions?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Tennessee yield to the Senator from Ohio?

Mr. KEFAUVER. First, Mr. President, I wish to refer to the report of the Interstate Commerce Commission. In the Commission's 1956 report, we find, at page 160, that the Commission said, in so many words, that they were not covered; and the Commission recommended the enactment of a law to cover them under the Reed-Bulwinkle bill.

Mr. SMATHERS. I should like to point out that what the Commission there refers to is section 22, but not section 5 (a) as applied to section 22.

Mr. KEFAUVER. Section 5 (a) never has applied to section 22, and never will, unless this conference report is agreed to.

Mr. SMATHERS. Mr. President, will the Senator from Tennessee yield, so that I may discuss that particular point?

Mr. KEFAUVER. First, I wish to read the court's decision. After having lost their case in the court, the railroads now are asking the Congress to provide them with relief, instead of carrying the case through the court of appeals, where it is now.

Mr. President, I do not like the idea of having someone who has lost a court case rush to Congress, to get Congress to "bail him out." But that is what the railroads are doing in this case; they are doing it blatantly. That is what the Senator from Florida has admitted the railroads are doing.

Mr. SMATHERS. Mr. President, I feel that under the circumstances I am

entitled to set that matter straight. Apparently the Senator from Tennessee was not on the floor last evening, nor has he read the RECORD of last evening as to what was said then, because if he had, he would clearly understand that the one who rushed to the Congress was, not the railroads, but the Defense Department. The Defense Department has said to the Congress, "If this decision stands as it is now, the railroads will not do business with us, because they very properly tell us that by doing business with us under section 22, they are subjecting themselves to further lawsuits."

So the Defense Department has said, "If you do not do something about it, it will cost us an additional $100 million."

There is no evidence anywhere, so far as I know, that the railroads have sponsored this proposed legislation. It may be that they will appreciate it; I do not know that, but I do not deny it. But certainly no representative of the railroads has come to me, or, so far as I know, to any other Senator, to make such a request. The one who has come to the Congress and has made the request has been the Defense Department of our own Government.

Mr. KEFAUVER. Mr. President, if it is necessary to repeal the antitrust laws because of a threat by the railroads that they will not continue to do business with the Government; if it is necessary to repeal the antitrust laws because someone says he will raise his rates or will charge more, then the Senate and the House of Representatives are very weak, indeed. All of us know that the railroads have made plenty of money from doing business with the Government. If the Congress is going to fall for the railroads' bluff, then the Congress will not be fulfilling its responsibility as an essential part of the Government.

Mr. LAUSCHE. Mr. President, will the Senator from Tennessee yield to me?

Mr. KEFAUVER. I shall yield in a moment.

Mr. President, in regard to the point of whether the railroads are attempting to push the Congress, if any Member of the Senate has not been contacted by some representatives of the railroads, he has not had the experience I have had. That situation is historic, and it has previously been referred to by very distinguished Senators. The late Senator Barkley and the Senator from Georgia [Mr. RUSSELL] had quite a colloquy about this very kind of thing. At that time Senator Barkley said:

> The railroads are to be put on an island of safety, beyond the reach of the antitrust laws.

The Senator from Georgia [Mr. RUSSELL] had considerable to say about the matter when the Reed-Bulwinkle bill was under consideration in the Senate. At that time the Senator from Georgia said:

> Instead of pleading guilty in the courts to violating the antitrust laws, the railroads and their satellites have come to Congress. They have said: "We are guilty; they have got us on the hip, and we want you to give us a pardon before the courts can even write a decision in the case." I submit, Mr. President, we ought at least to wait until the Supreme Court has decided the cases, and that any action of Congress in dealing with the problem prior to that time is premature and will result in divesting the people of the country of a protection to which they are entitled.

Those were the words of a very able Member of the Senate—the distinguished Senator from Georgia [Mr. RUSSELL]—when a similar situation had developed, when the railroads were found guilty, and when they rushed to Congress, in an attempt to obtain immunity—just as the railroads are doing at the present time. There is no doubt about it.

In a few minutes I shall discuss whether the Government will save money or not.

But at this time I say to the Senate that if the Senate has to succumb to the threat by any segment of the economy that, "You have to exempt us from the antitrust laws, or we will not do business with you," then the Government is in a very sorry plight.

Mr. LAUSCHE. Mr. President, will the Senator from Tennessee yield for a question?

Mr. KEFAUVER. I yield.

Mr. LAUSCHE. I should like to say to the Senator from Tennessee, that I talked with General Lasher, representing the Defense Department. I asked him whether the information he gave me in regard to the matter was the judgment of the Defense Department. General Lasher told me that unless this action was taken, the Government would have an additional cost of $100 million a year.

I asked him what interpretation was made of these sections by, respectively, first, the Interstate Commerce Commission; second, the Department of Defense; and third, the railroads.

His statement to me was that the Interstate Commerce Commission constantly ruled that the railroads came under the protection of the Bulwinkle bill; that the Department of Defense construed the Bulwinkle bill to mean that concerted action could be taken; and that, also, the railroads construed it that way.

I then asked General Lasher, "By that, do you mean you were participating in this arrangement of hauling prices, with an understanding with the railroads?"

General Lasher replied, "Yes."

Then I said, "If the decision of the court is correct, that would mean that the United States Government was a party to this crime."

He said, "Yes, that is what it would mean; but that is not the truth."

Mr. KEFAUVER. Mr. President, if the United States Government was a party to the crime, it should not have been a party to the crime, any more than the railroads should have been a party to the crime. I am opposed to having someone attempt to have the Congress "bail him out," after a judge has found that he is guilty—regardless of whether the one involved is the United States Government or the railroads.

In further response to what the Senator from Ohio has said, let me say that he has stated that General Lasher—whoever he may be—informed him of something in the course of a conversation. However, what we want is an opportunity to have some questioning done by the members of the Congressional committee who are interested in this matter.

Other testimony which I have seen shows that the Government has actually made money as a result of section 22—more money than the Government otherwise would have made. We can be sure that if the Government is getting a special break from the railroads, under section 22, the railroads are, in turn, charging additional amounts to other shippers. That is why action on this matter should be postponed.

General Lasher may have talked to the Senator from Ohio [Mr. LAUSCHE]; but there was no testimony before a Congressional committee that the Government would lose money. No Senator has had an opportunity at a Senate committee session to ask the railroads or the Department of Defense or anyone else whether they would lose money. As a matter of fact, the testimony on this subject is to the contrary.

Mr. Clarke, the chairman of the Interstate Commerce Commission—when he was testifying on a collateral matter at hearings on April 17, before a Senate committee, and when he was referring to the transportation data for 1950, 1952, 1953, and 1954, as published in Transport Economics, for August and September 1955, a publication issued by the Bureau of Transport Economics and Statistics, of the Interstate Commerce Commission—pointed out that they said that section 22 rates averaged 13 to 14 percent higher than the comparable commodity rates available to commercial shippers for the years 1950 and 1952 through 1954. And, as shown on page 37, Mr. Clarke confirmed that that was the case.

But what we need is some testimony before a Senate committee about the matter. I do not know what is correct. But I know that as a United States Senator, I am not going to stand here and see a further breaking down of the antitrust laws because some railroad wants to hold a hammer over the Senate of the United States.

Mr. LAUSCHE. Mr. President, let me say——

Mr. KEFAUVER. I ask the Senator from Ohio to wait a moment, please; I wish to complete my answer to what he has already said.

If the Government of the United States is not able to do business without letting the railroads conspire together and take concerted action, but if the Government has to give them immunity, how does the Government expect the antitrust laws applicable to others to be enforced? The granting of such immunity would be a distressing thing to antitrust-law enforcement. That is what would happen if the Senate were to succumb to the attempt of the railroads, who are saying, "We will charge you more if you do not give us antitrust-law immunity."

Mr. President, it is not right, it is scandalous; and I shall talk about it for a long time.

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

Mr. KEFAUVER. I do not yield yet. I have to complete the answer I am making to the Senator. The Senator from Ohio has said the Interstate Commerce Commission has always said it had jurisdiction over section 22 rates. The Senator from Florida has said that. I would invite Senators to read page 39 of the Senate committee hearings of April 1957. At the top of the page, when Mr. Clarke, Chairman of the ICC, was before the Senate committee, there will be found this colloquy. The Senator from Ohio [Mr. LAUSCHE] was there. He was the questioner. I am surprised he does not remember it:

Senator LAUSCHE. Is that in substance what the present status of the law is?

Mr. CLARKE. No, sir. The Commission has no power or authority at the present time to interfere in any way with the section 22 rate. We can't compel it to be raised or lowered. It is outside our jurisdiction entirely.

Does the Senator see that?

Mr. LAUSCHE. Yes.

Mr. KEFAUVER. Then, what does the Senator mean?

Mr. LAUSCHE. The Senator from Ohio means that under the law the mode of procedure is that the application has to be filed with the Commission and the Commission can approve that mode of procedure only if it finds it is in the general interest of the people of the country.

If the Senator from Tennessee will read the record to which he is referring, he will find that a representative of the Defense Department said that the elimination of section 22 would have resulted in a loss of $250 million a year during the years of the war. General Lasher said that for this coming year it would mean a loss of $100 million to the Defense Department.

I suggest to the Senator from Tennessee that if he desires to learn who is the motivating cause for the action taken by the House, he should call the Secretary of Defense or General Lasher.

Mr. KEFAUVER. I should like to have the opportunity, as would other Senators, of examining the general. He has not been on any witness stand. I would rather take the word of the Interstate Commerce Commission itself, which said that for 1950 and 1952 section 22 rates were 14 percent higher; that for the years 1953 and 1954 they were 13 percent higher. Who is right about it? I do not doubt the railroads have been able to talk to some general and get him to try to help them carry the load and to get them out from under the burden of the lawsuit. That is their prerogative. They have not appeared on the witness stand. I care not if it is going to cost $100 million more. If this Government has to give immunity to the railroads under the antitrust laws in order to eliminate competition, in order to save some money, we are in a mighty poor position. I am not going to vote for any bill as a result of which we would be put under the hammer, and told to give an exemption under the antitrust laws or the railroads would raise their rates. The railroads have been making a great deal of money as a result of section 22. They will continue to make money under section 22. I am not going to bail them out of their difficulties as a result of a violation of the law of which the district court has convicted them.

The Senator from Ohio and the Senator from Florida stated unequivocally a few minutes ago that the ICC had always said section 22 rates were under their jurisdiction. I wish to read again what Mr. Clarke said, as it appears on page 39 of the hearings, at which the Senator from Ohio and the Senator from Florida were present. He was asked what interpretation the ICC put on that section, and Mr. Clarke, who is Chairman of the ICC, said, as appears on page 39:

No, sir. The Commission has no power or authority at the present time to interfere in any way with the section 22 rate. We can't compel it to be raised or lowered. It is outside our jurisdiction entirely.

Mr. SMATHERS. Mr. President, would the Senator like an answer?

Mr. KEFAUVER. I would like to know what that means.

Mr. SMATHERS. It means this. Section 22 was adopted in 1887, at the time the Interstate Commerce law was enacted. It provided that the railroads could always grant to the Federal Government, or State governments, or to the blind, or to persons suffering from disasters, and so on, free or reduced rates.

How much those particular rates amounted to was not a problem of the ICC, so long as they were below the normal rates, and so long as the railroads claimed the application of the provisions of section 22.

The distinguishing point in this whole debate is that the Senator from Tennessee is talking about section 22 rates, not the agreements into which the railroads enter, whereby they get together, as in the Southern Freight Association, or the Western Freight Association, or the Central Freight Association, to determine the rates. That is what the ICC has to approve. Those agreements have to be filed with the ICC. The ICC has to give them its approval. But once the agreement, under which the railroads will act in concert, has been filed, it is true that immunity is granted under the antitrust laws, and the railroads can make a quotation of rates under section 22, over which the ICC has no jurisdiction.

I point out to the Senator that the airlines also have immunity. The Senator should realize that. They are permitted, under the Civil Aeronautics Act, to get together to decide what their rates shall be. They publish them. It is not only the railroads which do so. In a system of regulated transportation, we must remember we are not talking about railroads alone; we are talking about motor carriers; we are talking about inland-waterway carriers and freight forwarders. We are not talking merely about railroads. Such immunity is not granted only to the railroads.

I have no particular brief for the railroads, but the fact is that the law was enacted in 1887, and it has not been repealed up to this time. There was a bill before the committee to repeal section 22, but the nonscheduled airlines did not appear. Where were they? We held hearings for 10 days. I do not recall that they attended. I do not recall that even the Senator from Tennessee was there. There was no one from the particular group that was objecting to section 22 rates, which may or may not be bad. The committee acted on its best judgment, and its judgment was approved by the Senate on June 12. I presume the Senator from Tennessee voted for the bill, because it passed. It was said that it was desired to maintain the section 22 rates, whereby motor carriers, railroads, water carriers, and all other carriers, can give to the Government rates below the published rates.

Mr. KEFAUVER. I was waiting for a question. I did not know——

Mr. SMATHERS. I thank the Senator. I shall be glad to yield to him in a minute to make a statement.

Mr. KEFAUVER. I would rather yield only for a brief time, because the Senator from Florida has brought up so many subjects that I may have a difficult time trying to answer all he has said.

The Senator has said the Interstate Commerce Commission had jurisdiction over section 22 cases. The ICC has said that is not true. Mr. Clarke has said the ICC has no jurisdiction.

Mr. SMATHERS. The Senator should get the distinction in his mind between agreements and rates. I respectfully submit that otherwise he will not understand what the law is about. There is a difference between an agreement approved by ICC allowing the railroads to act in concert on the rates which will be made under the terms of such agreement, and the law. We are talking about two different parts of the law.

Mr. KEFAUVER. It is very difficult for me to see how the Interstate Commerce Commission can give carriers an exemption, under the Reed-Bulwinkle bill, on section 22 rates, if the ICC has no jurisdiction over section 22 rates. The ICC can allow no exemption, because it has no jurisdiction over that section. That is what the courts have held, and that is what the railroads are trying to get around.

So far as the airline carriers are concerned, I have no brief for them. I believe in live and let live. Let them get along if they can make the grade. There is no section 22 program for the airlines. They cannot, as the railroads can, quote one rate for the purpose of moving Army goods and another rate for another purpose. The airlines have to file with CAB uniform tariff rates which are applicable to everyone, since they cannot have any concert of action for the purpose of making discrimination in rates. They do not get any exemption from the antitrust laws, because they have to file the same tariffs for Government business and everything else.

We talk about the Government saving money. Wherever the airlines can compete, the railroads will reduce their rates. Wherever there is no competition, the railroads charge the Government just about as much as they do anybody else. But if we drive these little airlines out of business, we will find that instead of $100 million, it will cost the Government many hundreds of millions of dollars

more, because then there will be no competition.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point telegrams from the Order of Railway Conductors and Brakemen, the Brotherhood of Locomotive Firemen and Enginemen, the Brotherhood of Locomotive Engineers, and the Brotherhood of Railroad Trainmen, all sent to me as chairman of the committee, endorsing the conference report on S. 939.

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

WASHINGTON, D. C., *August 16, 1957.*

Hon. WARREN G. MAGNUSON,
United States Senate, Washington, D. C.:

On behalf of the Order of Railway Conductors and Brakemen, I respectfully urge your support of conference committee report on S. 939 to amend section 22 of Interstate Commerce Act. Railroads should be permitted to work together to provide reduced charges to Federal Government for transportation and should not be penalized for cooperating to that end. No single railroad can accomplish this by itself. Therefore, your help in having conference committee report adopted this session will mean much to the taxpayers, railroads, and employees.

R. O. HUGHES, *President.*

CLEVELAND, OHIO, *August 15, 1957.*

Hon. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.:

I urge your support of conference committee report on S. 939 to amend section 22 of Interstate Commerce Act. Carriers should be permitted to work together when it means reduced charges to Federal Government for transportation, and railroads should not be penalized for cooperating in this effort. No single line can accomplish this by itself. I seek your help in having conference committee report adopted this session.

H. E. GILBERT,
President, Brotherhood of Locomotive Firemen and Enginemen.

CLEVELAND, OHIO, *August 14, 1957.*

WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.:

On behalf of more than 70,000 members of the Brotherhood of Locomotive Engineers manning the locomotives on the Nation's railroads I urge you to support the conference committee report on S. 939 and assist in having it adopted at this session. We believe the railroads should be encouraged to work together in reducing charges to the Federal Government covering transportation of both troops and freight without becoming subject to antitrust penalties.

GUY L. BROWN,
Grand Chief Engineer, Brotherhood of Locomotive Engineers.

CLEVELAND, OHIO, *August 15, 1957.*

Hon. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.:

We urge your support of conference committee report on S. 939 to amend section 22 of Interstate Commerce Act. Carriers should be permitted to work together when it means reduced charges to Federal Government for transportation and railroads should not be penalized for cooperating in this effort, no single line can accomplish this by itself. We seek your help in having conference committee report adopted this session.

W. P. KENNEDY,
President, Brotherhood of Railroad Trainmen.

THE CORDINER REPORT

Mr. GOLDWATER. Mr. President, today our colleague, the able Senator from Mississippi [Mr. STENNIS] will begin hearings on S. 2014, one of the most important bills to come before Congress during this session. As chairman of the special subcommittee, he and the members of the subcommittee will hear testimony on the bill which is designed to reverse a trend in the Armed Forces—that is, to retain in the services highly qualified and skilled officers and men of the Army, Navy, Air Force, and Marine Corps.

One facet of the Cordiner report which seems to cause much raising of eyebrows is that part dealing with the upward adjustment of the pay of general officers. It is the one part which is creating the greatest resistance to acceptance of the Cordiner committee proposals as contained in S. 2014.

Why should this be so? Are we so blind as not to be able to see that the rising cost of living affects a general or an admiral as much as it affects a sergeant or a petty officer. In fact, with all of the requirements to maintain a certain standard of living, it is more difficult for general officers to make a go of it on what the Government pays them, than it is for many lower ranking officers, or even some noncommissioned officers.

Let us look at the facts. This country has always watched over the little man. With respect to service personnel, it has watched over the basic private quite well. During the period 1908 through 1956, the pay of a private has gone up 800 percent. A major general's pay has gone up 60 percent during the same period. Frankly, I would dislike immensely living on pay only 60 percent greater than that being paid in 1908, and I think most of us would.

There is another fact which is most interesting, and not surprising. It is well-known throughout the country that good executives, management people, are hard to find and hard to keep. Recently I read in the Wall Street Journal, in the July 18, 1957, issue, to be exact, that many companies were setting up new salary systems, rating systems, and other devices, to enable them to hold on to scarce "brass." And we well know that talent scouts in business are constantly on the lookout for likely prospects to add to their companies' executive rosters.

The Armed Forces are so well endowed with personnel possessing executive experience and organizational management ability that they are a tempting source to those companies searching for a new president, manager, or director. I could enumerate and cite many cases illustrating the Armed Forces' loss and industry's gain. Instead, let me give one recent poignant example.

The Washington, D. C., Evening Star of July 24, 1957, told of the naming of a new president of Capital Airlines. His name is David H. Baker—he was Air Force Major General Baker, previously head of all Air Force procurement under the Air Materiel Command. He is gone from the Air Force now—departed at the age of 49, after 27 years of commissioned service. He was and is recognized as an outstanding man in the field of procurement; trained by the Air Force, educated by the Air Force, provided experience by the Air Force. He is gone now and his value to the Air Force is gone with him—gone to Capital Airlines. Capital Airlines got itself a good president. The Air Force got itself a big void to fill.

Why did General Baker ask for retirement? As a major general in the Regular Air Force he could have stayed on active duty until 1965. On that date, with 35 years of service, he would normally have been required to retire. Why did he not stay those 8 years? Perhaps if we look at the picture of his pay we will get an idea.

In 1955, with the new pay established by Public Law 20, 84th Congress, General Baker began drawing $1,021.80 base pay a month, $171.00 per month quarters allowance and $47.88 per month subsistence. To that he could add $165 for incentive pay as a flying officer. Total, $1,405.68 a month or $16,868.16 a year, before taxes and social security deductions. Could General Baker look forward to an increase in pay if he were promoted? No, not one cent, even if he had been promoted to four stars and appointed Chairman of the Joint Chiefs of Staff. At the end of 30 years' service he would receive a tremendous increase of $54.60 per month, before taxes, and so forth. And if he retired with four stars, he would still retire at the pay of a major general—unless Congress passed a special act, as it is now considering for Admiral Radford, to permit him to retire at a higher rate.

What kind of inducement is that? Certainly not enough to make a man think seriously of refusing the presidency of Capital Airlines. Compare the two positions. A major general receives $16,000 a year. An airlines president draws $48,000 a year, plus expenses.

I have used General Baker as one example. There are literally thousands more—thousands of colonels, captains, generals and admirals—with their retirement papers ready to go in. Admiral Nimitz's son just resigned from the Navy. The newspapers carried the story of this Navy captain with an outstanding record who was leaving the service because he could not afford to send his children to college on the pay he was receiving. I do not know what kind of a position Captain Nimitz got, but I am willing to wager that his children will be in college and their father will be paying the bills.

And there is the case of the Air Force colonel who with 22 years of service has been selected for promotion to brigadier general. From last report, he prefers to resign rather than accept the star and the small pay it gives for the tremendous responsibility which goes with it. It is a sad state of affairs when we cannot even induce a man to accept a promotion.

Let us stop being unrealistic about our leaders. Yes, they are dedicated men, but they are human, too, and they have families to worry about. If we want them to continue to occupy the high positions of leadership, the frightening loads of responsibilities, the mammoth tasks of national defense, then I say let us pay them enough to induce them to stay on the job.

We need well-run airlines, merchandise corporations, and relief foundations. But we need, even more, a well-led, inspired Army, Navy, Air Force and Marine Corps. The best weapons and the biggest stocks of equipment are nothing but junk heaps without leadership.

I say let us act now to enact the Cordiner proposals. We must act now or pay the price of national defenselessness.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the article to which I have referred, published in the Evening Star of July 24, 1957, entitled "General Baker Named Head of Capital Air Lines."

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

GENERAL BAKER NAMED HEAD OF CAPITAL AIRLINES

Maj. Gen. David H. Baker, recent head of Air Force procurement, has been elected president of Washington-based Capital Airlines, succeeding J. H. Carmichael, who becomes chairman of the board.

In another top-level change, George R. Hann, who has been board chairman, was elected chairman of the executive committee.

In making the announcement late yesterday, Mr. Carmichael stressed the increasing demands on management and the problems encountered as the company enters the jet age, which made it timely to create an organizational structure designed to meet this challenge.

WITH FIRM SINCE 1929

He has been associated with Capital or its predecessors since 1929 and has been president since 1947. He is 50 years old.

General Baker, 49, has been director of procurement and production for the Air Force since 1953. He is a command pilot, a graduate of West Point and the Harvard Business School, and a native of Paterson, N. J.

A rated Army pilot in 1932, he flew the mail between Newark, Cleveland, and Boston. He was in England in late 1942 as executive officer of the plans section of the 8th Air Force Service Command and later headed the plans division.

General Baker was deputy commander of the 9th Air Force Service Command and from March to May of 1946 commanded the service command.

SERVED AT WAR COLLEGE

He has been on the faculty of the National War College and was senior Air Force member of the Joint Logistics Plans Group in the Office of the Joint Chiefs of Staff in 1948 and 1949.

In 1950 he was made responsible for the air defense of central and northern Alaska and in 1953 became director of procurement and productions of the Air Force.

He holds the Legion of Merit with one Oak Leaf Cluster and the Bronze Star. Foreign decorations include the French Croix de Guerre with Palm and the Legion of Honor, the Luxembourg Croix de Guerre, the Belgian Order of Leopold with Palm and the Croix de Guerre with Palm, the Most Excellent Order of the British Empire, and the Polish Order of Polonia Restituta.

Mr. GOLDWATER. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point the article from the Wall Street Journal of July 18, 1957, to which I made reference.

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

MORE COMPANIES SET UP FORMAL SALARY SYSTEMS TO HOLD SCARCE BRASS—PILLSBURY MILLS DRAWS JOB PROFILES; S. C. JOHNSON RATES EMPLOYEES ON POINTS—BUT MANY FIRMS ARE OPPOSED

(By Roger W. Benedict)

John D. was restless and unhappy in his job. He worked hard and well as a junior executive for a large, diversified manufacturing company, but his quietly efficient efforts were going unnoticed. He did not engage in office "politics," and he was losing promotions to those who did. He believed his career had run into a dead end and, secretly he began looking for another job.

In the same firm, an apparently successful man named Richard R. was in danger of being fired. As a middle management executive, he was expected to live in a manner that would uphold the prestige of his office. But the financial burden of keeping himself and his family on a social par with business acquaintances was wearing on his nerves. The more he worried, the more his work suffered.

Surprisingly enough, these two men, who only a short time ago seemed sure to leave the company, today are candidates for top management positions in that same company.

FORMAL PAY PLAN

Credit for saving these men in their jobs is given an increasingly popular—and controversial—development in management relations. In the jargon of personnel experts, the development is a "formalized program of salary administration." In layman's language, that means there is a definite system for figuring out how much a man in management work should be paid by determining what he is supposed to be doing, how much the job is worth to the company and how well the man is doing it.

For example, in Mr. D.'s case, trained evaluators from a management consulting firm compared his work with the requirements established for his job. They found he rated well above his coworkers, and possessed unsuspected executive abilities. He was started up the promotional ladder and was assigned activities that would help him develop his basic talents. Recognition of his efforts perked up his morale and he decided to stay with the company.

The company's salary administrators also set up minimum and maximum salaries for each management job. They discovered that Mr. R.'s position was underpaid in relation to its value to the company, and in comparison with similar jobs in other companies. A rise in pay ended Mr. R.'s feeling of insecurity, and his work rapidly returned to the former high level of performance.

HAPHAZARD RAISES

Most bosses, of course, decide on promotions, raises, and firings of their management people by judging what a man's job is worth, how well he is doing it and what his potential is. But in the majority of cases today, say management consultants, the process is highly informal and haphazard.

Many companies, to be sure, strongly prefer informal pay plans. "We feel that highly formalized systems should be avoided," says Robert J. Howe, director of salary and organization for Cleveland's Thompson Products, Inc. "They breed jealousy and contention, and introduce the danger of mechanizing the human equation." Thompson Products believes a simpler and more accurate guide to salaries can be found in the going market prices for jobs with similar requirements and responsibilities.

Some management consultants flatly condemn most formal pay plans. "Most of them are not worth the paper they're printed on," declares Dr. Robert N. McMurray, of McMurray, Hamstra & Co., of Chicago, "and some are downright dangerous. They are popular because a lot of companies are looking for every gimmick that will relieve management of making a decision."

PLAYING POLITICS

But an increasing number of companies are adopting formal pay plans in the belief that informal arrangements have the worst pitfalls. A manager who can suavely play office politics, has a charming personality, or merely knows the right time and way to hit the boss for a raise may push himself up through the ranks more easily under an informal scheme, claim opponents of such systems. Another management executive who might be better qualified could be passed over because he's reticent and unnoticed or his rounded talents are hidden in the duties of a square job.

As a result, many companies find valuable management people leaving for other companies and jobs. An executive usually leaves a company either because he has not received recognition for his work or because he is under paid, says John L. Shirley, chairman of Communications Institute of America, a Chicago management consulting firm. Heavy turnover also can occur when inefficient executives are placed in top jobs, stunting the progress of the men under them, he adds.

A survey conducted by the American Management Association indicated 7.5 percent of middle management men—those between the policymaking level and that of general foreman—change jobs each year. Booz, Allen & Hamilton, a Chicago management consulting firm, estimates that turnover of all management in pre-World War II days was about 6.5 percent.

"Management turnover in industry is appalling," declares Mr. Shirley, of Communications Institute. "A chemical company called us in recently and was shocked to learn it had lost more than $1.5 million last year through turnover in its middle management ranks."

And few companies can afford a rising turnover rate among management. Booz, Allen & Hamilton estimates that in the next 3 years, United States industry's need for management talent—from the general foreman level on up—with rise 10 percent above 1955, while the supply of such people will be up only 4 percent. By 1965, the shortage should be even greater; demand for management will be up 22 percent over 1955 while the management pool will rise only 8 percent, say the firm's forecasters.

To train new executives, many companies are setting up or expanding management training programs. To retain—and attract—management talent, many corporations are offering stock option plans, improved pension programs and other fringe benefits. And a growing number are adopting formal salary programs.

"Proper salary administration is one of the important keys to attract and hold employes, reduce turnover, and contribute to

higher morale," says L. W. Fries, manager of wage and salary administration for Monsanto Chemical Co., which put a formal pay plan into effect in 1949. "It doesn't do the whole job, but it is a necessary part of any good personnel program," he says.

In hushed tones, the personnel manager of a firm employing more than 4,000 management people adds still another reason for adopting formal pay plans: "They are a good way to keep the unions from invading management ranks."

Although there has been no count of how many of the formal pay schemes are now in use, there are indications their popularity is growing.

"We're up to our eyeballs in requests for management compensation advice," says John Gallagher, of Booz, Allen & Hamilton. Dartnell Corp., also of Chicago, says that more than 3,000 firms have bought its recent study of management pay plans and policies.

And subscribers to the AMA annual executive pay survey have vaulted to over 4,000 from 250 in 1950. The association describes the survey as "intended to provide subscribers—on a confidential basis—the latest information on what and how other companies are paying executives holding comparable jobs," such information is often used to help set up a pay plan.

Formal pay plans vary widely. "There are probably no two company programs exactly alike," says Mr. Gallagher. "Each plan must be tailor made to fit the needs and aims of an individual company."

Basically, pay plans do two things: Set up pay scales for a management job based on the job's relative importance and difficulty; and rate the actual performance of each man in the job.

ELIMINATING THE PRESIDENT

Many pay plans start by evaluating the president's job. Other executive salaries are established as a percentage of the president's salary. Some companies, however, eliminate the president—and frequently other board-elected officers—from their plans. The reasoning behind this is that the "man makes the job" after a certain point is reached in the upper echelons of management jobs, and that rigid standards, therefore, cannot be set up.

The plans can produce some surprises. A diversified Southwest company found that one executive had achieved his high title in their organization chiefly on the strength of his aggressive personality. They found he wasn't qualified for the job he held, and was performing duties completely foreign to what he was supposed to be doing. Further investigation showed these other duties to be valuable to the company, and that the man was performing them well. His title was changed to correspond to his actual work, and a new man succeeded him in his former job. The man was happy, and the company benefited from improved efficiency in its operations.

After salary structures and job requirements have been established, a company can evaluate each man's performance in his job every year or 6 months to determine whether he merits a salary increase or a promotion.

NEW TALENT FOUND

This can often lead to discovery of new talent. An electronics company found that successive semiannual ratings of an unimpressive appearing engineer showed his performance to be exceptional. He was moved along the promotional ladder and continued to achieve outstanding ratings. Today, he is the company's chief engineer. The firm says he might still be "just another engineer" if it had not been for the performance appraisals.

An employee's performance may be rated by his immediate superior, a personnel department specialist or a management consultant from outside. Many companies, even including some with formal pay plans, admit ratings by supervisors may have their drawbacks. A supervisor who feels insecure in his own position may deliberately underrate his subordinates, fearing that he may be replaced by one of them. On the other hand, a supervisor who thinks he is being judged on the basis of his ability to develop new management talent may overrate his subordinates.

Dr. McMurray, the Chicago management consultant, is one who objects to ratings by supervisory people. "They regard it as a chore, and generally do a superficial job," he says. "And if a supervisor dislikes a man, he can either rate him so low he is fired, or rate him so high he is promoted, gets in over his head, and is then fired."

He suggests the "field review" method to solve this problem. General Mills, Inc., Minneapolis, uses this method, drawing its interviewers from either its personnel department or from executives in departments other than those being rated. They interview not the man, but two of his bosses. If one of these executives has nothing good to say about the man, they ask, "doesn't he have any good points?" If an interview is too favorable, they ask, "well surely he has some faults, doesn't he?" They also demand proof of each opinion expressed.

Many compensation plans are not limited to a mere appraisal of the man in his job.

Once a year, for example, each young executive at Monsanto sits down with his boss to review his latest evaluation report and to work out a program of self-improvement. Each program is fitted to the needs of the individual. It can include such things as taking on additional duties, more active participation in community activities, attending night school or management seminars, public speaking engagements, representing the boss at industry functions, reading technical papers, books and magazines, filling in for a higher executive during his vacation, teaching company training courses, or even taking leave of absence for postgraduate study at Harvard, M. I. T. or some other university.

We no longer have "forgotten" employees, and we have been able to eliminate so-called 'deadend' jobs," says Mr. Fries of Monsanto.

The methods used to carry out these plans generally follow one of several patterns. Figuring out what a job is worth and how it compares with other positions can be on a simple ranking system, following the company's organization chart, or on a classification system, which uses job descriptions to grade each job. Or it can be based on one of several complex numerical systems.

A typical numerical plan is the "point factor" system used by S. C. Johnson & Sons, Inc., wax products maker in Racine, Wis. This involves breaking down management jobs into sets of "functions" and "classifications of difficulty and importance." For example, one of the basic management functions is developing and determining policy. This function is then classified on the basis of the importance of the policy involved. A further breakdown classes the job's difficulty, whether it involves formulating and recommending policy, for instance, or whether the job simply involves making a decision based on the policy. By giving each breakdown a set number of points, personnel managers can come up with a point score for each job. Its score determines where the job ranks in the company, its importance and relative pay.

A somewhat less rigid method, the job profile guide chart, is used by Pillsbury Mills of Minneapolis. It rates a position by how much know-how (defined as experience and skill in technical and human relations fields), problem solving (original thinking and decisionmaking) and accountability (control exercised and impact on the end result of the job) is involved in the work.

For example, a junior accountant's position might require 59 percent know-how, 22 percent problem solving and 19 percent accountability, while a vice presidency has a profile of 33 percent know-how, 29 percent problem solving and 38 percent accountability. The profile is then applied to a chart to determine the final rank of the job in comparison with all other management positions.

A BARN BURNER

"We think it's a real barn burner," says Harry Funk, Pillsbury's wage and salary administrator.

A simpler point system is in use in Canada and is now being installed in several United States firms, Mr. Shirley of Communications Institute says. The plan sets up a required number of points for each management job that must be attained before a man can be considered for promotion to that job. Points are given for such things as educational background, night school and correspondence courses, tenure, achieving quotas, special assignments, and membership in professional and community organizations.

"If a guy hasn't got what it takes, he isn't even considered for promotion, no matter whose brother-in-law he is," says Mr. Shirley.

An employee's performance is usually matched against one of these job evaluations to see if he deserves a promotion. Texas Instruments Inc., in Dallas, for example, rates each man every 6 months on 14 basic qualities, each broken into 5 degrees of performance. On the basis of this rating the man's boss recommends him for a salary increase, promotion, reclassification, transfer to another job, probation, or retention in his current status. Reasons for the recommendation must be listed.

CONVEYANCE OF CERTAIN LAND TO STATE OF NORTH DAKOTA

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 999) authorizing the Secretary of the Interior to convey certain land to the State of North Dakota for the use and benefit of the North Dakota State School of Science, which were, on page 1, line 9, after "The" insert "north half of the southwest quarter of the northwest quarter, the north half of the south half of the"; on page 2, line 2, after "the", where it appears the second time, insert "north half of the southwest quarter of the northwest quarter, the north half of the south half of the"; on page 2, line 3, strike out "quarter", where it appears the second time, and insert "quarter,"; on page 2, line 4, strike out "quarter" and insert "quarter,"; on page 2, line 7, strike out "80.0637" and insert "70.0637"; and on page 2, line 9, after "acres" insert "more or less".

Mr. ANDERSON. Mr. President, S. 999 authorizes the conveyance to the North Dakota State School of Science of certain Federal lands administered by the Bureau of Indian Affairs which are no longer needed for any Federal program.

Since consideration of the bill in the Senate, the Indian Bureau expressed an interest in retaining a portion of the lands to be conveyed. The House amendments delete from the bill the lands sought to be retained by the Indian Bureau.

As compensation for the conveyance, the school of science is providing free tuition for 10 Indian students each year for 10 years.

I am directed by the Committee on Interior and Insular Affairs to recommend that the Senate concur in the House amendments. I so move.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico [Mr. ANDERSON].

The motion was agreed to.

DISPOSAL OF CERTAIN PROPERTY IN THE COULEE DAM AND GRAND COULEE AREAS.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1574) to provide for the disposal of certain Federal property in the Coulee Dam and Grand Coulee areas, to provide assistance in the establishment of a municipality incorporated under the laws of Washington, and for other purposes, which were on page 4, line 15, strike out "Such" and insert "The land and"; on page 10, line 8, strike out "contiguous areas" and insert "and contiguous", and on page 13, strike out lines 5 through 8 inclusive, and insert "responsible bidder under this section or property sold to the first taker from the general public under subsection (h) of this section or by negotiated sale under subsection (c) (3) of this section, persons purchasing property under this section."

Mr. ANDERSON. Mr. President, S. 1574 provides for the disposal of certain Federal property in the Coulee Dam and Grand Coulee areas of the Columbia Basin project in Washington State, and to provide assistance in the establishment of a municipality. The amendments are primarily corrective and for purposes of clarification.

I move that the Senate concur in the House amendments to S. 1574.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico [Mr. ANDERSON].

The motion was agreed to.

THE RURAL ELECTRIFICATION ADMINISTRATION — SECRETARY BENSON'S PRESS CONFERENCE

Mr. MORTON. Mr. President, yesterday, as the result of an Associated Press 6- or 8-line news-ticker report, the Senator from Minnesota [Mr. HUMPHREY] and other Senators entered into quite a discussion concerning the REA and Secretary Benson's press conference and statements yesterday.

I have obtained a verbatim report of the press conference—at least that portion of it dealing with the REA—in which the Secretary was interrogated by several distinguished newspaper reporters.

I ask unanimous consent to have this verbatim transcript printed in the RECORD at this point, as a part of my remarks.

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

EXCERPTS FROM SECRETARY BENSON'S PRESS CONFERENCE, AUGUST 20, 1957

Mr. BAILEY (Minneapolis Star and Tribune). Mr. Secretary, one of the things that you missed and probably enjoyed missing, being away from town, was some of the political jockeying that goes on constantly around here about this Department. At this time, some of it seems to center around REA.

Two questions were raised. One was the question raised by Senator HUMPHREY about your nonavailability to go up before a subcommittee he had, and the other was to question factual matters at issue, the question of whether, and if so why, there is a procedure now for reviewing on this side of the street big loan applications that come into REA after they go through the Administrator's office over in the other building.

Could you tell us something about that?

Secretary BENSON. I learned before I returned home that there had been some talk about REA, so I had occasion just this morning to check into it at some length, as to the legal authority, the line of authority, and I have one or two notes here.

I want to give it to you in some detail, because there has been some misinformation circulated about it.

There has been no reorganization of REA other than set forth in the reorganization plan which was issued November 2, 1953. You remember that plan which was approved by the Congress.

Under that plan, the authority of the heads of all agencies of the Department of Agriculture was transferred to the Secretary of Agriculture. There was some question as to the Secretary's authority in the case of some of the agencies, particularly where the head was appointed by the President. Subsequently, the Secretary redelegated to the agency heads, including the Administrator of REA, the functions necessary to carry out the programs of their agencies.

This delegation, which appeared in the Federal Register of January 6, 1954, provided that each of the functions in question would be performed under the general direction and the supervision of certain officials of the Department of Agriculture, certain officials of the immediate staff of the Secretary.

And in the case of REA, this was the Director of Agricultural Credit Services. This was in line with the authority provided for and the delegation issued to the Director on August 28, 1953.

Now, this arrangement was in effect while Mr. Ancher Nelson was Administrator, and it is still in effect. Mr. Hamil has been asked by the Director of Agricultural Credit Services to discuss with him all loans over $500,000.

This is not a reorganization. It is merely in line with the coordination between the agency heads of all of the divisions of the Department and their respective group heads.

Mr. BAILEY. May I ask another question at that point, Mr. Secretary?

Secretary BENSON. Yes.

Mr. BAILEY. Was Mr. Nelson, when he was Administrator, asked to discuss with Mr. Scott all loans over $500,000?

Secretary BENSON. I don't know whether he was or not. I know that he did discuss some loans with Mr. Scott, but I don't know whether it was a regular thing or not.

Mr. BAILEY. Thank you.

Secretary BENSON. But may I say that the action was taken really to achieve full coordination of REA activities, in large measure due to the fact that we had a rather tight budget situation and there has been an unusual demand for REA loans.

Now the loan applications in connection with Farmers Home Administration, the large ones, are likewise discussed with the Director of the Agricultural Credit Services. And the suggestion was given to Mr. Hamil orally. He took it in fine spirit. It is entirely in line with Mr. Scott's authority and responsibility, and I support him in it.

I think it is a good thing. I think there is safety in counsel, and it is working out very well.

Now, I have been out of the office, as you know, for some time, and when I returned the Deputy Administrator of REA and the Administrator were out in the field, so I have not had an opportunity to talk with them. But en route home I did read an account in the Denver Post of an interview which reporters had had with Mr. Hamil, the Administrator, in which he pointed out that he had been sending applications of $500,000 and more to the Secretary's Office at the request of Mr. Scott, and that any suggestions on loans from the Secretary's Office had been constructive and restricted to financial feasibility, and that there had been no pressure on him to approve or disapprove loans so far as this office is concerned.

Now, those are the whole facts as I know them.

And I don't know of any friction or difficulty. Certainly there has been no reorganization of REA.

Mr. MAHONEY. The question remains: Just when did this procedure start and why did it start at that particular time?

Secretary BENSON. Well, I am not sure I have the date, but I think it was some time in June, Mr. Mahoney, that Mr. Scott orally suggested to Mr. Hamil that these loans be reviewed, the larger ones, and in large measure it was due to the fact of this tight budget situation and to the fact there has been an unusual demand for loans from REA.

One factor has been the differentials in interest, as the cost of commercial loans has gone up. That has increased the demand, no doubt, for REA loans which are at 2 percent interest.

Miss SARAH MCCLENDON (San Antonio). Mr. Secretary, did you not see any reason for you to put another order in the Federal Register outlining this policy, since it sort of conflicts with the one of January 6, 1954, in the Federal Register?

Secretary BENSON. No; there has been no official reorganization. Mr. Peterson (Assistant Secretary in charge of States' Relations) may request the same thing of the Director of Extension, or any agencies under him. It is simply good organization, good procedure.

Miss MCCLENDON. Would you say this was done without your direction?

Secretary BENSON. No; it was not done without my direction. It was done with my approval.

Miss MCCLENDON. What was the date of your approval?

Secretary BENSON. I don't recall that, because it was done verbally, but Mr. Scott had already discussed it with the REA people and said he felt it would be a safeguard and a good thing, and Mr. Hamil took to it in good spirit.

That is all I know about it.

Mr. DEACON (St. Louis Post-Dispatch). Would you review for us once more what the responsibility and authority of the Director of Agricultural Credit Services was under this delegation of authority?

Secretary BENSON. Yes. Under the Reorganization Act, all authority held by the heads of any agricultural agencies was (transferred) to the Secretary of Agriculture. There were some of them where the delegation was not quite clear. Then the Secretary in turn——

Mr. BAILEY. You mean before the act some of them were not quite clear?

Secretary BENSON. Before the act some of them were not quite clear. In the act the clarification was made.

Then the Secretary in turn, as is the custom, delegated authority to the agency heads, with supervision by the various group heads or the assistant secretaries and the Director of Agricultural Credit Services. They have general supervision under the Secretary for the various agencies under their supervision.

Peterson, for example, has Extension Service, Soil Conservation Service, Agricultural Research Service, and so on. In the case of Scott, he has the REA, our emergency drought programs, and the Farmers' Home Administration. * * *

Mr. MONROE (Albuquerque Journal). I believe the REA loans for the fiscal year 1957, which ended last June 30, were up to about $380 million total, which, I think, is a rise of 35 to 40 percent over the previous year, and I wondered if this is not all part of the inflation picture, if there has not been some concern at the White House level about the increase in the number of loans.

Secretary BENSON. There has been a rather substantial increase. I do not know what the percentage figure is. And if that would occur in any agency, it would give us some concern, naturally, particularly when you consider that about 95 percent of all of our farms are now electrified.

Of course, one of the problems we face, ladies and gentlemen, is the fact that there is no clear line of demarcation any longer between rural and urban areas, and that presents a problem to REA. We have this decentralization of industry—and industries move out into a rural area and they have great demands for electric power. And if they can get it through REA, particularly if they can get a loan with a lower interest rate, it is only natural they might apply for it. That is a fact. It is only one of several, but there has been a substantial increase and we want to be as cautious and careful as we can. We are using the taxpayers' money in this operation, as we are in most of the operations of the Department. * * *

Mr. DEACON. Mr. Secretary, two questions, if I may. First of all, do you intend to appear before Senator HUMPHREY's Government Operations Subcommittee before the adjournment of Congress?

Secretary BENSON. I have never refused to appear before any committee or meet with any Member of Congress privately.

I have just dictated the answer to Senator HUMPHREY's letter, which came to Mr. Morse, really. I dictated that this morning, and it has gone up to him, and I have suggested that copies be available if that is possible at the end of this press conference.

Mr. DEACON. In case you don't have them available, did you say you would appear or not appear, or what did you say?

Secretary BENSON. Well, I can't quote the letter exactly, but I think I indicated that our people had been available all along, the Under Secretary, Mr. Scott, and the Administrator and Deputy Administrator; that there had been no reorganization of REA, but that if he wanted me to come up when the Administrator returns to town, I would bring Mr. Hamil and we would come up and sit down with him.

Question: Do you know if a Cabinet officer can be subpenaed?

Secretary BENSON. I do not know. I have never faced that. I am told that certainly he could not be if the President indicated his objection. But then, I don't think that should enter into a thing like this, especially when there has been no reorganization of REA.

Miss HELEN MONBERG (Pueblo, Colo.). In Pueblo, Colo., we are very much interested in Mr. Hamil. I want to ask you two questions also.

One is: Is there any question about Mr. Hamil being forced to resign?

Secretary BENSON. I have never raised the question and no one has ever raised it with me. The thought has not entered my mind at all.

Miss MONBERG. He is satisfactory to you?

Secretary BENSON. Well, he has given excellent satisfaction so far as I am concerned, and my relationship with him has been very satisfactory. I think he is a good administrator or I wouldn't have selected him, nominated him to the President.

Miss MONBERG. The next thing I want to ask you is: Have you had any trouble recently with the large REA loans?

Secretary BENSON. I wouldn't say we have had trouble with them.

Miss MONBERG. Was there any loan that went sour, for instance?

Secretary BENSON. I don't recall. I would have to check. I don't recall that there has been.

Miss MONBERG. Thank you.

Mr. DEACON. Still on this REA matter, the contention by some REA groups has been that in actuality or in practical effect the review of these REA loans of more than $500,000 has been made by Mr. D'Ewart rather than Mr. Scott. Would you comment on that?

Secretary BENSON. I think generally speaking they have been made by Mr. Scott. Mr. D'Ewart is assistant to Mr. Scott and sometimes when Mr. Scott is away I assume Mr. D'Ewart would do some of the preliminary work on them. I think all of them have been called to Mr. Scott's attention before any suggestion or recommendation has been made.

I have mentioned REA all the way along. I don't want to exclude the telephone loans. They are not all electric loans; some of them are also telephone loans, as you know.

Mr. MORTON. I think the transcript makes it abundantly clear first, that there is no great reorganization of the REA; second, that there is no policy change; and third, that the Secretary feels that he has a budgetary responsibility as Secretary of Agriculture for all the lending agencies within the Department of Agriculture. Furthermore, I believe that as a member of the Cabinet he has an obligation shared by all members of the Cabinet, to watch over every major expenditure, in view of the possibility that Congress may have to come back here in November or December because of the debt ceiling.

I understand that today there is a sharp demand for REA loans—greater than at almost any other time; yet our farms are 95 percent electrified. This makes it important that the Secretary keep himself informed, and discuss the problems with the administrator of the REA, without attempting to dictate or to change the policy in any way.

I trust that Members of this body who followed the discussion yesterday will read the verbatim transcript of the Secretary's press conference.

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

Mr. MORTON. I yield.

Mr. HUMPHREY. I respectfully suggest to the Senator that the so-called verbatim transcript consists of excerpts from the press conference, edited by the Department of Agriculture. I have a copy of the so-called verbatim transcript, but it is verbatim only to a point. It is verbatim after appropriate editing and deletions by the Department. But even what is there, I say, is rather revealing.

The Secretary of Agriculture points out, for example, in response to a question from a reporter of the Minneapolis Tribune, Mr. Bailey, the situation with respect to Mr. Nelson, when he was Administrator of the REA. I read from the transcript:

Mr. BAILEY. Was Mr. Nelson, when he was Administrator, asked to discuss with Mr. Scott all loans over $500,000?

Secretary BENSON. I don't know whether he was or not. I know that he did discuss some loans with Mr. Scott, but I don't know whether it was a regular thing or not.

The Secretary goes on to point out that the purpose of the action was to achieve full coordination of REA activities. I submit that full coordination of REA activities is a function of the Administrator of the REA, and not the Secretary of Agriculture, even though the REA is under the Department of Agriculture by reason of the Reorganization Act.

Mr. MORTON. I have already placed in the RECORD the quotation which the Senator has just read. I think the transcript speaks for itself. Let me say that it does consist of excerpts, because I asked only for that portion which dealt with REA. The Secretary held a rather lengthy press conference, dealing with other subjects besides the REA. I did not wish to burden the RECORD with the other subjects. I wished to place in the RECORD merely the portion which was anent our discussion yesterday.

Mr. HUMPHREY. So far as the budgetary responsibility of the Secretary of Agriculture for all the lending agencies within the Department is concerned, let me say that the Congress of the United States authorizes the amount of money available for loan funds in the REA. The Congress of the United States authorizes the Director to make the loans.

The Secretary of Agriculture assured the Congress that before any change was made in either policy or organization, he would consult with the Congress.

I charge that the Secretary has not kept his word. All he needs to do to keep his word is to respond to a request from a committee of the Congress to appear before the committee. He should stop holding press conferences and come to the Capitol, where a Cabinet officer belongs when he is requested to appear before a committee.

Mr. MORTON. In his letter of yesterday the Secretary made it clear that as soon as Mr. Hamil returns to Washington, he will be glad to appear before the committee.

AMENDMENT OF SECTION 22 OF THE INTERSTATE COMMERCE ACT—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill S. 939 to amend section 22 of the Interstate Commerce Act, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee [Mr. KEFAUVER] to postpone, until January 30,

1958, at 2 o'clock p. m., further consideration of the conference report.

Mr. MAGNUSON. Mr. President, I wish to address myself for a few minutes to the pending business.

I believe that the very complex and unusual situation in which we find ourselves points up the necessity of something which should have been done a long while ago, and which I have advocated, but which I have never been persuasive enough with the Committee on Interstate and Foreign Commerce to achieve by way of enactment of proposed legislation which I introduced.

I think there is a real necessity for the outright repeal of section 22 of the Interstate Commerce Act, so that the Federal Government will pay the same rates that any citizen pays. Under such an arrangement, these situations could not occur. There would be ample free competition among all forms of transportation.

However, in view of the fact that the committee will again tackle this very important subject in January, and in view of the fact that it involves a cost of several million dollars to the United States Government, probably the better part of wisdom at this particular time would be to agree to the conference report.

However, I repeat that I am still strongly in favor of repeal of section 22 altogether, so that none of these untimely, unusual, complex, and somewhat inequitable situations can occur again.

Mr. HUMPHREY. Mr. President, I wish to address myself to the pending question, relating to the conference report on Senate bill 939.

This situation involves a most unusual procedure, in an unusual situation. This was openly admitted yesterday by the chairman of the conference committee, the Senator from Florida [Mr. SMATHERS], when he urged the adoption of the conference report on Senate bill 939.

The Senate was told—and I believe I am paraphrasing accurately the report of the chairman of the conference committee—that this was an imperfect bill. The Senate was told that hearings had not been held. The Senate was further told that no witness was heard representing those who were in opposition to the bill.

The Senate was also told that the information as to the moneys to be saved by favorable action upon the conference report was information obtained from a Pentagon official, who was never cross-examined. The official presented his own estimate as to what he thought the savings to the Government would be because of the so-called Harris amendment of the House to Senate bill 939.

Mr. President, I do not wish to labor the situation, but it seems to me that when we start to amend the antitrust laws, which are fundamental to the preservation of free enterprise—the antitrust laws which may be the difference between an America which has a free economy and an America which could have a controlled economy—no matter to whom the amendment is made to apply, we had better first have some discussion and some testimony from witnesses, and some cross-examination of the witnesses.

The power of big business in America today is such that it takes the courage of a warrior to stand up against it, and the stamina of a warrior to enforce antitrust laws.

The enforcement of laws is indeed quite an ordeal. Even the support of antitrust laws requires a good deal of perseverance and courage.

The railroads are no different than any other part of the American economy. They are entitled to all the protection of the laws. They are entitled to a fair profit. They are entitled to fair consideration by their Government. They are entitled to the business of their Government. They have been given all that—plus.

To exempt them from the restrictions and from the applicable portions of antitrust laws when they are doing business with the Government is to set a precedent which could lead to further requests in other areas of the American economy for the very same kind of exemption.

Recently, when the Mideastern oil crisis developed, after the debacle in the Suez, and when the oil supplies from the Middle East to Europe were cut off, there was a temporary suspension of the antitrust laws relating to certain American oil companies, so that they could furnish oil to European countries, particularly our allies.

I suggest that that situation was of sufficient importance to call for a congressional investigation into it. As I recall, the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Colorado [Mr. CARROLL], and other Senators spent months in looking into this very point of the exemption of the oil companies from the antitrust law. I see on the floor the distinguished junior Senator from Wyoming [Mr. O'MAHONEY]. I again commend him for being a stalwart champion of free enterprise, for being the No. 1 trustbuster in modern times—I mean it—second only to Teddy Roosevelt. He walks in the same direction. We need more of that spirit in America.

I am not an expert on this subject. However, when antitrust laws are set aside, or an attempt is made to set them aside, it is time to put up the warning flag. Perhaps a good case could be made out for S. 939, as amended. It is fair to say, perhaps, that the case for the suspension of the antitrust laws, as contained in the bill, was made in the House of Representatives. However, how was it made? It was made by amendment on the floor of the House of Representatives, not by any committee action.

Here an attempt is made to modify the whole structure of American law. The attempt is made not only to modify it, but to strike it down insofar as it applies to railroads and other contractual relationships with the Government in the movement of American servicemen. It is proposed that that be done without any hearing and without giving any consideration and without any examination of the Government witnesses, and without any testimony from those who are opposed to the bill, and without even any testimony from those who are in favor of the bill.

The argument has been made—and it is an argument which has great appeal—that the passage of the law will save the Government $100 million. The argument has been made by the Defense Department that unless the so-called Harris amendment, which is the substance, basically, of the conference report, is adopted, the Defense Department will have to spend an additional $100 million during fiscal year 1958.

My question is, What is the authority for that figure? Who is responsible for it? We are told it is in a letter from a Major General Lasher, an officer in the Pentagon who is in charge of the Traffic Management Agency of the Department of Defense.

We are told that a letter has been sent by a Pentagon officer to the committee, and we are told that on the strength of that letter we should depart from the usual procedure of committee business and violate traditions of Congress by proceeding without holding any hearings whatever on the subject matter, much less on the bill. We are asked, on the basis of a letter, to amend drastically the antitrust laws.

Before Congress does such violence to its own procedures, it seems to me we would have to be confronted with a rather dire emergency. There seems to be no emergency that I can find which necessitates this type of action. I know that very few people, if any, have made the point that the Association of American Railroads has been pressing the very same argument which the Pentagon official has pressed, namely, that unless we accept the Harris amendment it will cost the Government $100 million more than would be the case under existing procedures.

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

Mr. HUMPHREY. I yield.

Mr. KEFAUVER. Does the Senator agree that it is a sorry plight we have come to when the great United States Government has to make another big exemption in the antitrust laws because of the threat of a common carrier that it is going to charge the Government more money? I have never seen anything quite so ridiculous and so belittling of the United States Government, as for these people to come forward and say, "Pass this bill or it will cost a lot of money to the Government. Modify the antitrust laws and give us another great exemption."

I think for that reason alone, if for no other reason, the Senate ought to stand up and tell them, "We are not going to approve your conspiracy, your concerted action, with a price tag on it."

Mr. HUMPHREY. I say to the Senator from Tennessee, who, like the Senator from Wyoming, has been another power of strength in the enforcement of antitrust laws, and of course a battler against monopoly, that there are many times when we could repeal a section of the antitrust laws to save the Government some money. I have heard that argument made, for example, with respect to the discount houses. Why does everyone buy at discount houses?

It is said they buy at discount houses to save money. However, by that action legitimate businessmen are driven out of business. I say a man is entitled to a profit. I do not think it is right for a Government agency or any other institution to seek to buy commodities at the lowest price it can get, regardless of the consequences. We impose standards. We insist on the preservation of small business, and we insist that certain privileges be accorded to small business, in order to protect that segment of our economy.

As I said, what seems most unusual to me is the methodology which has been devised to bring the conference report before us. I do not criticize the distinguished Senator from Florida [Mr. SMATHERS]. I realize that the bill was the subject of House action, and that the House conferees insist upon their amendment. It is fair to say that the Senate bill did not contain the amendment. The Senator from Florida has said that he would prefer something different than the bill before us, but that this is what he has to present to the Senate. I suggest that once in a while it is a good thing to tell the other House that we do not always accept their amendments.

Mr. LONG and Mr. LAUSCHE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Minnesota yield; and, if so, to whom?

Mr. HUMPHREY. I yield first to the Senator from Louisiana; then I shall yield to the Senator from Ohio.

Mr. LONG. The point has been made that the Defense Department will have to pay about $100 million a year more for freight in the event the amendment is not adopted than would be the case otherwise. I do not know how that figure was arrived at. However, I do know what I have observed of the way the Defense Department has done business in the transportation of freight in an area with which I am familiar, and in an area where I have lived. I have never seen more opportunities lost to economize by the Government than the failures on the part of the Defense Establishment to hold down freight costs.

I have seen this happen many times. I have seen cases affecting installations under Government control where the freight rate was rigged in such a way as to make it impossible for any other private enterprise to do any business on that basis. Then I have seen the Government sell the installation to a private concern, whereupon all the freight rates and switching charges were reduced, and then, when the Government came back into the same installations, all the rates went up again, because the Government was in control.

It is fantastic to see the extent to which that has been done. I feel sure that condition is duplicated many times throughout the country, where large amounts of money have been wasted.

I do not know on what theory the $100 million saving on freight charges was based. However, it occurs to me, and I have mixed feelings on the amendment, that if we are to rely upon a $100 million figure, as a basis for not enforcing the antitrust laws, it would be well to know how that figure was arrived at. I would like to know how the figure was computed.

Mr. HUMPHREY. I should like to inquire into that, also. The Senator from Ohio [Mr. LAUSCHE] undoubtedly is intimately informed on this subject. Perhaps he would like to make some comments on it.

Mr. LAUSCHE. The Senator from Minnesota is partially correct in his statement, that no hearings were held on the specific provision which is now being discussed on the floor of the Senate. But the fact is that the entire committee conducted extensive hearings on Senate bill 939, a companion bill.

Mr. HUMPHREY. Yes.

Mr. LAUSCHE. On page 101 of the hearings on the bill, S. 939, we find the testimony of Mr. Smith, the Director for Transportation and Petroleum Logistics, of the Office of the Assistant Secretary of Defense, at the Pentagon, Washington, D. C. He was questioned by the Senator from Florida [Mr. SMATHERS]. I read the following from the hearings:

> How much would it cost the Government if section 22 were repealed or changed, as has been recommended in Senate bill 939? How much additional expense would it cost the Government?
>
> Mr. SMITH. At the time I testified before the House committee last year, based on the then freight bills of the military departments, I estimated it would cost, if section 22 were eliminated, and all the rates went back to the tariff basis, the cost to the Government would be $215 million per year. Based on the present freight bill, I testified before the House just a few days ago that the cost would be $128 milion per year.

That dealt with the question of whether section 22 should be repealed.

We decided that section 22 ought not be repealed. The Government's bill for such shipments is $615 million a year. The Government is the largest shipper in the Nation.

The committee—unanimously, I think—decided that section 22 should not be repealed.

Then the carriers sent word to the Government, that, "Under the decision which was rendered, unless the law is amended, we shall have to discontinue giving you the reduced rates."

Based upon that testimony and upon the direct word of General Lasher, who stated that he was speaking for the Defense Department, the conclusion has been reached that the additional cost to the Government would be $100 million, in the case of the Defense Department alone—I repeat, in the case of the Defense Department alone, without considering the other Government shippers.

Mr. HUMPHREY. The response made by the Senator from Ohio answers in part the Senator from Louisiana.

However, I must say that the statement by the general in the Pentagon—namely, that in this particular instance, there would be an additional cost of $100 million a year for Government freight—was an assertion, and was not broken down in terms of what we might call a study of cost items. It was a general assertion.

Mr. KEFAUVER. Mr. President, will the Senator from Minnesota yield for a question?

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Does the Senator from Minnesota yield to the Senator from Tennessee?

Mr. HUMPHREY. I yield.

Mr. KEFAUVER. That is the point which I think is so important in this case. One of the bureaus of the Interstate Commerce Commission has said that the section 22 rates are 13 or 14 percent higher than the comparable commodity rates available to commercial shippers.

General Lasher says one thing, but those who are directly involved say something else.

That is one of the reasons why I believe it is important to postpone further consideration of this conference report to a day certain, when we would not be acting under the whip of trying to relieve the railroads of the burden of the decision of the district court, which was against them. That is the moving force at this time.

By making such a postponement, we would have a chance to hold hearings and to find out who is correct, and the public could be informed, and those who say they will be put out of business would have a chance to be heard.

Does the Senator from Minnesota not believe that the members of the committee are entitled to that consideration?

Mr. HUMPHREY. I certainly do. I point out that the Pentagon has said that unless section 22, as it applies to Government business is maintained, there will be an additional cost to the Government. I wish to emphasize that point.

On the other hand, as the Senator from Tennessee has just pointed out, according to the Bureau of Transportation Economics and Statistics, of the Interstate Commerce Commission, as set forth in official publications in 1950 and 1952, the average level of quoted rates was 14 percent higher than comparable commodity rates available to commercial shippers. In other words, as the Senator from Louisiana has stated, the Government paid, on an average, 14 percent more to move similar commodities under rate schedules under section 22 than did private shippers. Yet the Pentagon says the Government will save money by having the conference report agreed to—and the conference report includes the Harris amendment, which in effect applies section 22 rate schedules.

Let me say that in 1953 and 1954 the Government's section 22 rates were, on the average, 13 percent higher than comparable commercial commodity rates. My interest in the economic phase of the matter is shown by the following question: What would led one to the conclusion that the Government will get a better deal by means of section 22 rates than it would by means of the regular rate schedule, as applied to other shippers?

Mr. SPARKMAN. Mr. President, at this point will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. I should like to ask a question, and I invite the attention of the Senator from Florida [Mr. SMATHERS], the Senator from Ohio [Mr. LAUSCHE], and the Senator from Connecticut [Mr. PURTELL], if I may; all of them were members of the conference committee, I believe. It has been suggested that unless this amendment is agreed to the Government will be subjected to an additional cost of $100 million. That statement has been made on the assumption that in that event the railroads will not be able to confer under section 22, and therefore they will not be able to give the Government the reduced rates, and therefore the rates applied to the Government will be higher.

But in its decision, the district court said the following:

Nothing—

Meaning nothing in its order or decree—

shall prevent or preclude defendants—

In other words, the railroads—

from submitting any rate quotations, concertedly arrived at, for the transportation of persons or freight for the Government of the United States at free or reduced rates * * * pursuant to section 22 of the Interstate Commerce Act * * * without regard to the level of the rates.

If that is a correct quotation from the decision of the district court, what is there to prevent the railroads from continuing to give the Government free or reduced rates pursuant to section 22, even if they are arrived at in concert? How would they be hurt?

Mr. HUMPHREY. Mr. President, I am pleased that the Senator from Alabama has raised that point in the argument, because from what I knew of the decision by Judge McGarraghy—which I believe was rendered in July of this year—nothing in the decision would prevent the railroads from being patriotic or considerate of the Government's needs in time of emergency; nothing in the decision would prevent the railroads from offering to the Government rate schedules under section 22, after agreeing among themselves about the advantageous rates to which the Senator from Alabama has referred.

Perhaps the Senator from Florida [Mr. SMATHERS] can throw some light on that matter. Was the quotation a correct one?

Mr. LAUSCHE. Mr. President, let me say that it was only partially correct. It did not include all the decree.

Mr. SMATHERS. That is correct.

In addition, I should like to point out several things which I believe will help all of us in our thinking about this matter.

We must remember that in its decision, the court did not forbid the railroads, the water carriers, and the motor carriers to get together and, in concert, to fix rates, and to do so for all commercial shippers. So they have the advantage of that arrangement today, if they wished.

What Judge McGarraghy said was, in effect, "We are going to let that happen in the case of all the commercial houses, and they will get the benefit of it. But we do not believe it applies to the Government."

So, Mr. President, all we are concerned with now is whether the immunity granted under section 5 (a) applies to making of section 22 rates for the Government. The judge said that the railroads could not, in dealing with the Government, do what they could do in dealing with the commercial houses.

After further discussion, we concluded that the decision means the following: With respect to the rates charged to the Government, the carriers cannot work in concert, except in a certain way, which means end on end. In other words, if a shipment begins with the Pennsylvania Railroad and is to go all the way to Florida, later the shipment will be carried by the Atlantic Coast Line, and later it will be carried by the Florida East Coast Line—end on end. The decision is that this can be done by the end-on-end carriers making up the route over which the traffic is to move.

But as of today, under the court decision with respect to section 5 (a), in the case of section 22 rates on shipments which travel through the whole area—which means one end-on-end group of carriers and another such group, which parallel each other, and which now act in concert—the decision is that they will not be allowed to act in concert, in parallel lines. That is the distinction the judge was trying to draw.

So, in effect, he was saying, "The railroads will not be permitted to give the Government the advantage which the railroads can give the commercial shippers."

Our point is that if such an advantage is to be given to the commercial shippers, why should the Government be punished? Why should not the same advantage also be given to the Government, to the taxpayers of the Nation?

The Atomic Energy Commission has written a letter saying that it is to the advantage of the Government to have the Harris amendment go into effect; and the Department of Defense and the other governmental agencies have said the same.

I hope what I have stated answers the question of the Senator from Alabama.

Mr. SPARKMAN. I should like to pursue the matter a little further.

I now have before me a copy of the decision of Judge McGarraghy, or his decree or order. It is true that what I read did not include all the words used in the order, but I believe it included the entire substance of it. I shall be very glad to read the entire paragraph into the RECORD. I think it would be well for the RECORD to show it. I am not an expert on these matters. I submit that perhaps I do not interpret the decision correctly.

Mr. LAUSCHE. The language which the Senator from Alabama read did not contain at all the gist on which the decision was based. It did not contain the language which dealt with disconnected lines rather than connected lines. That is in further explanation of that given by the Senator from Florida.

Mr. SPARKMAN. It may very well be that some of the language——

Mr. HUMPHREY. I suggest that the Senator from Alabama read it into the RECORD, so that we may have an understanding of what the bill is about. I may say to the Senator from Florida I am very grateful for his listening to the discussion. He has been most patient for 2 days with respect to action on the conference report. I have no ax to grind. I have no particular bias about it. I was concerned about what I considered to be an exemption from the antitrust laws. I have talked to the Senator privately about it. He has been most considerate in delaying the bringing up of the conference report, until we have had time to look into the matter. It may be helpful to the purposes we are trying to accomplish.

Mr. SMATHERS. I am grateful for the very temperate and reasoned attitude of the Senator from Minnesota, which he always exhibits. Particularly on this matter under discussion at the present moment, I think it would be helpful to state, as we have stated over and over again, that we were faced with a situation rather than a theory. As conferees, we attempted to resolve it as practical men, trying, insofar as possible, to maintain the status quo, as the act has existed since 1948, when the Reed-Bulwinkle bill was passed. Although such actions would be in violation of the antitrust laws, they have been granted immunity. Even airlines have been granted such immunity. We felt we would try to maintain the status quo until next year, when section 22 could be repealed, or the Reed-Bulwinkle provision could be repealed.

Mr. HUMPHREY. That was the substance of the argument by the Senator from Washington.

Mr. SMATHERS. That is correct.

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

Mr. HUMPHREY. I yield to the Senator from Alabama.

Mr. SPARKMAN. I will ask the Senator from Minnesota this question. Has he seen the decree handed down by Judge McGarraghy?

Mr. HUMPHREY. Yes; I have.

Mr. SPARKMAN. I wonder if he has read section (c) subsection 4, which reads as follows:

Nothing provided in subparagraphs (1), (2), or (3) above shall prevent or preclude defendants and each of them, their officers, directors, servants and employees and all persons, natural and corporate, acting for or in concert with each or any of them or under their control, direction, permission, or license from submitting any rate quotations, concertedly arrived at, for the transportation of persons for the Government of the United States at free or reduced rates under and pursuant to section 22 of the Interstate Commerce Act, as amended, (49 U. S. C., 22), without regard to the level of the rates, where such rate quotations are made for through transportation between any 2 specific points over a single route, portions of which are operated by 2 or more railroads, nor shall the provisions of subparagraphs (1), (2), or (3) above require defendants and each of them, and their officers, directors, servants and employees, and all persons, natural and corporate, acting for or in concert with each

or any of them, to discriminate as to such rate quotations between 2 or more railroads connecting with any defendant railroad in offering through transportation between any 2 specific points over a single route; nor shall the provisions of subparagraphs (1), (2), and (3) above apply to the making of rate quotations for traffic not in competition with the 4 named plaintiff air carriers or any other presently noncertified air carrier similarly situated who may thereafter be permitted by order of the court to intervene;

Mr. HUMPHREY. What the Senator is saying is that in the judge's decree there is plenty of room for protection of the Government's interests where two or more railroads are handling the business going from one point of destination to another. That is what the decree suggests, in language which is perhaps more formal than I have stated it, but I think I have adequately paraphrased it.

Mr. SPARKMAN. I think the decree does that, and it seems to me it gives ample protection. With reference to the talk about a saving of $100 million, I want to say I have been considerably concerned about that, but it is my understanding that this case was decided by Judge McGarraghy based on the railroad's own statements that the gross revenue—this is not extra cost or the down part, but the gross revenues—from the enjoined practices; namely, the practices for which the suit was brought amounted to $8 million annually. I do not see where the amount of $100 million comes in. That has been a puzzlement to me.

Mr. HUMPHREY. It is a puzzlement to the Senator from Minnesota. I stated earlier that it appears to me when a Pentagon official, honorable as he may be, and informed as he may be, states in a letter to a Senate committee that there is involved a saving of $100 million, it requires more than the receipt of the letter and its reading or printing to prove the authenticity of the statement.

I would also note, on the information we have from the Interstate Commerce Commission Bureau of Transportation Economics and Statistics, which was alluded to by the Senator from Alabama, and subsequently by the junior Senator from Minnesota, which we find in the subcommittee hearings of the other body, that according to hearings before the Subcommittee of the Committee on Interstate and Foreign Commerce of the House—84th Congress—on Transportation Policy conducted from April 24 to May 8, 1956, section 22 rates were considerably higher than regular rates charged the commercial shipper.

For instance, within Mountain Pacific territory, section 22 traffic pays the railroad $36.37 per ton and 6.06 cents per ton-mile, as compared with commercial rates at $19.40 per ton and 4.34 cents per ton-mile. On transcontinental traffic having its origin or destination in Mountain-Pacific territory, the section 22 traffic pays $90.79 per ton and 5.05 cents per ton-mile, as compared with $78.87 per ton and 4.03 cent per ton-mile on commercial shipments.

So the so-called savings under section 22, of which such a point has been made, have at least, in the ICC's economic analysis, not been quite so meaningful as we have been led to believe.

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

Mr. HUMPHREY. I yield to the Senator from Ohio.

Mr. LAUSCHE. The Senator from Florida questioned the witnesses on this very subject. They told of the reduced rates. It was further stated that in some instances carriages were made at a loss, so the Senator from Florida, as shown on page 36, put this question:

Senator SMATHERS. The point that I still don't understand is this: You say that transportation companies still will let the Government, in effect, browbeat them or force them—there is no coercion or there is nothing of that nature, is there?

Mr. CLARKE. No.

Senator SMATHERS. Requiring them to take the contract?

Mr. CLARKE. No. It is entirely voluntary.

Senator SMATHERS. Which results in a loss to them, and they still take it?

Mr. CLARKE. Yes. Sometimes, as Senator PURTELL pointed out, it is better to take a loss, a small loss, than to have idle equipment, we will say.

Then a question was put to Mr. Clarke by Mr. Barton, transportation counsel for the subcommittee, as appears on page 37:

Mr. BARTON. Mr. Chairman, isn't it true that all the studies that have been made of this subject show, not that the Government pays less than commercial shippers but, on the whole, pays more?

That question was pursued by the committee.

Mr. HUMPHREY. Yes.

Mr. LAUSCHE. I continue to read:

Mr. Clarke, Chairman of the Interstate Commerce Commission, answered:

No. There is only one study that even intimates that, and that is the one by our Bureau of Transport Economics and Statistics. However, the very fact that section 22 rates are just reduced rates seems to answer the question. There would be no purpose in the Government negotiating a rate that is higher than the published tariff rate, because they are free to use that any time they want to. The only time they avail themselves of section 22 quotations is when they want to move traffic at below the published tariff rate.

Mr. HUMPHREY. I am grateful to the Senator from Ohio.

Mr. LAUSCHE. We plunged at that question. It was struck at. That is the identical point the Senators are trying to make.

Mr. HUMPHREY. I hope the Senator will realize that when another Senator who is not a member of the committee receives a report from the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission, to the effect that the rates under section 22 are higher than the commercially listed rates, it makes him wonder. Therefore, as I have said to the Senator from Florida, it appeared to me that some of the economic statistical evidence would have been much more understandable, and I think much more sound and convincing, had it been the result of work in the conference committee, with some help from the statisticians and economists of the ICC.

Mr. SMATHERS. I agree with the Senator.

I think, in furtherance of what the Senator from Ohio has said, we can get some idea about this subject and establish the fact that the railroads do offer to the Government rates below published rates, by looking at the complaint which the nonscheduled airlines filed in the district court, wherein they say that the variable spot rates quoted on individual movements and on a move-by-move basis vary to as much as 50 percent below the regularly published tariffs.

I am very sympathetic to their problem. They tell us, in fact, that there is no saving, because the Government pays rates higher than the published rates; yet in their own brief that is what they say.

Mr. HUMPHREY. In their own brief they tell us that the rates are lower.

Mr. SMATHERS. I should like to read one statement from the judge's decision. The judge states:

Commencing in 1953, the defendants began the practice of making concerted quotations to the Military Establishment of special rates varying to as low as 50 percent below the defendants' regularly filed tariffs.

That was the judge's finding. It is asked: "Where is the saving?" There has been a great saving to the Government.

With respect to the figures mentioned by the Senator from Minnesota, I was disturbed about them, because I also had seen those figures. However, it turns out that the actual explanation is that the figures quoted the per ton-miles and car-mile figures for Government traffic. In fact, when the haul is for the Federal Government the cars are loaded heavier to start with, a heavier loading than for the ordinary shippers, with the result that on certain of the long hauls the carrier does get more than would be gotten from a commercial house. The material is packed in, and it is not given exactly the same service.

There is still a saving to the Government, even though, as has been pointed out, the figures indicate more attractive earnings for the railroads.

Mr. SPARKMAN. Mr. President, will the Senator yield to me in that connection?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. I wish to ask as to whether the reduced rates were applicable generally, or whether they applied only in those areas where there was competition from other carriers.

Mr. SMATHERS. My information is that they were applied almost exclusively in the area where there was competition.

I will agree with the Senator—all the members of the conference committee agreed, and we went over this again and again—that the nonskeds have an important part in the Government in the transportation picture. It would be most unfortunate if they should disappear. We would not want to have them disappear, because when they come into the picture the railroads have to lower their rates. Competition does that.

The conference committee have indicated that at the beginning of next year, we want to put the nonscheduled airlines on an equal competitive basis with the railroads, the motor carriers, and the

water carriers. That statement was put in the RECORD by the House; it was so stated on the floor.

We do not think what is suggested is the way to accomplish the desired end. We think the better way to do it would be next year to amend the Civil Aeronautics Act, allowing to the nonskeds the same privileges given to the railroads under section 22 and section 5 (a).

Mr. HUMPHREY. The Senator agrees, does he not, that the competition which has come from the air carriers, the nonskeds in particular, has had a tendency to bring about a saving to the Government?

Mr. SMATHERS. Absolutely.

Mr. HUMPHREY. Because of the factor of competition?

Mr. SMATHERS. I agree.

Mr. HUMPHREY. Does the Senator agree that the reduced rates which the railroads frequently talk about are the result of competition, which comes into the area from the nonscheduled airlines and other carriers?

Mr. SMATHERS. Absolutely. I completely agree.

Mr. HUMPHREY. Let me ask another question, so that the legislative record will be crystal clear. Does the bill which comes from the conference committee, which is before the Senate, in any way prejudice the legal rights of the parties in the case at law which was adjudicated in the district court, I believe, on July 5, in which Judge McGarraghy sat? Does it in any way prejudice any appeal or any further litigation?

Mr. SMATHERS. I will say to the Senator from Minnesota that on page 2 there appears this language, which was put in the RECORD on the House side by Representative DINGELL, of Michigan, I believe.

Provided, That nothing in this paragraph shall affect any liability or cause of action which may have accrued prior to the date on which this paragraph takes effect.

As a matter of fact, we have gone further, because the statement filed by the House conferees, which we have also made a part of our RECORD, goes so far as to say that it is the hope of the conferees that this in no way will affect any legal cause of action which is now in existence or which might include any person or corporation by reason of alleged acts on the part of certain railroads. We are doing everything we can as a practical matter not to bar such proceedings. It may be that the effect of the action will bar them. Our answer to that is that, after all, many other people have rights in this matter in addition to the four nonscheduled airlines.

Mr. HUMPHREY. In other words, the Senator interprets the proviso as written into the amendment to the bill, which comes from the conferees, as within the language of the conference report which has been made available to Members of both Houses?

Mr. SMATHERS. The Senator is correct.

Mr. HUMPHREY. In other words, no rights of litigation or further proceedings in law are prejudiced, as the Senator sees it, by the conference report?

Mr. SMATHERS. The Senator is correct.

Mr. PURTELL. That is the opinion of the Senator from Connecticut, also. We were firm in our belief that that ought to be the understanding of the committee, and it was.

Mr. HUMPHREY. Was the conference report a unanimous report?

Mr. SMATHERS. No. The junior Senator from Texas did not sign it. Everyone else signed it. It was not unanimous, however.

Mr. HUMPHREY. Mr. President, I desire to yield the floor after one observation.

I have never been particularly happy about the Reed-Bulwinkle law itself. As I recall, the law was passed in the 80th Congress, and became effective in 1948. It has always seemed to me that this particular statute was fraught with many dangers to the whole body of law relating to the control and regulation of monopoly and to the antitrust laws.

I remember that in my campaign for the Senate in 1948 I assailed the Reed-Bulwinkle Act. It is now almost 9 years later, and I have not changed my mind one bit. I do not think the Reed-Bulwinkle law is a good law. I think the Reed-Bulwinkle law was meant to extend primarily to commercial enterprises, and the attempt now is to extend it, by the action proposed, to the Government, so that we are asked to compound what I called a just grievance in the beginning.

I shall yield the floor. I have tried to make my point. There are other Senators who desire to be heard. I shall remain openminded and ready to yield to the rule of reason.

Mr. YARBOROUGH. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I am sorry; I have yielded the floor.

Mr. SCHOEPPEL. Mr. President, I concur with the junior Senator from Florida and the junior Senator from Ohio with reference to what we have attempted to do in the conference report on S. 939, which is now before the Senate. The manner in which this bill was originally passed by the Senate and the manner in which a similar bill was originally passed by the House has been described in full by the distinguished Senator from Florida. No good purpose would be served by my retracing these steps.

The amendment made by the House, and acquiesced in by our conferees, is designed to protect the tremendous interest of the Department of Defense in its present method and manner of doing business with the common carriers of this country.

The necessity for the amendment was brought about by a court opinion which, contrary to the intention of the Congress, would deprive the agencies of the United States Government and the carriers of a long-established method of ratemaking.

This method, the Department of Defense has said, is the only feasible way by which the carriers may meet its transportation demands both in times of peace and times of war. If the court's opinion that section 5a of the Interstate Commerce Act does not apply to the making and carrying out of section 22 quotations for transportation services furnished the United States Government is a correct interpretation of the present law, then, without enactment of the amendment made by the House, the Department of Defense alone will suffer increased costs of over $100 million anually. And this, I might say, is contrary to the very intention of Congress in enacting section 5a of the Interstate Commerce Act.

This possible effect upon the Department of Defense and other Government agencies led both the Senate and House of this Congress to reject bills that would have repealed in large measure section 22. But the court's opinion would in effect do what we declined to do.

I am impressed, as I believe we all are, with the importance of this matter and the necessity of assuring that Congressional intent will receive full recognition in the future. Briefly, the situation is this:

In 1948 Congress enacted section 5a of the Interstate Comerce Act, the so-called Reed-Bulwinkle Act. It is not necesary for us to determine that section 5a should apply to the making of section 22 quotations, since that decision was made at the time section 5a was enacted after a most careful and exhaustive consideration of the necessity for the conference method of ratemaking.

The legislative history leaves no doubt in this respect. Subsequent to the passage of section 5a, the carriers submitted numerous carefully drafted agreements to the Interstate Commerce Commission for approval under the provisions of that section.

Extensive public hearings were held, with the Department of Justice actively participating therein.

The Interstate Commerce Commission approved these agreements with such modifications and amendments as it deemed desirable in the public interest. Since that time the carriers, and the Government agencies to whom they quote rates, have operated under the assumption, and properly so, that section 5a would apply to the making of section 22 quotations.

Today there are outstanding numerous quotations made pursuant to the provision of those agreements. Under the court's opinion the Government would be deprived of the use of such quotations and any future quotations under these agreements would be violative of the antitrust laws.

It is essential, therefore, that this Congress assure that there no longer shall be any question as to whether section 5a shall apply in the future to the making of section 22 quotations. It is essential that action be taken so that the carriers can continue to offer and the Department of Defense and other governmental agencies can continue to accept and utilize section 22 quotations arrived at through the conference method of ratemaking.

This is the very method which the Department of Defense has repeatedly stated is the only practicable way in which it and the railroads can handle their businesses.

Moreover, in assuring the future application of section 5a, the carriers, the

Interstate Commerce Commission, Government agencies, and the interested public should not be required to repeat the lengthy and costly processes of hearings that have already been gone through in obtaining Interstate Commerce Commission approval of agreements providing for this conference method of ratemaking, including section 22 quotations.

All this the amendment made by the House, and agreed to by the conferees, will make clear. In the form submitted, the amendment is not retroactive legislation and it does not destroy past accrued rights, whatever they may be.

When the amendment was being considered on the floor of the House its proponents made clear that it was not intended to be nor was it retroactive legislation as such.

It was made clear that, in and of itself, it would not retroactively destroy past accrued rights or dissolve past incurred liabilities. To make this doubly clear, the House saw fit to adopt an additional amendment in the form of a proviso stating:

> That nothing in this paragraph shall affect any liability or cause of action which may have accrued prior to the date on which this paragraph takes effect.

The effect, then, of approving the House amendment contained in the conference substitute will be to assure the carrying out in the future of the intent of Congress and to leave with the courts the question whether, in the past, the Congressional intent was successfully carried out through the enactment of section 5a in 1948.

Mr. SPARKMAN. Mr. President, I was hoping to be able to address a few questions to the Senator from Florida [Mr. SMATHERS]. Perhaps he will be in the Chamber later.

First, let me say that I am greatly in sympathy with the position in which the conferees found themselves. I think the Senator from Florida, chairman of the conferees on the part of the Senate, made a very fine statement with reference to the position in which the conferees found themselves. I think it is a risky business, in dealing with the antitrust laws, particularly in this complex field of transportation, to act with such scant consideration. It is for that reason that I have been greatly concerned.

I note the presence in the Chamber of the Senator from Ohio [Mr. LAUSCHE]. Perhaps I can address a question to him.

We were told a while ago that pending lawsuits were not affected, and the Senator from Ohio referred to the proviso which was added on the floor of the House. I should like to ask for an interpretation of clause (a) in the same section, which provides:

> But such provisions shall continue to apply as to any agreement so approved by the Commission, under which any such quotation or tender (a) was made prior to the effective date of this paragraph.

It seems to me that that provision actually takes away the cause of action, although the Dingell amendment attempts to save this one single cause of action, or the damages accruing from it. I ask the Senator from Ohio if I am correct in that interpretation.

Mr. LAUSCHE. It is my understanding—and it is the purpose of the conferees—that any causes of action vested in anyone under section 22 and the antitrust laws, having accrued prior to the passage of this bill, shall not be affected.

Mr. SPARKMAN. In any way whatsoever?

Mr. LAUSCHE. None of the causes of action pending or accrued shall be affected.

The language just read by the Senator from Alabama was inserted because the Defense Department said that unless the provisions of the law were continued, there would be the process of having to file new applications with the Interstate Commerce Commission; new hearings would have to be held, with notices given; there would be possible lawsuits filed challenging the granting of the new applications—all delaying the effective date of section 22 for a protracted period of time.

Mr. SPARKMAN. I appreciate the explanation by the Senator from Ohio.

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

Mr. SPARKMAN. I yield.

Mr. PURTELL. I should like to answer the question, if I may.

I think we have gone a little far afield when we are pinning all our discussions on the question of the amount of money which might be involved.

Mr. SPARKMAN. I agree wholeheartedly with that statement. This is a question which I wished to ask a while ago. Is the antitrust law for sale for $100 million? That is what it amounts to.

Mr. PURTELL. It amounts to a great deal more. Let me point out to the Senator from Alabama that, as a matter of fact, in the letter and memorandum we received from General Lasher, he points out a significant fact which has been forgotten. This was no compelling argument or reason for any action I took, or any action any member of the committee took. When we come to the question of cost, he points out, as shown on page 15364 of the CONGRESSIONAL RECORD for yesterday:

> Further, all carriers are required by law to move people and things at the legal rate. The court's decision renders illegal all rates arrived at by the conference method and offered the Government under the provisions of section 22 of the act at least since 1948. Being required, therefore, to charge the legal rate, carriers would be legally obligated to file claims for the undercharge differences thus accrued. Including as it does the Korean emergency and its high volume movement, this period could produce lawful claims almost incalculable in total.

That is the truth. I do not think we are talking about $100 million. If what I have read is so, we are probably talking about many times that amount.

I should like to address myself, rather, to what we really have before us. We have section 22, and we have section 5a which concerned the conferees in their deliberations.

Section 22 goes back to 1887, and it clearly states:

> Nothing in this chapter shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States, a State, or municipal governments, or for charitable purposes, or to or from fairs and expositions for exhibition thereat—

And so forth. In 1948 the so-called Reed-Bulwinkle Act was passed. That provides, in paragraph 2:

> Any carrier party to an agreement between or among two or more carriers relating to rates, fares, classifications, divisions, alowances, or charges (including charges between carriers and compensation paid or received for the use of facilities and equipment), or rules or regulations pertaining thereto, or procedures for the joint consideration, initiation, or establishment thereof, may, under such rules and regulations as the Commission may prescribe, apply to the Commission for approval of the agreement, and the Commission shall by order approve any such agreement (if approval thereof is not prohibited by paragraph (4), (5), or (6) if it finds that, by reason of the furtherance of the national transportation policy declared in this act, the relief provided in paragraph (9) should apply with respect to the making and carrying out of such agreement.

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

Mr. PURTELL. Let me finish, and then I shall be glad to answer questions.

Mr. SPARKMAN. Mr. President, I have the floor.

Mr. PURTELL. I beg the Senator's pardon. Of course I recognize that fact.

Mr. SPARKMAN. If the Senator wishes to add something further, I yield for that purpose. I merely wanted to keep the RECORD straight.

Mr. PURTELL. The Senator does have the floor. Will he yield to me for a further answer?

Mr. SPARKMAN. I yield to the Senator from Connecticut.

Mr. PURTELL. A question was raised as to whether in fact section 22, which gave the right to carry the goods of the Government free or at reduced rates, was a violation of section 5a. It is interesting to note that since the Government has been using section 22, there has been no governmental agency which has ever questioned the validity of operating under that section. The Department of Justice has never claimed it, or raised that question. The Government has been operating under that section.

Mr. SPARKMAN. Mr. President, will the Senator yield for a moment at that point?

Mr. PURTELL. I am happy to yield.

Mr. SPARKMAN. Was the Department of Justice consulted regarding the amendment?

Mr. PURTELL. To the best of my knowledge, it was not.

Mr. SPARKMAN. That is something that is of great concern to me. We established an Antitrust Division in the Department of Justice, which is supposed to enforce the antitrust laws; yet here we knock a big hole in the antitrust laws without consulting the Antitrust Division of the Department of Justice.

Mr. PURTELL. May I point out that section 5a——

Mr. SPARKMAN. I wish the Senator would give me an answer to that question.

Mr. PURTELL. I wish to point out that the reason for section 5a was to transfer——

Mr. SPARKMAN. No, no. I should like to know the reason for not consulting the Department of Justice.

Mr. PURTELL. I would say, insofar as the Senate conferees were concerned, we did not have occasion to do that.

Mr. SPARKMAN. I realize that is true. Again I think it is a terrible indictment of the whole procedure that the Senate committee never had an opportunity to consider this all-important measure dealing with the antitrust laws of our country.

Mr. PURTELL. But I point out, insofar as section 22 and section 5a are concerned, what the Chairman of the Interstate Commerce Commission says. I am not defending the railroads, and I subscribe wholeheartedly to what the Senator has said. The only reason why I signed the conference report was that the Dingell amendment was added to the bill. However, let me say to the Senator from Alabama that I have read the letter of the Chairman of the Interstate Commerce Commission. That letter is printed in the CONGRESSIONAL RECORD at page 15364. This is what the Chairman of the ICC says:

DEAR SENATOR SMATHERS: This is in response to a telephonic inquiry from Mr. Frank Barton requesting an expression by the Commission concerning the relation between section 5a and section 22 of the Interstate Commerce Act in connection with proposed legislation which would amend section 22.

Section 22 now provides, among other things, that nothing in this part shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States * * * or the transportation of persons for the United States Government free or at reduced rates. This provision removes such rates from the jurisdiction of the Interstate Commerce Commission insofar as the power to prescribe minimum rates and fares is concerned.

Section 5a (2) provides any carrier party to an agreement between or among two or more carriers relating to rates, fares, * * * may * * * apply to the Commission for approval of the agreement * * *. Under section 5a (9) such approval relieves the parties to the agreement from the operation of the antitrust laws.

Section 5a (9) is the immunity section.

The question arises as to whether the term rates as used in section 22, is coextensive in meaning with the words rates and fares as they are used in section 5a. As we see it, they are coextensive in meaning in the absence of any specific language to the contrary. The mere restraint upon the Commission's jurisdiction over rates under section 22 would not, in my view, make it inappropriate for the Commission to pass upon agreements relating to such rates and fares under section 5a. I do not believe that this view would in any way run counter to or be inconsistent with the broad intent of Congress in enacting section 5a. Although the Commission has not had occasion to pass upon this particular question, we have approved agreements which included the processing of section 22 proposals. I believe, therefore, that such approval would bring section 22 proposals thereunder within the purview of section 5a (9) of the Interstate Commerce Act.

We had this evidence——

Mr. SPARKMAN. Before the Senator gets away from that point, may I ask him a question? Of course the part the Commission plays there is not in approving rates, but in approving agreements relating to rates.

Mr. PURTELL. The Senator is correct.

Mr. SPARKMAN. Under section 5a (9) what is the procedure that is followed? Does it not require prior notice and approval? Is not the effect of the proposed legislation to take away that necessity and to say in effect that something that has already been done is right?

Mr. PURTELL. Let me read section 5a (9). It reads:

Parties to any agreement approved by the Commission under this section and other persons are, if the approval of such agreement is not prohibited by paragraph (4), (5), or (6), hereby relieved from the operation of the antitrust laws with respect to the making of such agreement, and with respect to the carrying out of such agreement in conformity with its provisions and in conformity with the terms and conditions prescribed by the Commission.

This is rather clear. It says that any party to an agreement under section 5a (2), if the Interstate Commerce Commission has approved the agreement——

Mr. SPARKMAN. Under 5a (9) the approval is supposed to be of agreements which have already been made and notice of which has been given. It is not an approval in advance for them to make an agreement. The bill, in effect, turns it around and gives them the right to approve an agreement to be made.

Mr. PURTELL. I must disagree with the Senator from Alabama.

Mr. SPARKMAN. I have stated my understanding.

Mr. PURTELL. Let us read from the bill:

(2) All quotations or tenders of rates, fares or charges under paragraph (1) of this section for the transportation, storage, or handling of property or the transportation of persons free or at reduced rates for the United States Government, or any agency or department thereof, including quotations or tenders for retroactive application whether negotiated or renegotiated after the services have been performed—

In these particular cases, let me point out, the Government has no other recourse but to adopt that course, because of the nature of the goods shipped—

shall be in writing or confirmed in writing and a copy or copies thereof shall be submitted to the Commission by the carrier or carriers offering such tenders or quotations in the manner specified by the Commission and only upon the—

And so forth.

Mr. SPARKMAN. Yes, yes. I wish to say to the Senator that in all that language there is not one word that differs from the statement I have made. All that relates to a time after the act, not before. There is nothing requiring prior notice. As I understand, the Senator from Connecticut says that is necessary because of the nature of the services. I agree with him.

Mr. PURTELL. It is necessary in many instances.

Mr. SPARKMAN. Yes; I agree with the Senator.

Mr. PURTELL. In many instances.

Mr. SPARKMAN. However, let me say that I did not intend to get into a discussion of the legal aspects of this subject. The Senator from Tennessee [Mr. KEFAUVER], who has started that discussion, will be back later and will continue it. What I wanted to do was to ask some questions. I see the Senator from Florida [Mr. SMATHERS] on the floor. I particularly wanted to ask some questions so as to establish a record in connection with this matter. For instance, the statement was made a few minutes ago, in a discussion between the Senator from Florida and the Senator from Minnesota, that the nonscheduled airlines were the complainants in the case.

Mr. SMATHERS. The Senator is correct.

Mr. SPARKMAN. They were four different nonscheduled airlines.

Mr. SMATHERS. The Senator is correct.

Mr. SPARKMAN. I do not know which airlines they were. I hold no brief for any particular nonscheduled airline, but I know that several years ago the Small Business Committee, of which the Senator from Florida is a member, held rather extensive hearings on the matter and submitted a report.

Our decision was that there was a useful service to be performed by these airline carriers and that utilization ought to be made of their services. We did not particularly tell CAB how they should do it, but certainly it was felt that their services were a useful part of our overall transportation system. I understand from the statement of the Senator from Florida that he still subscribes to that view.

Mr. SMATHERS. The Senator is absolutely correct. As a matter of fact, in this particular field, relating to section 22 rates, I believe the nonscheduled airlines have rendered great service to the general taxpayers of the Nation, because it has been their competition which has caused the railroads to lower their rates even below what they would ordinarily be under section 22.

Mr. SPARKMAN. Was there a stipulation of fact in the case before Judge McGarraghy?

Mr. SMATHERS. My understanding is that there was.

Mr. SPARKMAN. At any rate the facts were not disputed. The judge found the railroads had reduced their rates in many cases lower than they should have.

Mr. SMATHERS. The Senator is correct.

Mr. SPARKMAN. In order to compete with the nonscheduled airlines. Is it not true that in the Korean airlift, and generally in the transportation of men and supplies to our forces overseas, the nonscheduled airlines with their equipment have rendered valuable service to the Defense Department of the United States?

Mr. SMATHERS. The Senator is absolutely correct. They have rendered great service. As a matter of fact, they continue to render great service. It is very important that Congress do something to put them on an equal competitive basis with the railroads in the matter

of competing for section 22 business, which is the business of the Government.

Mr. SPARKMAN. By the way, Mr. President, something was said here about the need to make certain that this segment of the transportation system will be available. When that was said, I happened to look at a list of air carriers which have been put out of business in recent years. I find that 16 airlines have been put out of business since October 16, 1953, and the last one was put out of business as recently as December 7, 1956. In other words, there has been a rather regular or steady line of funerals, so to speak, of airlines which have been put out of business.

Let me say that I appreciate the statement of the Senator from Florida, namely, that something should be done about this matter. I wonder whether we shall be able to do something early enough in the next session, in order to make certain that this useful segment of the transportation industry will be given a fair break—certainly it does not ask for any advantage—along with the railroads, in conection with handling the business of the Government.

Mr. SMATHERS. I would say as an individual Senator, that I certainly hope so. I must say that in the conference committee the Senator from Ohio, the Senator from Kansas, the Senator from Connecticut, the Senator from Texas, and all the conferees on the part of the House of Representatives agreed that something should be done for the nonscheduled airlines, in order to make them competitive in this field.

The very distinguished chairman of the Aviation Subcommittee, the junior Senator from Oklahoma [Mr. MONRONEY], is in the Chamber at this time, and I have reason to believe that he shares the desire to do something about the plight of the nonscheduled airlines.

Mr. LAUSCHE. Mr. President——

Mr. SPARKMAN. Before I yield to the Senator from Ohio, let me say, in all fairness, that I have a large question mark in my mind as to the wisdom of this proposed action. I do not say that something should not be done. But when we begin to tinker with the antitrust laws, without having a thorough committee hearing, and particularly without hearing from representatives of the Antitrust Division of the Department of Justice, to see what it has to say about the matter, I believe we are playing with fire. So I regret to see this action taken.

I am not saying that against the railroads. I believe in the railroads. They have played a most important part in the economic life of the Nation, and they still do.

I voted against the Reed-Bulwinkle bill. As a matter of fact, I voted against the Reed-Bulwinkle bill when I served in the House of Representatives, at which time I was one of 45 Members of the House of Representatives who voted against it. Later, when I became a Member of the Senate, I voted against the bill again; and before that I spoke against it. I regretted to see it become law, because I felt that it very definitely weakened our antitrust laws.

Mr. SMATHERS. Mr. President, let me say to the able Senator from Alabama that I believe the way to satisfy his anxiety—and of course all of us were somewhat anxious and disturbed about the particular procedure which the conferees now have proposed be adopted—is to point out that we were faced with a factual situation, not with a theory.

Mr. SPARKMAN. Let me say that at a time when the Senator from Florida was out of the Chamber, I referred to the very fine statement he made last night, and I have said that I appreciate the position in which the conferees found themselves.

Mr. SMATHERS. If the same situation develops next year, in connection with the Reed-Bulwinkle bill, and if I am still chairman of the Transportation Subcommittee, certainly we will be glad to have hearings held on this matter.

Mr. SPARKMAN. I hope we can have a rather definite promise from the Senator from Florida—and I take it that what he has just stated is a promise—and also from the Senator from Oklahoma [Mr. MONRONEY], who is chairman of the special committee, that help will be given in drafting, preparing, introducing, and getting action taken on proposed legislation which will give the nonscheduled airlines an equal opportunity—no favors, no advantages, but just an equal opportunity.

I realize—and the Senator from Florida has made this clear, in connection with the conference report; and it is made very clear in the statement by the managers on the part of the House—that in this case we are dealing with the Interstate Commerce Commission, whereas the nonscheduled airlines come under the jurisdiction of the Civil Aeronautics Board.

Mr. SMATHERS. That is correct.

Mr. SPARKMAN. So the conferees were dealing with two separate acts. I realize that proposed legislation dealing with the nonscheduled airlines will have to be amendatory of the Civil Aeronautics Act.

But let me say that although I would regret to see the conference report acted on favorably, yet I, for one, would feel much better if we had assurance on the part of the Senators who handled the conference report that every assistance will be given early in the next session so as to make certain that other nonscheduled airlines will not have to be added to the list of those which have had to go out of business.

Mr. SMATHERS. I gladly give the Senator from Alabama assurance that I will do all within my limited capacity to bring about equality on the part of the nonscheduled air carriers in their endeavor to obtain section 22 business.

Mr. SPARKMAN. I wonder whether the Senator from Ohio feels the same way about that matter.

Mr. LAUSCHE. Mr. President, the conference report indicates the belief of the conferees that under the Civil Aeronautics Act the nonscheduled air carriers can now submit rates based upon concerted action. However, there is a question concerning the absolute legality of that declaration.

From my standpoint, there should be no question that the nonscheduled air carriers should be permitted to avail themselves fully of the exemptions granted by the Reed-Bulwinkle bill, either as set forth in a general law or as set forth in a special law applicable to the nonscheduled air carriers. That was discussed in the conference. The substance of the statement I have just made reflects, in my opinion, the attitude of every member of the conference committee.

Mr. SPARKMAN. Mr. President, I appreciate that statement. I think it is a very fine and a very fair one.

Mr. LAUSCHE. I think the RECORD also should include the report which was submitted to me by the Defense Department, concerning the proportionate volume of business, in the case of group and individual travel, going to the railroads, the buses, and the airlines, beginning in 1950 and including the year 1956.

According to the statistics set forth in the table received from the Defense Department, in 1950 the railroads had 84-plus percent; the buses had 2-plus percent, and the airlines had 12-plus percent.

Mr. SPARKMAN. Who handled the other 2 percent?

Mr. LAUSCHE. That is covered by the plus amounts.

Mr. SPARKMAN. Very well.

Mr. LAUSCHE. In 1953, the railroads carried 50 percent, the buses carried approximately 7½ percent, and the airlines carried 42 percent.

Mr. SPARKMAN. Of course, in 1953 there was a great deal of activity in connection with the situation in Korea.

Mr. LAUSCHE. Now let me state the figures on the basis of the years 1950, 1953, and 1956:

In 1950, the railroads carried 84 percent; in 1953, 50 percent; in 1956, 38 percent.

The buses carried, in 1950, 2 percent; in 1953, 7 percent; in 1956, 5 percent.

In 1950, the airlines carried 12 percent; in 1953, the airlines carried 42 percent; in 1956, the airlines carried 55 percent.

So the percentages have approximately reversed during the past 6 years.

Mr. SPARKMAN. I wonder whether the Senator from Ohio will tell me whether those figures include the transportation afforded by MATS—the Military Air Transport Service. Or are those figures only for the commercial air carriers?

Mr. LAUSCHE. The table from which I have been reading is entitled as follows: "Distribution of Transportation Dollars by Mode of Transportation for Department of Defense Group and Individual Travel, Calendar Years 1950 Through 1956."

So the table is for commercial transportation.

Mr. SMATHERS. The figures are very interesting. I wonder whether the Senator from Ohio will request that the entire table be printed in the RECORD?

Mr. LAUSCHE. Certainly.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that, without losing the floor, I may yield to the Senator from Ohio, so that he may ask unanimous consent to have the table printed in the RECORD.

The PRESIDING OFFICER (Mr. MORTON in the chair). Is there objection? Without objection, it is so ordered.

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

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

Distribution of transportation dollars by mode of transportation for Department of Defense group and individual travel, calendar years 1950 through 1956

Mode of transportation	1950		1951		1952		1953		1954		1955		1956	
	Dollars (millions)	Percent of total	Dollars (millions)	Percent of total	Dollars (millions)	Percent of total	Dollars (millions)	Percent of total	Dollars (millions)	Percent of total	Dollars (millions)	Percent of total	Dollars (millions)	Percent of total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Total all modes	$79	100.00	$171	100.00	$166	100.00	$147	100.00	$127	100.00	$114	100.00	$104	100.00
Rail	67	84.81	133	77.78	107	64.46	74	50.34	56	44.09	44	38.60	40	38.46
Bus	2	2.53	6	3.51	10	6.02	11	7.48	12	9.45	7	6.14	6	5.77
Air	10	12.66	32	18.71	49	29.52	62	42.18	59	46.46	63	55.26	58	55.77

Source: DOD CONUS travel from disbursement reports of the military departments for the years 1950 through 1953; DDS&L-M-180 reports for the years 1954, 1955, and 1956.
Prepared by: Military Traffic Management Agency, Statistics Branch, Transport Economics Division.

Action copy: MTMA Passenger Division.
File number: 4869-92.35.
Date of relea e: May 15, 1957.

Mr. SPARKMAN. Mr. President, there are a great many other things which I should like to say about this matter; but at this time I shall not proceed further.

Let me say to the Senator from Florida and the Senator from Ohio that I appreciate the assurances which have been given; and I believe that early in the next session something should be done to make certain that the same treatment, or as nearly the same treatment as possible, is afforded all the way across the board.

Mr. LAUSCHE. From my standpoint, I believe that, in substance, I have correctly construed the statements made in the conference report to the effect that the Civil Aeronautics Board has control.

Mr. SPARKMAN. Yes.

Mr. LAUSCHE. So we are speaking of the same subject.

Mr. SPARKMAN. I think the Senator has made a very fine statement, and I am grateful to him for it.

Mr. President, I yield the floor.

Mr. MORSE. Mr. President, I wish to discuss this matter briefly.

First, let me say that I have never risen to discuss a matter on the floor of the Senate with so little knowledge of it as the knowledge I have about the conference report now under consideration.

The reason why I am supporting the Kefauver motion is that I do not think I know enough about this issue to fill an intellectual thimble. After I listened to the debate this afternoon, even that thimble was empty, because up to now I have been in almost complete and total ignorance about what is involved. Therefore, what I shall say I am saying on advice of counsel, and not on the basis of my own knowledge, because I do not have any knowledge about it, except that I am satisfied that most of my colleagues do not seem to have, either.

I am disturbed about several matters. I am disturbed about the fact that two of the Senate conferees refused to sign the report. That is a danger signal to me. When our conferees are badly split and are in disagreement, as the debate has shown this afternoon, I think we ought to stop, look, and listen. That is why I think we should vote for the Kefauver motion and let the conference report go over until January. No great harm will be done. I am not at all impressed by the assertion of General Lasher. I should like to see General Lasher under cross-examination. I speak most respectfully when I say that. Under all the circumstances, I think the Senate members of the conference committee ought to be urging that the report go over until January.

There seems to be no doubt, if my ears have not betrayed me, that the problem was created by an amendment placed in the bill on the floor of the House, and that it comes to the Senate by way of that back door, so to speak. If I heard aright in the Senate Chamber this afternoon, I heard some of our own conferees say there had been no hearing in the Senate on the Harris amendment; there had been no testimony from the Interstate Commerce Commission; there had been no testimony from the Antitrust Division of the Department of Justice. So I do not know what to believe, except that I am satisfied we do not know enough about it to take action on the conference report, and we ought to wait until January, as the Kefauver motion proposes, have some hearings and make a record on it, and then carry out what I think is our clear obligation as Senators; that is, vote on the basis of what we are satisfied is a reliable record.

The chairman of the Senate committee [Mr. MAGNUSON] I think cast my vote for me when, in his discussion this afternoon, he said, if I understood him correctly, we ought to wait. There is the chairman of the committee making that statement. I listened to him in his earlier speech on the floor. Then I had a private conversation with him. I said, "You have me completely confused about this, because when you start dealing with the antitrust laws, you had better look out." I am not so sure, as I listened to the discussion this afternoon about the Reed-Bulwinkle bill, if what we have in this particular instance is not delegation rather than regulation.

I wish to repeat, Mr. President. I do not know, in view of what is provided in the Senate bill, as it is brought back to us by the conferees, whether or not we are not adopting a procedure that can be described as delegation rather than regulation of the Reed-Bulwinkle provisions. The bill provides for regulation. Unless I am grossly uninformed about the situation, under the provisions of the Reed-Bulwinkle bill, the carriers can act in concert, but only under the regulatory supervision of the Interstate Commerce Commission, including, for example, hearings, and the approval of the Commission.

Unless, again, I did not hear correctly this afternoon, under the procedure what the carriers will be allowed to do will be to act in concert, change their rates on the basis of such concerted action, and then notify the Interstate Commerce Commission, by way of report, that that is it, and the Interstate Commerce Commission will not be able to do anything about it. That is not regulation; that is delegation. As I have understood the debate this afternoon, that amounts to a delegation of what ought to be the regulatory authority of the Interstate Commerce Commission over the carriers, and would give the carriers authority simply to report what they have decided, under the limitations. I recognize this is a limited field, but, under the limitations provided for in the bill, that would be so.

If that is so, I think it is perfectly clear I ought to vote for the Kefauver motion, there ought to be hearings on the Harris amendment and the effects of the Harris amendment, and in the hearings witnesses from the Interstate Commerce Commission, the Antitrust Division of the Department of Justice, and the Pentagon Building should be called.

I would like to have General Lasher be required to appear before a committee and give a breakdown of his figure. I will say I do not have much confidence in a letter from a general in the Pentagon Building which contains merely an assertion that something is going to cost $100 million. I want to ask him, "How do you know that? What is the proof of it?"

Anyone who serves in the Senate has his intuitive senses sharpened. I would not say that it makes one suspicious, but it sharpens his intuition—and perhaps his olfactory nerves, as has just been suggested to me by my friend from

Florida. One develops a very keen sense of smell and a very keen intuitive sense.

I do not know what there is about it, but something keeps saying, "Watch out. Better watch out when you have a matter quite so broad as this, which comes to you from the floor of the House of Representatives, with no record of hearings on it, which really has been handled in conference and thrashed out in conference."

We have all participated in conference hearings. We have not any record of that conference hearing or the arguments and evidence presented to the conference. All we have is the conference report. That is pretty unfortunate in what I hope will be the closing week of this session. I hope we will get out of Washington Saturday night. I do not think there is time to give this matter the studious, analytical attention I think it ought to be given when we are dealing with antitrust laws.

When I mention the antitrust laws, I cannot relate them to the conference report, because I do not know enough about the facts of this matter. When we are put in the position of having before us only a conference report, not signed by all the conferees, and our conferees are in great disagreement as to the effect of the Harris amendment, I say, What is the hurry? There is going to be another day. After all, the court has spoken.

I have a feeling that we in the Senate are falling into a bad habit, and that is true of the House, too, but I speak only of the Senate; I never speak of the House. I think the Senate is developing a pretty bad habit of being rather fast on the trigger when court decisions, which some of us do not like, are handed down. We immediately start shooting from the hip at those decisions. I think we had better wait and see what the effects of the McGarraghy decision are going to be. The case will be appealed. It deals with antitrust laws. If there is anything the consumers of this Nation are interested in, it is the protection of the antitrust laws.

Mr. President, I understand some Senators are very anxious to vote. I can talk for 10 hours, and will, unless I get the courtesies of the floor.

Returning to the subject, I think we ought to wait and see what the appellate court says about the McGarraghy decision, because when we are dealing with the antitrust laws we are dealing with one of the greatest consumer protections we have. I do not believe in tinkering with the antitrust laws, at least not on such a meager record as is presented to me this afternoon, in justification of the Harris amendment.

I have just told the Senator from Ohio [Mr. BRICKER] that he would have plenty of time for dinner.

Mr. President, on advice of counsel I am going to read into the RECORD information which has been furnished to me. I am not going to vouch for the information, except to say that the counsel source is very reliable.

This information raises the questions, Mr. President, about which I think we ought to find out before we cast any final votes on the merits of the conference report.

I never stand up on the floor of the Senate and present something which is not the product of my own thinking when I do not make clear to the Senate that such is the case. I believe in the reliability of this information which has been prepared in a law office which is very much concerned about this problem. I am perfectly willing to admit that the office has an interest, from the standpoint of clients who were protected by the McGarraghy decision, but nevertheless I think it is a point of view which ought to get into the RECORD, and I propose to read the information into the RECORD so that when we come to vote on this matter tomorrow—and I am reasonably certain we will not vote on it until tomorrow——

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

Mr. MORSE. Only for a question.

Mr. DOUGLAS. Will the Senator yield for a question?

Mr. MORSE. I yield only for a question.

Mr. DOUGLAS. I noticed the Senator stated he did not believe we would vote on the conference report until tomorrow. Is that belief based on the Senator's conviction that the issue involves so many points which need thorough discussion that the Senate and the country should be fully informed before a vote is taken?

Mr. MORSE. I think a great educational process is needed.

Mr. President, the memorandum which I have, for the reliability of which I vouch, which does not represent the product of my own mind, I think is good enough to be made a part of the RECORD. It makes several points. It states, for example—

> No hearings have been held on this matter in either House. Neither the antitrust division of the Justice Department nor any of the victims of this hasty legislation have been heard. Why the great haste?

I assume when they say that none of the victims of this hasty legislation have been heard they mean, for example, the nonscheduled airline representatives, and they mean the other transportation companies in competition with the railroads. I think those people ought to be heard. The statements in the memorandum are true. I think they ought to be heard.

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

Mr. MORSE. The motion of the Senator from Tennessee [Mr. KEFAUVER] would certainly make it possible to see that those persons were heard.

I will yield to the Senator from Illinois for a question only.

Mr. DOUGLAS. Is it not true that the effect of the action of the House Committee on Interstate and Foreign Commerce is to present a pistol at the head of the Senate and say, "You apply to troop transport the exemptions from antitrust laws of the Bulwinkle bill or you will not get the relief desired in the measure you passed?"

Mr. MORSE. I do not know.

Mr. DOUGLAS. I think, if the Senator will forgive me, he is being very charitable. Is there any other interpretation which can be placed upon the action of the House committee except that?

Mr. MORSE. The Senator heard me say that my suspicions have been sharpened by all this. My suspicion would cause me to believe that there is probably a great deal of accuracy in the figure of speech which the Senator from Illinois has used to describe what is involved here. I know the Senator from Illinois has an exceedingly keen sense of legislative smell. I am inclined to follow his lead in this matter.

When I listen to the questions the Senator is raising, they confirm me all the more in my convictions: "Go slow. Go slow. Take your time. There is no great rush. There is no great rush. Take your time."

The memorandum says further, Mr. President:

> Because on July 17, Judge McGarraghy issued an order in the Aircoach case against the railroads, in a suit brought by the small independent airlines to compel the railroads to discontinue their antitrust conspiracy, by which they seek to corner the business of carrying military personnel for the Government. The sum of $45 million damages was claimed.

All I know is that the decision went against the railroads. So we get the Harris amendment.

I do not have to defend my position or my record, Mr. President, in always being willing to protect the legitimate interests of the railroads, but I first want some evidence as to the legitimacy of the interest. I want to be sure that I am not dealing with an illegitimate brain child of a railroad lobby. I want to be certain.

I do not know how I can be certain, Mr. President, until my colleagues on the Committee on Interstate and Foreign Commerce of the Senate can put on top of my desk a record of witnesses heard, with direct questions and answers, such as I am going to ask for the RECORD in a few moments. The Committee on Interstate and Foreign Commerce owes to all Senators a duty to give answers to those questions.

I speak most respectfully. I think the Committee on Interstate and Foreign Commerce ought to withdraw this conference report for the time being. I think we face a very novel situation. The Senate passed one bill, and the House passed a bill with a very important amendment added to it, which is now before the Senate, and which has caused a great deal of controversy. We have never discussed that amendment on the floor of the Senate at all. We had never even had the Harris amendment before the Senate for debate, before our conferees went into action.

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

Mr. MORSE. I will yield for a question.

Mr. DOUGLAS. Is this not about the worst type of legislative rider with which the Senate has been confronted for a long time?

Mr. MORSE. On that the Senator and I are completely in agreement. Let

me say something about legislation by the rider system. I think that is a most apt description of what we are considering. We have a rider which has been written into the bill.

The Senator from Illinois and I stood here yesterday while the calendar was being called and one of our colleagues tried to add to a bill an amendment which had no more relation to the bill than a parakeet has to an American eagle.

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

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. Is it not true that yesterday an attempt was made to attach to another bill a rider in the nature of an amendment to the Fair Labor Standards Act, to take the making of holly wreaths for Christmas out from underneath the protection of that act, which rider was sought to be attached to a bill to give hospital relief for Indians in New Mexico?

Mr. MORSE. That is exactly what the proposal was. The Senator from Illinois and I protested. I objected to the bill on the call of the calendar, after the majority of the Senate expressed a willingness to add that amendment, on the basis of a promise in advance that it would be stricken in conference. I said, "That is no way to enact legislation."

There is no place on the floor of the Senate, in my judgment, for legislation by the rider method, either yesterday or today.

I think the Senator from Illinois has very aptly described what the Harris amendment to this bill is. So far as the Senate is concerned it amounts to a rider. We should not adopt it. Let us take our time. Let us have a hearing on it. Let us see how germane it is. There is plenty of time for that.

Those of us who have been here a few years know that what we are experiencing tonight is no new phenomenon. We have to watch for such things in the closing days of every session of Congress. The political scientists in their writings on the procedures of the Senate have various terms they use for descriptive purposes, but the most common one is that it is a "steamroller tactic" or that it is a "sleeping pill approach to legislation"—the hope to catch Members asleep and get it passed.

I am not asleep, Mr. President. I am not going to go to sleep very soon, unless we can get some agreement to give further consideration to this matter tomorrow, because we are certainly not ready to vote on it tonight.

I am sure the Senator from Illinois and other Senators will agree with me about that matter. We at least ought to give this question more consideration than we could give it if we yielded to the pressure to vote on this matter tonight.

This memorandum further says that this is another example of an historic habit of the railroads to rush to Congress when they get decisions they do not like from the courts, to see if they can get the Congress, at least, to yield to them.

All the railroad brotherhoods are in favor of this. I mean to say, all the railroad brotherhoods are for this procedure, judging from the pressure telegrams which I assume many Senators, if not all Senators, got. I got them.

Do Senators know what would be interesting? It would be interesting to get the presidents of all these railroad brotherhoods, who signed these telegrams we received today, put them on the witness stand, and ask them a few questions about this subject. They are very able men. They are presidents of railroad brotherhoods. But I will tell Senators what I will do; I will take judicial notice that these men could not pass an examination on this subject, because we are dealing with highly complicated legal matters involving the antitrust laws.

I am glad to have the opinion of the railroad brotherhoods, from the standpoint of what advantage this proposal would be to their economic benefit. It might put the railroads in a position where, by squeezing out some competition, they might create more railroad jobs.

But what is my job as a Senator? My job as a Senator is not to make that kind of approach to a piece of proposed legislation, merely because the railroad brotherhoods want it. My job is to decide what is in the public interest. If this memorandum is correct—and I put it in the RECORD tonight only so that those who know so much more about the subject, including members of the committee, can study it and advise us. If this memorandum is correct, the public interest would not be well served by the alleged resulting elimination of competition for Government business.

If I correctly understand the situation, what would happen under this proposal would be that the railroads could go into one area where there is a great military installation, for example, and offer multiple rates, undercutting weaker competition, and getting the business. Then they would raise rates elsewhere, where there was not such competition, taking a loss in one place, and making it up with excessive profits elsewhere. That is an old ratemaking juggling game; and one of the reasons for the antitrust laws, in the first place, was to prevent opportunities for taking advantage of the consumers and shippers.

As I stated at the beginning of my remarks, I do not know what the situation is. There is no record made available to us by the conferees which will answer these questions. I am advised that we have a situation in which, if we should approve the conference report, the railroads could undercut competition and take Government business out of some military installation, fixing the rates so low that the "nonskeds," to use one example of competition, could not possibly compete. They would increase rates elsewhere, and succeed in squeezing out a competitor. Such an operation would create more railroad jobs, but it would decrease the number of other jobs.

I will not assume such a discriminatory position as a Senator, in favor of one group of workers against another group of workers, because my job is to try to find the common denominator, in terms of legislation, which will best protect the public—not the airline employees, not the railroad employees—but the consumer interests of this country. That is our job.

I realize there will be brotherhood members who will not like to hear those statements, but that happens to be my responsibility, and I will not vote for a piece of proposed legislation merely because I receive a great many telegrams from presidents of railroad brotherhoods. Neither would I vote for any proposal merely because I had received many telegrams from presidents of airlines or airline brotherhoods.

I want to know what the facts are. The conferees have not given them to us. I will not vote on the basis of faith. I want hearings on the Harris amendment.

I come back to the memorandum which was given to me on advice of counsel. It ought to be made a part of the RECORD.

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

Mr. MORSE. I yield for a question.

Mr. HUMPHREY. Does the Senator feel that the explanation which was given today, relating to the continued right of litigation if this bill is enacted, would really stand the test of a case in court?

Mr. MORSE. I do not think so, but I do not know. We have not had time to study the question. We have not been given a record which covers these points. All we have is a conference report. Does the Senator know what the conferees said among themselves in conference? Of course he does not.

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

Mr. MORSE. I yield for a question.

Mr. HUMPHREY. Does the Senator agree with me that when a Pentagon official sends a letter to a Senate committee relating to items of cost, such letter ought at least to have in it a breakdown of the respective categories of commodities and personnel which might be covered?

Mr. MORSE. There is no question about it. Let me tell the Senator what my suspicions are.

I think someone called the Pentagon Building and said, "Get a letter up here fast that supports our contention that failure to enact this measure would cost the taxpayers a great deal of money."

That is a pretty unkind statement, but I cannot help it. That is what I suspect. I believe that the general to whom reference has been made had the responsibility of breaking down his figures. He is the one who raised the suspicion. I am glad the Senator raised the point. I suspect that letter. The figures should be broken down.

Let me say to the Senator from Minnesota that we have been around here long enough to know how pressures work between powerful forces and Government departments.

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

Mr. MORSE. I yield for a question.

Mr. HUMPHREY. Does the Senator agree with me that in these late days of the session, when the pressure is exceedingly heavy, and when the corridors are literally filled with representatives of

particular groups which have legislative proposals before us, this is a very inopportune time to legislate on a question which fundamentally affects the antitrust laws of the United States, particularly when such proposed legislation was never aired or examined in a hearing?

Mr. MORSE. The Senator is completely right. Let the American people know that in these days we almost need a Capitol policeman at times to break a lane so that we can get into the Senate Chamber, in order to get away from buttonholers who want this, that, or something else, in the great pressure of the closing days of the session.

The proposal before us is a good example of what I mean. The purpose is to steamroller this kind of legislation through; but no one has placed on our desks the record of hearings with respect to an amendment proposed on the floor of the House, written into the bill on the floor of the House, and which went directly to conference—not even to the floor of the Senate for debate.

That is what we are up against. We are dealing with a proposal involving the antitrust laws, supposedly the great protection of the consumers and shippers of America.

Does the Senator from Minnesota know what he and I and the Senator from Illinois [Mr. DOUGLAS] are doing in this debate? As I see it at this moment we are standing here as three liberals protecting the businessmen of America from the danger of monopolistic combines designed, apparently, to fix rates so as to squeeze out competition in transportation.

What is the history of that kind of procedure? Once they get by with it, the real squeeze will be on. The effort will be made to kill off competition, and then charge what the traffic will bear. That is the history of monopolistic ratemaking in this country. That is why the senior Senator from Oregon does not intend to vote for any breach in the wall of antitrust protection to the consumers, until he knows that there is real need for it, in order to give better protection to the consumer.

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

Mr. MORSE. I yield.

Mr. HUMPHREY. Does the Senator agree with me that what is being attempted by the so-called Harris amendment is to enlist the support of the executive branch of the Government, which claims that it would receive some benefits in terms of reduced rates and reduced costs—I say "claims"; it does not offer proof—in an attempted further extension of the Reed-Bulwinkle Act?

Mr. MORSE. That is what I think. But I do not believe we have had enough information or evidence given us, so that we can be sure. I am afraid of this proposal. It can best be described as a substitution of delegation for regulation.

I do not propose to delegate to the railroads the authority to fix their own rates and then send a report to the Interstate Commerce Commission. At least, under the Reed-Bulwinkle Act, as it has been discussed on the floor of the Senate, and according to my recollection of the administration of that act, the Interstate Commerce Commission gets a chance to hold hearings and the opportunity to give or withhold approval. I should like to have anyone show me a line in the proposal before the Senate which recognizes any such authority in the Interstate Commerce Commission. To the contrary, I understand just the opposite is true; the Interstate Commerce Commission has no right of approval, but merely receives reports as to what the railroads have done.

Mr. HUMPHREY. It is a receptacle for reports.

Mr. MORSE. If that be true—and I do not know, as I say, but that is the conclusion I have reached from listening to the discussion this afternoon—let me say that that is not regulation. It is delegation. It is delegation to the very groups against which the antitrust laws were designed to protect the public.

I cannot go for that, Mr. President, if I am right in my premises. Again, as I said, I am not sure that I am.

I have some more ammunition before me, to assist me in my educational process on this subject. I will be glad to yield for some more questions.

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

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. Is it not true that during the 10 years which have passed since the Reed-Bulwinkle Act became law, very serious doubts have arisen about the worthwhileness of that act?

Mr. MORSE. The Senator is correct.

Mr. DOUGLAS. Is it not also true that the Reed-Bulwinkle Act permits the railroads to reach rate agreements with each other, and then merely submit those rates to the Interstate Commerce Commission, which, in practice, has almost universally approved the voluntary agreements; and that, therefore, the cartel system has been substituted for the regulatory system; is that not correct?

Mr. MORSE. The Senator is correct. That opens up another whole field of discussion which I should like to enter for a while. We have another responsibility as Senators, come January, and that is for a thoroughgoing investigation of the Interstate Commerce Commission itself, as to whether or not this practice, which the Senator from Illinois has so accurately outlined, has not really made the Interstate Commerce Commission pretty much of a vestibule of the presidential offices of the railroad companies of America, and a waiting vestibule at that.

The original purpose, of course, of any legislation involving the Interstate Commerce Commission was to place upon the Commission the responsibility of holding hearings on the merits of the so-called agreements reached by the railroad companies in this limited field, and then to grant approval or to disapprove—tested by what? Tested by the public interest; tested by the consumer interest; tested by the shipper interest. It should not be merely an automatic approval.

As the Senator from Illinois has implied in his question—and very properly so—it has become the practice of the Interstate Commerce Commission to do just that. Therefore, we should find out whether, Reed-Bulwinkle Act or no Reed-Bulwinkle Act, the Interstate Commerce Commission is carrying out the spirit and intent of Congress in regard to railroad regulation laws, as it should be carrying them out.

I have heard too many complaints, and I have listened to too many people say they feel that the Interstate Commerce Commission is a vestibule of the American Railway Association, to cause me to accept for a moment the idea that we can place all our confidence in the Interstate Commerce Commission, and everything will be all right in that regulatory field.

To get back to the memorandum which I am submitting on advice of counsel: It points out that this is one of the most technical matters in the complex field of ICC regulations. However, apparently, Members of the House were under the impression, when the Harris amendment was offered, that it was something noncontroversial. When the matter reached the floor a couple of days later, a great awakening took place, and the Harris amendment was amended to include some protection for monetary damages, but the legalizing of the alleged cutthroat conspiracy remained. The House adopted the Senate bill number and the bill went to conference as S. 939. The bill bears the Senate number, but it is really the House bill. By itself, S. 939 is an innocuous bill, containing nothing particularly meaningful.

I understand that if we should enact the Harris amendment and hitch it to the bill, the antitrust laws would be gravely damaged, while the violators would be given a special immunity, described by the late Senator Alben Barkley, when he was debating a similar situation: "The railroads are to be put on an island of safety, beyond the reach of the antitrust laws."

It is alleged that here are some of the consequences of enacting S. 93 with the Harris proviso:

First, we would make Congress the survile and pliant tool of the railroad lobby. Let us remember what the Senator from Georgia [Mr. RUSSELL] said, on June 9, 1947:

> At the behest of certain people who are about to be pricked with a pin by the courts, we are changing the policy here, when it is grossly unfair to the people who have been placed at a disadvantage for so many years by this artificial rate structure that the railroads and the freight bureaus have built up over the country.

I might state that I have just had a delightful conversation with the Senator from California [Mr. KNOWLAND]. I am always honored when he pays me a visit, on or off the floor of the Senate. [Laughter.]

I return now to what the Senator from Georgia said in 1947. He said:

> Instead of pleading guilty in the courts to violating the antitrust laws, the railroads and their satellites have come to Congress. They have said: "We are guilty; they have got us on the hip, and we want you to give us a pardon before the courts can even right a decision in the case." I submit, Mr. Presi-

dent, we ought at least to wait until the Supreme Court has decided the cases, and that any action of Congress in dealing with the problem prior to that time is premature and will result in divesting the people of the country of a protection to which they are entitled.

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

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. Is it not true that the South has suffered for a long period of time because of discriminatory freight rates?

Mr. MORSE. Yes; and the West also.

Mr. DOUGLAS. The South and the West.

Mr. MORSE. The South and the West.

Mr. DOUGLAS. Is it not true that the representatives of the South had good reason to fear that the Reed-Bulwinkle Act would permit the railroads to continue the discriminatory rates?

Mr. MORSE. The Senator is correct. The Senator from Illinois is a great authority in the field of railroad economics and in the field of economics generally.

Mr. DOUGLAS. I do not claim to be an authority on railroads.

Mr. MORSE. If I want to know anything about railroad economics, I know where to turn first, and that is to the Senator from Illinois. I understand, theoretically—that is why I am making these comments about the Interstate Commerce Commission—that the Interstate Commerce Commission has the authority to disapprove as well as to approve rates.

Mr. DOUGLAS. Is not that rule more honored in the breach than in the observance?

Mr. MORSE. That is why I think we ought to investigate the Commission. I understand that that is pretty much the pattern of the Interstate Commerce Commission decisions. I think we ought to investigate it.

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

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. Is it not true that, although we come from the North, nevertheless on the floor of the Senate in efforts to bar discriminatory rates we are fighting for the South.

Mr. MORSE. We always have.

Mr. DOUGLAS. Frequently, when the South has not defended itself, the liberals of the North and the West have defended it and have warned about the effect of the Reed-Bulwinkle Act.

Mr. HUMPHREY. Mr. President, may another Senator join the discussion?

Mr. MORSE. I say to the Senator from Illinois that that has always been the case. As liberals we recognize that our great responsibility is to translate into legislation the general welfare clause of the Constitution, which means protecting the public interest.

Mr. DOUGLAS. While we are opposed to the general attitude of the South on so-called constitutional rights questions, we will fight for the South when the South is correct on rate matters, even when many representatives of the South themselves sit silent and do not defend the interests of their section of the country.

Mr. MORSE. We will do it to the best of our judgment. We do not claim to be infallible. However, we do claim that we are not going to let any pressures of any kind—in the form of telegrams from presidents of railroad brotherhoods, for example—influence us to vote for something that may not be in the public interest, until we are certain that we have all the facts involved in the issue.

Then the memorandum I am using on advice of counsel, in order to raise these questions in the RECORD, states:

2. The Harris amendment would create for the railroads an area which is neither regulated by the Interstate Commerce Commission nor subject to the antitrust laws. This is unprecedented in the history of public-utility law, providing a special preserve for monopoly.

Mr. President, if that charge be true, I think there should be a hearing on this matter.

What is wrong with the motion of the Senator from Tennessee [Mr. KEFAUVER]? The allegation to which I have just referred has been made, and nothing in the conference report gives an answer to it. Such information is of the very type of the information which would be presented at a committee hearing.

So what is the hurry? Let committee hearings be held on these matters. These allegations are serious ones.

Next, the memorandum states:

3. The independent airlines will be destroyed by the price-fixing conspiracy which the Harris amendment seeks to legalize. These small enterprisers carried 50 percent of the Berlin and Korean airlift, and constitute the only civilian airlift reserve immediately available in the case of emergency—such as the Hungarian refugee rescue of last winter. Also, the impact on the small truckers, and inland water carriers will be great, and in some instances disastrous.

Mr. President, what are the facts? Who knows? I did not hear any of the conferees state, this afternoon, what the facts are in that connection. I do not think they know. I do not see how they can, until a hearing is held. No witnesses appeared before the conferees. The conferees did not take any testimony. They received a letter from General Lasher, but no breakdown was included in the letter. I do not know how it happened that the conferees received the letter, but they received it. I have stated that I am suspicious of it. The more I think about this matter, the more my suspicion grows; and the more I read the memorandum which, on advice of counsel, I am reading now, the more convinced I become that I am correct—so much so, that I am about convinced that I should proceed at greater length than I first contemplated when I began this speech.

I think the matter is much worse than I first suspected it to be. The memorandum I am reading is quite a good one.

I read further from it, as follows:

4. This will result in direct additional costs to the taxpayers.

Mr. President, this afternoon we have heard a great deal about the additional $100 million which the taxpayers would have to pay. It is very interesting that when we are dealing with the question of protecting shippers and consumers, there is the attitude that to increase the cost to the Government will be bad. This is a very important point. Certainly there is no reason why the Government should be exempt from the antitrust laws, insofar as protecting the rights of shippers is concerned and insofar as protecting the rights of consumers is concerned. For the sake of the argument—although I do not think the premise is sound, but let us assume that it is—let us assume that the taxpayers might be subjected to an additional cost of $100 million. Well, Mr. President, I wish to say that is a rather cheap price to pay for protecting the American people in their full rights under the antitrust laws. I do not think the Government, any more than commercial concerns, ought to yield to that kind of a financial consideration, which is offered, because I do not believe any case has been made to prove that there will be an additional cost of $100 million to the taxpayers.

But the point I wish to stress is that the antitrust laws are aimed at protecting the consuming public from discriminatory raids and bad competitive practices. So I shall not vote to breach those laws merely because some general comes forward and says, "Oh, but it will cost the Pentagon $100 million more." Mr. President, I do not know of any persons who have less right to talk about what something will cost the taxpayers than do those in the Pentagon Building, when I think of the horrendous ways that characterize the activities of those in the Pentagon Building, insofar as the costs to the taxpayers are concerned.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield for a question?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Oregon yield to the Senator from Illinois?

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. Is it not true that the original Interstate Commerce Act of 1887 was passed to protect the public, including shippers, from the very abuse of discriminatory rates?

Mr. MORSE. That is correct.

Mr. DOUGLAS. Was the practice not widespread in the 1860's, the 1870's, and the 1880's, whereby the railroads would give to one set of shippers favorable rates which they would not give to other shippers who were shipping identical commodities to identical points?

Mr. MORSE. That is correct.

Mr. DOUGLAS. And originally the purpose of the Interstate Commerce Commission was to secure equality in ratemaking, so that all shippers would be treated on fair terms. Is that not true?

Mr. MORSE. That is correct.

Mr. DOUGLAS. It was done because of the great abuses which developed on the part of the Standard Oil Co. and other companies in conjunction with the railroads.

Mr. MORSE. Mr. President, my answer to the question is "Yes."

Mr. DOUGLAS. That is a very laconic, but wholly accurate, answer to the question. [Laughter.]

Mr. MORSE. Mr. President, the memorandum also points out the following:

If the independent competitors are knocked out of serving the Department of Defense, the cost for troop movements will immediately skyrocket. Note costs prior to 1952, when the railroads had this market strictly to themselves. The railroads have persuaded certain transportation officers at the Pentagon to tell Congressional committees privately that unless the railroads are granted immunity from antitrust laws, "it will cost the Department $100 million a year." The origin of this figure, and how procurement of a service will be cheaper when purchased from a shutout monopoly, in preference to a competitive market, has never been explained.

Mr. President, I do not know. But I do know that all the facts ought to be placed on record. I do not think there is anything unreasonable about the motion to let the conference report go over until January—as my good friend, the Senator from Tennessee [Mr. KEFAUVER], who has just returned to the floor, has proposed, so that we can have the kind of hearings I am pleading for, and can ask, at those hearings, questions such as the ones I am asking now, and which I wish to have answered.

Mr. KEFAUVER. Mr. President, at this point, will the Senator from Oregon yield?

Mr. MORSE. I yield for a question. I am faced with a parliamentary difficulty; therefore, in yielding, I must yield only for a question.

Mr. KEFAUVER. Does the Senator from Oregon not think that, in fairness to the public, and also in fairness to the Senate, we should have from the Department of Justice some word as to what it thinks about the Harris amendment?

Mr. MORSE. I have already stressed that point, in the course of my argument. I think it is of the utmost importance that we hear, at such a committee hearing, from the head of the Antitrust Division of the Department of Justice, and also from the Attorney General; and at the hearing I would cross-examine them on the effect of this proposal. And I would also hear, at that hearing, from the members of the Interstate Commerce Commission and from the counsel of the Interstate Commerce Commission; I would cross-examine them at the hearing.

Mr. KEFAUVER. I have written——

Mr. MORSE. Mr. President, is the Senator from Tennessee about to ask me a question?

Mr. KEFAUVER. Yes; I wish to ask a question.

Mr. MORSE. Then I should like to hear it.

Mr. KEFAUVER. Inasmuch as I have written a letter, dated August 14, to Judge Hansen, requesting his opinion as head of the Antitrust Division, about this proposed legislation——

Mr. MORSE. The Senator from Tennessee should ask me his question.

Mr. KEFAUVER. Does the Senator from Oregon not think it would be well to wait until we hear from Judge Hansen?

Mr. MORSE. That is one of the points I am making. If I make any point at all, it is the point that we should wait. I continue to ask, What is the rush?

I do not know what is so important about this matter that it cannot be taken up by the Congress by means of regular committee action in January. I will bet that the Capitol dome will still be standing in January, if we postpone this matter until then; nothing will topple in the meantime. And by postponing action until then, we shall be preserving what I believe to be a precious right of the American people, because when I talk about these procedures, let me stress the fact that Senators do not own them. These committee procedures belong to the American people. They are great guaranties to the American people—guaranties that their elected representatives in the Congress will act on the basis of a record, not on the basis of an amendment offered on the floor of the House of Representatives, but never considered on the floor of the Senate. The amendment got into conference, and we do not even know what transpired in the conference, except we have a final report about the action taken by the conferees. And we have learned that our conferees are split—that the Senator from Texas [Mr. YARBOROUGH] did not sign the conference report. I wish to know a great deal about his views on this matter. I also understand that another conferee, the Senator from Florida [Mr. SMATHERS], did not sign the report. I think I am correct as to that.

Mr. President, when we are presented with a conference report which does not represent the unanimous opinion of the Senate conferees, and when the report involves an amendment which never appeared on the floor of the Senate for discussion and debate—an amendment which never was considered by a Senate committee at a hearing—I say, as I said at the beginning of my remarks, "Look out! Look out! There may be something rotten in Denmark."

I read further from the memorandum:

5. Congress will be legislating without giving the Antitrust Division of the Department of Justice an opportunity to state its views. Nor has the ICC been called for its views. In other words, not only have the businessmen and the employees whose economic lives are in jeopardy been deprived of a hearing, but the expert and responsible Government agencies have not presented their views.

Are the proponents of the Harris amendment afraid to follow the traditional procedures of Congress in permitting all the facts to be placed on the record?

6. Congress will be superseding the courts, setting the dangerous precedent in interfering in the due processes of justice, in order to provide special protections for special interests. The comment of the late Senator Barkley, regarding the railroads' attempt in 1947 to escape from a similar court action, could be directly applied to the Harris amendment:

"The introduction of such bills seems to have become a habit here. If someone brings a lawsuit in the Federal court, and it gets to the Supreme Court, or does not get to the Supreme Court, a case which involves an interpretation of the laws which Congress has passed to protect the American people, instead of fighting the question out in the courts and allowing the courts to exercise their jurisdiction, Congress is asked to enact a law passing upon the question in advance of the courts having an opportunity to pass upon it."

Mr. President, I digress from reading that important statement by the great American statesman, the late Senator Alben Barkley, to suggest to the Senate that what he said on that occasion is completely apropos the discussion being had tonight in the United States Senate. What Senator Barkley had in mind at that time is exactly what I propose now.

We have the McGarraghy decision. That decision is on its way to the Court of Appeals. Why should we not wait until the appellate court has acted on it? Why do we rush in with proposed legislation which seeks to set aside a decision of the district court?

The late Senator Barkley also said:

I think it is a vicious practice; I think it is a vicious habit; it ought never to have been indulged in. * * * And now for the third time we are asked to take similar action, by lifting the railroads out from under the antitrust laws so that no court can pass on the validity of agreements, combinations, all sorts of things that involve practices and rates and agreements and combinations. Everything we can think of that the antitrust laws were enacted to outlaw would be possible under this bill if it should become law, only subject to the approval of the Interstate Commerce Commission, and the Interstate Commerce Commission has no power and will have no power under the bill nor under the law to inflict any penalty for violation, even if it is in connection with approved combinations that might be entered into under this legislation.

I am deeply in earnest about this matter. It seems to me extremely bad practice. It is a violation of the traditional field of legislation for us to undertake to do this in the Senate, because a lawsuit has been brought.

That is Barkley. I will take my stand with Barkley, Mr. President. I think what he said in 1947 is so applicable to the issue before the Senate tonight that the Kefauver motion ought to be unanimously agreed to by the Senate. We ought to wait until we can get the hearings for which I am pleading.

Before yielding to the majority leader, I shall close with the reading of my memorandum. Then later, if necessary, I shall turn to a treatise I have.

TWISTING THE ARM OF CONGRESS

The railroad representatives have told Congress that they will refuse to offer their lower rates to the Government—known as section 22 rates—unless the McGarraghy decision is nullified by the Harris amendment. This threat has been termed "economic blackmail" by some members of the conference.

It should be noted that the McGarraghy decision in no way precludes the railroads from offering free or reduced rates for moving Government personnel and cargo. What it does do is prohibit the railroads from conspiring together to form compacts as a device to drive out all other modes of transportation.

The memorandum has attached to it a list of air carriers which it is alleged have been put out of business by the railroad monopoly conspiracy. I ask unanimous consent that the list be in-

corporated in the RECORD at this point as a part of my remarks, without my reading it, although I shall be glad to read it if the Senate insists.

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

AIR CARRIERS PUT OUT OF BUSINESS BY THE RAILROAD MONOPOLY CONSPIRACY

The following carriers succumbed to the tactics of the railroads and were forced to cease operations in the domestic military group passenger market on these dates: United States Aircoach, October 10, 1953; Air America, Inc., November 29, 1953; Caribbean-American Lines, Inc., December 5, 1953; Economy Airways, Inc., December 18, 1953; Air Transport Associates, Inc., December 31, 1953; Argonaut Airways Corp., January 9, 1954; Conner Air Lines, Inc., January 9, 1954; Continental Charters, Inc., January 15, 1954; Trans-National Airlines, Inc., January 25, 1954; Miami Airlines, Inc., February 8, 1955; Coastal Cargo Co., Inc., March 20, 1955; California Air Charter, Inc., April 30, 1955; Standard Airways, May 18, 1955; Blatz Airlines, Inc., June 27, 1955; Quaker City Airways, Inc., February 12, 1956; Air Cargo Express, Inc., December 7, 1956.

Mr. MORSE. Mr. President, before I continue this discussion, I should like to yield to the acting majority leader, with the understanding that by so yielding I do not lose my rights to the floor, for the consideration of any request he or the minority leader or other Senators may wish to make procedurewise, and that when we get through with a discussion of any procedural matter which the acting majority leader wishes to raise now—I have been advised, by a whispered conversation, it may be a request for an agreement—I will have the floor at the conclusion of that discussion. I yield to the Senator from Montana [Mr. MANSFIELD].

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I appreciate the courtesy of the Senator from Oregon.

I send to the desk a proposed unanimous-consent agreement on behalf of the majority leader and the minority leader.

The PRESIDING OFFICER. The clerk will state it.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That on tomorrow, Thursday, August 22, 1957, at the close of routine morning business, the Senate resume the consideration of the conference report on S. 939, a bill amending section 22 of the Interstate Commerce Act; that further debate on the pending motion of Mr. KEFAUVER to postpone the further consideration of the report to January 30, 1958, at 2 p. m., be limited to 2 hours, to be equally divided and controlled by Mr. KEFAUVER and the majority leader, respectively, after which time a vote shall be taken on the question of agreeing to the said motion; that in the event the motion is not agreed to, further debate on the question of agreeing to the conference report shall be limited to 2 hours, to be equally divided and controlled by the majority and minority leaders, respectively; after which a vote shall be taken on the question of agreeing to the said report.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield to me——

Mr. MORSE. The Senator from Montana will be surprised if he listens to me for a moment.

Mr. President, in view of the unanimous-consent agreement, I am delighted to yield the floor.

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a letter dated August 14, 1957, addressed by me to the Honorable Victor R. Hansen, head of the Antitrust Division of the Department of Justice, asking his views on the so-called Harris amendment.

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

AUGUST 14, 1957.

Hon. VICTOR R. HANSEN,
Assistant Attorney General of the United States, Department of Justice, Washington, D. C.

DEAR JUDGE HANSEN: I would greatly appreciate the views of the Antitrust Division with respect to the so-called Harris amendment to S. 939. This is a matter which will be reported to the Senate within the next few days and it would be of considerable help if we could have an expression from your Division and its transportation experts at the earliest possible time.

I am informed that this amendment may have a serious effect on the enforcement and administration of antitrust laws and would exempt certain practices of the railroads which are now under the jurisdiction of the antitrust laws. Since these practices are not anywise subject to regulation by the ICC at the present time, it would appear that S. 939 as amended in the House would create a unique instance where a utility is neither subject to a regulatory agency nor covered by our antitrust laws.

Furthermore, I would like to know if your department has ever been invited to express its views regarding the Harris amendment which passed the House on July 30. And, do you consider this matter to be of sufficient importance to the administration and enforcement of our antitrust laws for the department views to be considered prior to the final enactment of such legislation? In view of the shortness of time any views, however preliminary, which you could send to us would be appreciated.

Sincerely,

ESTES KEFAUVER,
United States Senator.

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, if it has not already been included, the memorandum opinion of Judge McGarraghy in the pending case which the Harris amendment is intended to set aside and nullify; that is, the case of Aircoach Transport Association, Inc., versus Atchison, Topeka & Santa Fe Railway Co., Civil Action No. 875–57.

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

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA—AIRCOACH TRANSPORT ASSOCIATION, INC., ETC., ET AL., PLAINTIFFS, *v.* ATCHISON, TOPEKA & SANTA FE RAILWAY CO., ETC., ET AL., DEFENDANTS—CIVIL ACTION No. 875–57

MEMORANDUM

Since October 1, 1946, the defendant railroads have been transporting military personnel on official business under a reduced rate agreement known as the joint military passenger agreement providing that the railroads would charge the Military Establishment a standard or uniform discount of 10 percent below their filed commercial tariffs. Commencing in 1953, the defendants began the practice of making concerted quotations to the Military Establishment of special rates varying to as low as 50 percent below the defendants' regularly filed tariffs.

The plaintiffs who are supplemental air carriers have brought this action to enjoin said concerted special rates and for treble damages, alleging violation of the Sherman Act and of the Clayton Act. With the filing of the complaint, the plaintiffs moved for a preliminary injunction. Prior to hearing on that motion, certain of the defendants moved to dismiss in the alternative for summary judgment and certain other defendants filed motions for summary judgment. The plaintiffs also filed a motion for summary judgment.

The defendants claim that the bids which are attacked by the complaint as being in violation of the antitrust laws have been made pursuant to and in conformity with agreements approved by the Interstate Commerce Commission and, therefore, that they are expressly relieved from the operation of the antitrust laws with respect to the practices complained of by section 5 (a) of the Interstate Commerce Act. Further, the defendants say that the subject matter of this suit is within the exclusive primary jurisdiction of the Interstate Commerce Commission and that this court is without jurisdiction to grant relief to the plaintiffs.

With reference to the points of law raised by the several motions which have been argued fully and briefed exhaustively, the court is of the opinion as follows:

1. The antitrust immunity conferred by section 5 (a) of the Interstate Commerce Act does not apply to concerted section 22 quotations made to the United States Government.

2. The Interstate Commerce Commission has never immunized defendants' concerted section 22 quotations.

3. The Interstate Commerce Commission does not have primary jurisdiction over the subject matter of this suit.

4. The concerted section 22 quotations of defendants are illegal per se under the antitrust laws.

5. The defenses raised by the defendants are insufficient as a matter of law and there is no genuine issue as to any material fact.

Accordingly, the plaintiffs' motion for summary judgment except as to damages will be granted and the defendants will be enjoined in accordance with the prayers of the complaint.

Counsel for plaintiffs will submit an order in conformity with this memorandum.

JOSEPH C. MCGARRAGHY,
Judge.

JULY 5, 1957.

IN THE UNITED STATES DISTRICT COURT—FOR THE DISTRICT OF COLUMBIA—AIRCOACH TRANSPORT ASSOCIATION, INC., ETC., ET AL., PLAINTIFFS *v.* ATCHISON, TOPEKA & SANTA FE RAILWAY CO., ETC., ET AL., DEFENDANTS—CIVIL ACTION No. 875–57

ORDER

The cause having been heard on defendants' motion to dismiss the complaint or in the alternative for summary judgment pursuant to rules 12 and 56 of the Federal Rules of Civil Procedure and on plaintiffs' cross motion for summary judgment for the relief requested in the complaint except as to the amount of damages pursuant to rule 56, subparagraphs (a), (c), and (d) of the Federal Rules of Civil Procedure and upon due and careful consideration of all of the papers, documents, and materials heretofore submitted to the court herein and having

heard oral argument thereon, it is now hereby ordered—

(a) That defendants' motion to dismiss the complaint, or in the alternative for summary judgment pursuant to rules 12 and 56 of the Federal Rules of Civil Procedure be and the same is hereby denied and plaintiffs' cross motion for summary judgment with respect to the injunctive relief demanded in the complaint, which relief excludes the amount of the damages, under and pursuant to rule 56, subparagraphs (a), (c), and (d) of the Federal Rules of Civil Procedure be and the same is hereby granted;

(b) That the court finds, in accordance with rule 54, subparagraph (b), that no just reason for delay exists with respect to the entry of final judgment upon plaintiffs' claim for injunctive relief, and that the entry of such judgment is hereby expressly directed; and

(c) Whereas plaintiffs have conceded on the record that no injury has been caused them by the uniform 10-percent fare allowance provided in section 6 (a) of joint military passenger agreement No. 29, as extended, to which defendants are parties, defendants and each of them, and their officers, directors, servants, and employees, and all persons, natural and corporate, acting for or in concert with each or any of them, are permanently enjoined and restrained from:

(1) Engaging in and continuing to engage in the practice of making special variable rate quotations, concertedly arrived at, pursuant to section 22 of the Interstate Commerce Act, as amended, title 49 United States Code, section 22, to the Department of Defense and/or any agency of the Military Establishment for the transportation of military personnel traveling at Government expense in groups of 15 or more within the continental United States, whether such concerted joint "special" variable rate quotations are submitted to the military agencies under section 2 (a) of joint military passenger agreement No. 29, as extended, to which defendants are parties, or otherwise;

(2) Submitting to the Department of Defense and/or any other agency of the Military Establishment concertedly arrived at package or nonseverable rate quotations under section 22 of the Interstate Commerce Act, as amended (49 U. S. C., 22), for movements of military personnel traveling at Government expense in groups of 15 or more within the continental United States where such movements have a common point of origin and 2 or more points of destination;

(3) Submitting to the Department of Defense and/or any other agency of the Military Establishment concertedly arrived at package or nonseverable rate quotations under section 22 of the Interstate Commerce Act, as amended (49 U. S. C., 22), for movements of military personnel traveling at Government expense in groups of 15 or more within the continental United States where such movements have a common point of destination and 2 or more points of origin;

(4) Nothing provided in subparagraph (1), (2), or (3) above shall prevent or preclude defendants and each of them, their officers, directors, servants and employees and all persons, natural and corporate, acting for or in concert with each or any of them or under their control, direction, permission, or license from submitting any rate quotations, concertedly arrived at, for the transportation of persons for the Government of the United States at free or reduced rates under and pursuant to section 22 of the Interstate Commerce Act, as amended (49 U. S. C. 22), without regard to the level of rates, where such rate quotations are made for through transportation between any 2 specific points over a single route, portions of which are operated by 2 or more railroads, nor shall the provisions of subparagraph (1), (2), or (3) above require defendants and each of them, and their officers, directors, servants and employees, and all persons, natural and corporate, acting for or in concert with each or any of them, to discriminate as to such rate quotations between 2 or more railroads connecting with any defendant railroad in offering through transportation between any 2 specific points over a single route; nor shall the provisions of subparagraphs (1), (2), and (3) above apply to the making of rate quotations for traffic not in competition with the 4 named plaintiff air carriers or any other presently noncertificated air carrier similarly situated who may thereafter be permitted by order of the court to intervene; and it is further ordered—

(d) That the court hereby retains jurisdiction and directs that hearings be held and evidence be taken solely as to the amount of damages suffered by each of the plaintiffs by reason of the rate activities enjoined above or which may hereafter be enjoined in the cause; and it is further ordered—

(e) That this court, upon its own motion or upon the motion of any party hereto, may make and enter from time to time such other and further orders as are appropriate for the effectuation of the determination and decision of this court filed July 5, 1957;

(f) That the provisions of paragraph (c) above are stayed for a period not exceeding 10 days from the date hereof to permit defendants to apply for a further stay to the Court of Appeals for the District of Columbia.

JOSEPH C. MCGARRAGHY,
United States District Judge.

JULY 17, 1957.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the conference report on S. 939, a bill amending section 22 of the Interstate Commerce Act, be temporarily laid aside.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House has agreed to the amendments of the Senate to the bill (H. R. 7458) to amend the Fair Labor Standards Act of 1938, as amended, to restrict its application in certain overseas areas, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the House amendment to the Senate amendment No. 6 to the bill (H. R. 4602) to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from $10,000 to $13,500, to authorize advance financing commitments, to extend the direct loan program for veterans, and for other purposes.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 9023) to amend the act of October 31, 1949, to extend until June 30, 1960, the authority of the Surgeon General to make certain payments to Bernalillo County, N. Mex., for furnishing hospital care to certain Indians; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. WILLIAMS of Mississippi, Mr. RHODES of Pennsylvania, Mr. LOSER, Mr. WOLVERTON, Mr. BUSH, and Mr. NEAL were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9131) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 8, 15, 33, 34, 43, 45, 47, 49, 50, 57, 58, 64, 69, 70, 72, and 75 to the bill, and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 3, 4, 7, 10, 12, 14, 32, 38, 40, and 61 to the bill, and concurred therein severally with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its disagreement to the amendments of the Senate numbered 6 and 54 to the bill.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills:

H. R. 993. An act to provide for the conveyance of certain land by the United States to the Cape Flattery School District in the State of Washington;

H. R. 1259. An act to clear the title to certain Indian land;

H. R. 1349. An act for the relief of John J. Fedor;

H. R. 1365. An act for the relief of Elmer L. Henderson;

H. R. 1595. An act for the relief of Vanja Stipcic;

H. R. 1636. An act for the relief of George D. LaMont;

H. R. 1826. An act to authorize the sale of certain lands of the United States in Wyoming to Bud E. Burnaugh;

H. R. 1424. An act for the relief of Sylvia Ottila Tenyi;

H. R. 1851. An act for the relief of Dezrin Boswell (also known as Dezrin Boswell Johnson);

H. R. 1953. An act to provide that checks for benefits provided by laws administered by the Administrator of Veterans' Affairs may be forwarded to the addressee in certain cases;

H. R. 2224. An act providing for payment to the State of Washington by the United States for the cost of replacing and relocating a portion of secondary highway of such State which was condemned and taken by the United States;

H. R. 2973. An act for the relief of the estate of William V. Stepp, Jr.;

H. R. 3025. An act to authorize the Secretary of the Navy to surrender and convey to the city of New York certain rights of access in and to Marshall, John, and Little Streets adjacent to the New York Naval Shipyard, Brooklyn, N. Y., and for other purposes;

H. R. 3184. An act for the relief of Gordon Broderick;

H. R. 3280. An act for the relief of Mrs. Grace C. Hill;

H. R. 3818. An act to provide for the maintenance of a roster of retired judges available for special judicial duty and for their assignment to such duty by the Chief Justice of the United States;

H. R. 3819. An act to amend section 331 of title 28, United States Code, to provide representation of district judges on the Judicial Conference of the United States;

H. R. 4098. An act to provide for the conveyance to the State of California a portion of the property known as Veterans' Adminis-

tration Center Reservation, Los Angeles, Calif., to be used for National Guard purposes;

H. R. 4230. An act for the relief of W. C. Shepherd, trading as W. C. Shepherd Co.;

H. R. 4344. An act for the relief of Malone Hsia;

H. R. 4447. An act for the relief of W. R. Zanes & Co., of Louisiana, Inc.;

H. R. 5288. An act for the relief of Orville G. Everett and Mrs. Agnes H. Everett;

H. R. 5894. An act to amend the laws relating to the endorsement of masters on vessel documents and to provide certain additional penalties for failure to exhibit vessel documents or other papers when required by enforcement officers;

H. R. 5924. An act relating to the International Convention to Facilitate the Importation of Commercial Samples and Advertising Matter;

H. R. 6080. An act to provide for the conveyance of certain property of the United States in Gulfport, Miss., to the Gulfport Municipal Separate School District;

H. R. 6709. An act to implement a treaty and agreement with the Republic of Panama, and for other purposes;

H. R. 7051. An act to stimulate industrial development near Indian reservations;

H. R. 7914. An act to amend the Career Compensation Act of 1949 to provide incentive pay for human subjects;

H. R. 8076. An act to provide for the termination of the Veterans' Education Appeals Board established to review certain determinations and actions of the Administrator of Veterans' Affairs in connection with education and training for World War II veterans;

H. R. 8531. An act to provide interim system for appointment of cadets to the United States Air Force Academy for an additional period of 4 years;

H. R. 8705. An act to permit articles imported from foreign countries for the purpose of exhibition at the St. Lawrence Seaway Celebration, to be held at Chicago, Ill., to be admitted without payment of tariff, and for other purposes; and

H. R. 8821. An act to amend title II of the Social Security Act to facilitate the provision of social security coverage for State and local employees under certain retirement systems.

LEAD AND ZINC TARIFF

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD, as in the morning hour, a very able editorial which appeared in the New York Times for Tuesday, August 20, 1957, protesting against the action of the Finance Committee in attempting to increase the tariff on lead and zinc.

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

BYPASSING THE TARIFF ACT

The lead and zinc industry in this country has been having some difficulties lately and its spokesmen have felt that it required some protection against foreign lead and zinc. There were two ways of dealing with this situation. One of them was for the President to proceed under the authority given him by the Reciprocal Trade Agreements Act, which has been operating since 1934.

Mr. Eisenhower has repeatedly expressed his approval of the reciprocal trade program, even though in a fairly mild way it cuts across the ancient Republican policy of protection. The flexibility provided by the so-called escape clause and a 1955 amendment intended to safeguard the interests of national security seemingly enabled him to deal with the existing emergency. This opinion was advanced in a letter sent to the White House last Friday by Chairman JERE COOPER of the House Ways and Means Committee, a Tennessee Democrat.

But the administration for some reason did not take the obvious road. It sent to the Ways and Means Committee a straight-out request for a sliding scale of tariffs on different types of lead and zinc. The committee promptly rejected this request. Then somebody had the bright and rather devious idea of attaching a flat 3-cent tariff on lead and zinc to an otherwise noncontroversial bill that the House had already passed and that was being considered in the Senate Finance Committee. The lead and zinc industry apparently liked the proposal—perhaps because it did not require any higher mathematics.

At the moment nobody knows whether or not the lead-and-zinc proposals will go through in the hurried last days of the present session. It would be a comfort if they did not. Even though there may be an emergency in the affected industries, the principle that has been invoked is a bad one. If the administration and Congress were to get into the habit of bypassing the Reciprocal Trade Agreements Act, that act would be in effect repealed. This, in a world situation where the free countries need to have their international trade as unhampered as possible, would be a calamity.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of S. 2792, which is Calendar No. 1080, and ask that it be stated by the clerk.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2792) to amend the Immigration and Nationality Act, and for other purposes.

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

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments.

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

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. EASTLAND. Mr. President, this bill is a compromise. It does not touch the basic provisions of the McCarran-Walter Act. It is designed to relieve certain hardship conditions which have arisen in the administration of that act.

At the outset, I wish to emphasize that in making these adjustments the bill does not modify the national origins quota provisions which have been a part of our immigration and nationality system since 1924, and which were carried forward in the Immigration and Nationality Act.

The bill, S. 2792, would permit the entry of a limited number of alien orphan children adopted by United States citizens. What it provides is that orphans, without any numerical limitation, can be admitted for adoption within a 2-year period. It is thought that during that time we could see how the act works and could determine whether or not to renew it. That provision is a committee amendment. The bill as introduced provided for the entry of 2,500 orphans a year. We thought the number of 2,500 was wholly inadequate. I know of several hundred applications from my State at this time. We thought the fair thing to do would be to allow an unlimited number for 2 years.

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

Mr. EASTLAND. I yield.

Mr. MORSE. My colleague, the junior Senator from Oregon, is not present in the Chamber. He will want to have this clear in the RECORD, at least.

The Senator from Mississippi knows that my colleague has been very active in connection with legislation in respect to the adoption of Korean orphans. There are a great many orphans in Korea, many of whom have been fathered by American servicemen. Many applications are made for their adoption.

Do I understand correctly that for the next 2 years those applications could be processed without any ceiling?

Mr. EASTLAND. Without any limitation.

Mr. MORSE. Without any limitation?

Mr. EASTLAND. The Senator is correct.

Mr. MORSE. Can the Senator give some idea as to how long it takes to process adoption papers in those instances?

Mr. EASTLAND. No, I cannot say how long it takes to process an application. I am informed by the Immigration Service and the State Department that they would be able properly to administer this section of the bill.

Mr. MORSE. Will the Senator yield for a further question?

Mr. EASTLAND. I yield.

Mr. MORSE. I do not know anything about the procedure. Suppose an application for the adoption of a Korean orphan were filed, let us say, 18 months after the bill was passed, and the papers were not processed or completed before 22 months. Would the fact that the application was filed before the end of the 2-year limitation permit the immigration authorities to complete the processing?

Mr. EASTLAND. It would permit admission of the child, if the visa could be issued prior to the cutoff date and there was assurance that the adoption would be completed.

Mr. MORSE. They would not stop processing at the end of the 24 months?

Mr. EASTLAND. The Senator is correct, because if need for further legislation is apparent, I believe additional authorization will be granted.

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

Mr. EASTLAND. I yield.

Mr. ELLENDER. What is the age limitation for these orphans?

Mr. EASTLAND. Fourteen years.

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

Mr. EASTLAND. I yield for a question.

Mr. SMATHERS. The Tarpon Springs Sponge Exchange of Tarpon Springs, Fla., has notified my senior colleague, the Senator from Florida [Mr. HOLLAND] and me that the industry there is badly in need of at least 100 skilled divers and deckhands to carry on the necessary work of procuring sponges. We are told that these skilled personnel can be found only in Greece.

Mr. EASTLAND. Of course, skilled personnel have a preference under the quotas.

Mr. SMATHERS. Does this bill permit entry of that type of skilled person?

Mr. EASTLAND. If those persons have qualified for a first preference under the Greek quota, section 12 of the bill would take care of them. Such persons should be able to qualify on the basis of their skills and the need for their services in this country.

Mr. SMATHERS. I thank the Senator.

Mr. EASTLAND. Mr. President, the bill would regularize the immigration status of certain skilled specialists in the United States and their immediate families. It would permit the waiver of excludability in the case of certain aliens who are afflicted with tuberculosis or who are excludable because they are members of classes who have had minor brushes with the law but who are reformed, in behalf of close relatives of United States citizens or lawful resident aliens. It would provide for the expeditious naturalization of certain adopted children in order to prevent hardship. It would stay the deportation of certain displaced persons who made false statements in order to prevent their repatriation to Communist-controlled countries. It would forgive the mortgages which were placed against the quotas of small quota countries under the Displaced Persons Act. Let me say, under that provision there will be eligible for admission about 8,200 each year. It would also provide relief for certain refugee-escapees by permitting the use of the unused special nonquota immigrant visas under the Refugee Relief Act.

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

The PRESIDING OFFICER. Does the Senator yield? Let the Senate be in order. Attachés will cease audible conversation.

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

Mr. ELLENDER. For how long a period of time would this be?

Mr. EASTLAND. It would be an indefinite time. Under the Displaced Persons Act, when we admitted refugees the quotas were mortgaged. We are now forgiving the mortgage. The number would be 8,200 for several years.

Mr. ELLENDER. What is the number now for those who could come in under such a provision?

Mr. EASTLAND. They have already come in under the Displaced Persons Act.

Mr. ELLENDER. I understand.

Mr. EASTLAND. There will be approximately 8,200 a year under that section as a result of the extinguishment of the mortgage.

Mr. ELLENDER. What is the number in the mortgage?

Mr. EASTLAND. Three hundred and twenty-five thousand.

Mr. ELLENDER. Three hundred and twenty-five thousand?

Mr. EASTLAND. Yes.

Mr. ELLENDER. In respect to the immigrants with special skills, how is skill defined?

Mr. EASTLAND. It is defined in the basic act. I will get the definition for the Senator, if he desires it. Does the Senator want me to state it?

Mr. ELLENDER. I think it might be well to have it in the RECORD at this point. Some Senators may have forgotten the language.

Mr. EASTLAND. The language is:

(1) The first 50 percent of the quota of each quota area for such year, plus any portion of such quota not required for the issuance of immigrant visas to the classes specified in paragraphs (2) and (3), shall be made available for the issuance of immigrant visas (A) to qualified quota immigrants whose services are determined by the Attorney General to be needed urgently in the United States because of the high education, technical training, specialized experience, or exceptional ability of such immigrants and to be substantially beneficial prospectively to the national economy, cultural interests, or welfare of the United States, and (B) to qualified quota immigrants who are the spouse or children of any immigrant described in clause (A) if accompanying him.

Mr. ELLENDER. Is there any limitation as to the number who may come into the United States under that provision?

Mr. EASTLAND. There are about 500 here now, and their status will be adjusted.

Mr. ELLENDER. Can the Senator give us an estimate as to how many immigrants could come into this country a year if the bill should be enacted as written?

Mr. EASTLAND. Does the Senator mean the total number?

Mr. ELLENDER. Yes, altogether.

Mr. EASTLAND. No. I do not know how many immigrants are going to be adopted. There is no way to tell. It is a humanitarian enterprise in which, in my judgment, we should engage.

Mr. ELLENDER. With reference to those other than orphans, can the Senator give us an estimate as to what the number of immigrants would be a year?

Mr. EASTLAND. I am going to come to that point in a moment.

Under section 12 there can come in, from Greece, 3,588; from Italy, 21,308; from Spain, 363; Chinese, 634; from Hungary, 554; from Japan 592; from the Philippines, 317; from Poland, 1,118; and from Turkey, 599.

I believe that will be the maximum number that can come in from those countries under section 12 of the bill.

In further answer to the Senator's question, we permit the families of persons who came legally to this country to come into the United States. Whether all of them will come or not I do not know. There will be many who will be eligible from each of those countries.

Mr. ELLENDER. Is the number which the distinguished Senator mentioned a moment ago on a yearly basis, or in toto?

Mr. EASTLAND. The 8,200 come under another section of the bill.

Mr. ELLENDER. I am talking about the numbers given.

Mr. EASTLAND. These would be the totals.

Mr. ELLENDER. The totals. I thank the Senator.

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

Mr. EASTLAND. I yield.

Mr. HOLLAND. The Senator will recall that on several occasions soldiers from my State, stationed in Japan or on Okinawa with their families, have adopted children who were either children of Japanese or Okinawan blood, or partially so. Under the existing law, we have had to enact special legislation in order to permit such persons to bring back their adopted children. Do I understand correctly that under the bill now pending such adopted children will be allowed to come in under the terms of the law without requiring special legislation?

Mr. EASTLAND. The Senator is correct.

Mr. HOLLAND. I think that is a very fine improvement.

Mr. President, I have one more question. The distinguished Senator will remember that a short while ago there was great need in Florida for trained men who can lay terrazza and do special types of tilework, and the like, who could not be found in the United States. We were able to bring such men in from Italy, but with great difficulty, and in a very limited number. Is there a provision in this proposed legislation which will continue that arrangement, so that such needs for skilled workers can be met?

Mr. EASTLAND. Section 12 of the bill would grant such skilled aliens who qualify a nonquota status.

Mr. HOLLAND. I am glad to hear that. I think I understand the colloquy between my distinguished colleague, the junior Senator from Florida, and the chairman of the committee relative to the Greek spongers. We do not find it possible to locate anywhere in the United States divers who can produce the results in that field that the Greeks, who are found particularly in the islands of the Aegean Sea, produce. Do I understand correctly that there will be the opportunity under this bill to bring in, under these special quotas and without special legislation, Greek divers trained to do that work?

Mr. EASTLAND. Certainly, where they can aid the economy of our country, and can qualify under section 12. Also section 12 will have the effect of making current the regular quota.

Mr. NEUBERGER. Mr. President, will the Senator yield to me?

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

Mr. NEUBERGER. I should like to ask the distinguished chairman of the Committee on the Judiciary a question with respect to the admission of orphans, a subject in which I have been particu-

larly interested. Perhaps the Senator will remember our discussion on the Senate floor some months ago, when I read letters from Mrs. Pearl S. Buck and from Mr. Harry Holt.

It is my understanding that under this bill an unlimited number of alien orphans may be admitted for the next 2 years, provided they are adopted by families consisting of American citizens. Is that correct?

Mr. EASTLAND. Yes.

Mr. NEUBERGER. If this privilege were to extend beyond 2 years, it would require additional legislation. Is that correct?

Mr. EASTLAND. That is correct. I do not think there would be any objection to extending the legislation. I think the provision of the original bill which limited the number to 2,500 a year was totally unrealistic, and that many more than that number would be adopted. I am judging that by the requests from my own State. We thought that we would establish a 2-year limitation in order to see how the law worked, and then extend it if it were found desirable.

Mr. NEUBERGER. But the chairman of the committee does not at the present time anticipate any great difficulty in extending the law, should the demand with regard to orphans be great?

Mr. EASTLAND. I do not know of any opposition.

Mr. NEUBERGER. I thank the chairman of the committee and his colleagues, particularly for including the orphans provision. I think the Senator knows of the great interest in our State, because of the Korean orphans who have been brought over by so many Oregon families.

Mr. EASTLAND. The Senator is one of those responsible for that provision being in the bill. He has done very able work in that connection.

Mr. NEUBERGER. I thank the Senator.

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

Mr. EASTLAND. I yield.

Mr. LAUSCHE. Referring to section 12, I note that there is no inclusion of Rumanians, Bulgarians, Czechoslovakians, and Yugoslavs.

Mr. EASTLAND. The figures I read represent a cross section of several countries. I did not mention the figures for every country in the world. All countries will benefit under the section.

Mr. LAUSCHE. Is the allocation related to a uniform formula, under which the proportions are sound, and related to special conditions in the formula?

Mr. EASTLAND. Yes. Those who have first, second, or third preference petitions come in outside the quota. The cutoff date established for approved petitions is July 1, 1957.

Mr. LAUSCHE. Then I understand that all those nations will be allocated their proportion, based upon a uniform formula as applied to a specific date.

Mr. EASTLAND. That is correct.

Mr. LAUSCHE. And though the language to which I have just referred makes no mention of the citizens of satellite nations, such as Rumania, Bulgaria, and Czechoslovakia, as well as Yugoslavia, outside the satellite nations.

Mr. EASTLAND. I certainly hope that we shall take care of the Yugoslavs. My figures merely represent a cross section.

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

Mr. EASTLAND. I yield.

Mr. HOLLAND. Am I correct in my understanding that there is nothing in the bill which would affect in any way the existing law relative to the admission for temporary agricultural work in this country of aliens from Mexico, who serve a large part of the Nation?

Mr. EASTLAND. The Senator is correct.

Mr. HOLLAND. As well as aliens from the Bahamas, Jamaica, Barbadoes, and Honduras, who serve in other parts of the country?

Mr. EASTLAND. The Senator is correct.

Mr. HOLLAND. I understand that there is nothing in the bill that would affect them.

Mr. EASTLAND. The Senator is correct.

Mr. HOLLAND. I thank the Senator.

Mr. EASTLAND. I think the bill is all right. It is a compromise. I do not think anyone gets all he wants out of it, but it is the best we could do.

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

Mr. EASTLAND. I yield.

Mr. JAVITS. I notice a statement in the report which might prove to be very important in connection with the legislative intent in connection with this proposed legislation. If the chairman will permit me, I shall read it. I am sure the chairman of the committee will approve it as a statement of the legislative intent.

I refer to the language on page 6, in the middle of the second full paragraph, reading as follows:

> It is the intention of the committee that the distribution of this remainder will be made in a fair and equitable manner, without any prescribed numerical limitations for any particular group, according to the showing of hardship, persecution, and the welfare of the United States.

Mr. EASTLAND. From what page is the Senator reading?

Mr. JAVITS. Page 6.

Mr. EASTLAND. Section 15?

Mr. JAVITS. Toward the end of that paragraph.

Mr. EASTLAND. I have it. Proceed.

Mr. JAVITS. My only point was that that language should be read into the RECORD, which I am doing. I know the chairman will confirm that statement as the legislative intent.

Mr. EASTLAND. Certainly.

Mr. JAVITS. A great deal depends upon the question of legislative intent. Therefore, I thought that statement should be a part of the record of the debate.

Mr. EASTLAND. The Senator is absolutely correct. Moreover, the entire report is a part of the legislative history.

Mr. President, as a part of the legislative history, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have had prepared.

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

STATEMENT BY SENATOR EASTLAND

The bill, S. 2792, is designed to relieve certain hardship situations which have arisen in the administration of the Immigration and Nationality Act since its enactment in the 2d session of the 82d Congress. At the outset, I wish to emphasize that in making these adjustments in the immigration laws, the bill does not modify the national-origins quota provisions, which have been a part of our immigration and nationality system since 1924, and which were carried forward in the Immigration and Nationality Act.

The bill, S. 2792, would permit the entry of an unlimited number of alien orphan children adopted by United States citizens; it would facilitate the admission into the United States of certain close relatives of United States citizens and lawful alien residents by granting them nonquota status; it would regularize the immigration status of certain skilled specialists in the United States and their immediate families; it would permit the waiver of excludability in the case of certain aliens who are afflicted with tuberculosis or who are excludable because they are members of classes who have had minor brushes with the law, but who are reformed, in behalf of close relatives of United States citizens or lawful resident aliens; it would provide for the expeditious naturalization of certain adopted children in order to prevent hardship; it would stay the deportation of certain displaced persons who made false statements in order to prevent their repatriation to Communist-controlled countries; it would forgive the mortgages which were placed against the quotas of small-quota countries under the Displaced Persons Act; and it would provide relief for certain refugee-escapees by permitting the use of the unused special nonquota immigrant visas under the Refugee Relief Act.

The foregoing are but a few of the adjustments which would be made in the immigration laws to provide relief in meritorious cases which cannot be handled under the present provisions of the law. I do not believe it is necessary to go into great detail in regard to the provisions of the bill, but I do believe it would be helpful to explain to the Members of the Senate section by section what the bill contains.

Section 1 of the bill would amend the definition of the term "child" as defined in the Immigration and Nationality Act, for the purpose of alleviating certain hardships which have arisen as a result of an administrative interpretation that a child born out of wedlock to a woman who subsequently marries a man not the father of the child is not included in the term "stepchild". Under the terms of the bill, existing law would be clarified in such manner as to make it clear that a child born out of wedlock, in relation to its mother, may be included in the term "stepchild", and thereby enjoy the same immigration status as other stepchildren.

Section 2 of the bill would further redefine the term "child" as used in the Immigration and Nationality Act to clarify the law so that the illegitimate child would, in relation to his mother, enjoy the same status under the immigration laws as a legitimate child to remove any doubt of the intent of the original drafters of the act. The term "child" is also amended to include adopted children in those cases where the child is adopted while under the age of 14 years and has thereafter been in the legal custody of and has resided with the adopting parent or parents for at least 2 years. At the present time, the term "child" does not include adopted children, and it is believed that the proposed language is desirable to prevent hardship in cases where

the child is chargeable to a heavily oversubscribed quota and who would not otherwise be able to accompany his adoptive parent or parents. The bill contains adequate safeguards to prevent abuses.

Under the provisions of the Immigration and Nationality Act, a preference of 50 percent under each quota is allotted to aliens with special skills whose services are urgently needed in the United States. Such first preference status is also extended to the spouse or children who are accompanying the principal applicant. Under section 3 of the bill, it is provided that such first preference status shall also be accorded to the spouse or children who are following to join such a principal applicant.

Section 4 of the bill would authorize the issuance of special nonquota immigrant visas to certain eligible alien orphans under 14 years of age who are adopted by United States citizens or who are coming to the United States to be adopted. The authority to issue such special nonquota immigrant visas shall expire on June 30, 1959, at which time the Congress may review the operation of the program and a determination may then be made whether the program should be curtailed, modified or canceled. Not more than two such special nonquota immigrant visas may be issued to orphans adopted by any one United States citizen and spouse unless to prevent the separation of brothers and sisters.

Under the provisions of the Immigration and Nationality Act, aliens who have been convicted of or who admit the commission of crimes involving moral turpitude, or who admit committing acts which constitute the essential elements of such a crime are ineligible to receive a visa or be admitted to the United States. In addition, under the provisions of the Immigration and Nationality Act, aliens who have been convicted of two offenses, regardless of whether the offenses involved moral turpitude, for which the aggregate sentences to confinement actually imposed were 5 years or more, are ineligible to receive a visa and be admitted to the United States. Also, under the provisions of the Immigration and Nationality Act, aliens who are members of certain immoral classes are forever barred from entering the United States for permanent residence. Section 5 of the bill would grant discretionary authority to the Attorney General to waive these grounds of exclusion in behalf of the spouse, parent or child, including a minor adopted child of a United States citizen or an alien lawfully admitted for permanent residence, who is an applicant for a visa for permanent residence in the United States if such aliens are found to be otherwise admissible. In meritorious cases, therefore, the Attorney General would, in the future, be authorized to admit certain aliens to the United States even though they are subject to exclusion on the foregoing grounds in order to prevent the separation of families.

Section 6 of the bill would permit the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, to admit the spouses, parents and minor children, including adopted children, of United States citizens or aliens lawfully admitted for permanent residence notwithstanding the fact that such close relatives are afflicted with tuberculosis. Adequate safeguards are included in the bill to assure that where the discretionary authority is exercised that the alien will not become a public charge.

Section 7 of the bill would provide for the correction of a situation which exists in the case of certain aliens admitted under the Displaced Persons Act who are in a deportable status because of misrepresentations made with reference to their nationality or place of birth to avoid repatriation to Communist-controlled countries. Section 7 of the bill would also permit a similar adjustment to be made in the case of spouses, parents or children of United States citizens or lawful resident aliens who have sought to procure or have procured visas or other documentation or entry into the United States by fraud or misrepresentation. The section further provides that after the effective date, the Attorney General shall have discretionary authority to waive the ground of inadmissibility in behalf of the spouse, parent or child of a United States citizen or alien lawfully admitted for permanent residence who is found to be subject to exclusion because he has practiced fraud or made a misrepresentation in connection with his visa application or application for admission to the United States.

Section 8 of the bill grants to the Secretary of State and the Attorney General the discretionary authority to waive the fingerprinting requirements, on a basis of reciprocity, in the case of aliens who are seeking to enter the United States temporarily as nonimmigrants.

Section 9 of the bill authorizes the Attorney General in the administration of the Immigration and Nationality Act, to adjust the status of certain highly skilled specialists who are in the United States temporarily and whose services have been determined to be urgently needed in the United States, to that of aliens lawfully admitted for permanent residence. As a prerequisite to such adjustment, it must be found that the alien was physically present within the United States on July 1, 1957, and the alien must be the beneficiary of an approved visa petition for first preference immigrant status filed on his behalf prior to the date of the enactment of this act. The section also provides that the spouse and children, who were physically present in the United States on July 1, 1957, of such alien may have their status similarly adjusted to that of aliens lawfully admitted for permanent residence. If the principal beneficiary is married at the time such an adjustment is made under this section, the Attorney General is also authorized to grant nonquota status to the spouse or child of the alien residing outside the United States, and such spouse or child may be admitted to the United States for permanent residence, if otherwise admissible.

Section 10 of the bill would remove the mortgages on the quotas of certain countries imposed under the Displaced Persons Act of 1948, as amended, and under the acts of June 30, 1950, and April 9, 1952, relating to the importation of certain skilled sheepherders.

Section 11 of the bill would provide for the expeditious naturalization of certain adopted children of United States citizens employed abroad.

Section 12 of the bill would provide for the granting of nonquota immigrant status to certain skilled specialists, parents of United States citizens, and spouses and children of aliens lawfully admitted for permanent residence, on behalf of whom a petition for the preference status under the Immigration and Nationality Act was approved by the Attorney General prior to July 1, 1957. Provision is made that such skilled specialists and relative preference aliens must be otherwise admissible under the immigration laws.

Section 13 of the bill would provide a procedure for the adjustment of the immigration status of certain aliens who entered the United States in a diplomatic or semidiplomatic status as officers or employees of a foreign government or certain international organizations and who have failed to maintain their official status, but who have not been required to depart from the United States. In such cases the alien would be permitted to apply to the Attorney General for an adjustment of his status to that of an alien lawfully admitted for permanent residence and if the application is approved, the Attorney General is required to submit a report thereon to the Congress. Such an adjustment becomes final if neither the Senate nor the House of Representatives passes a resolution disapproving the action of the Attorney General in the session in which the report is submitted, or the session next following. The number of aliens who may be granted the status of an alien lawfully admitted for permanent residence under the provision, is limited to 50 in any fiscal year.

Section 14 of the bill merely provides that the definitions contained in the Immigration and Nationality Act shall apply to certain sections of the bill, S. 2792.

Section 15 of the bill authorizes the issuance, under the existing provisions of the basic Immigration and Nationality Act, of the special nonquota immigrant visas which were authorized under the Refugee Relief Act of 1953, as amended, but which remained unissued on January 1, 1957. Under that act, 18,656 such visas remained unissued. This section allots and authorizes the issuance of 2,500 of the remaining visas to German expellees described in section 4 (a) (1) of the Refugee Relief Act, as amended; 1,600 to the Dutch ethnics described in paragraphs (9) and (10) of that section; and 500 to the refugees described in paragraph (11) of that section which refers to nonindigenous refugees residing in the Far East. All the rest and remainder of the unused visas are authorized to be issued to refugee-escapees who are carefully defined in the bill, so as to include any alien who was forced to flee from Communist territory, or from any country in the Middle East (a term strictly defined) and who is unable to return to the place from which he fled because of persecution or fear of persecution on account of race, religion, or political opinion. It is felt that the distribution of these remaining visas will be made in a fair and equitable manner, without any prescribed numerical limitations for any particular group, according to the showing of hardship, persecution, and the welfare of the United States. It is carefully spelled out in the bill that the alien must be eligible for admission to the United States under the provisions of the Immigration and Nationality Act, except for the fact that a quota number is not available to him at the time of his application for a visa.

The bill has received the careful consideration of the Judiciary Committee, and it is felt that it is a good bill. As previously stated, it is designed to relieve certain hardship cases, and I believe that the bill adequately accomplishes this purpose. I wish to state here and now that I am unalterably opposed to any changes in the immigration laws which would weaken in any way the national origins quota system, and I will fight to the end any attempts to amend this bill which would destroy the Immigration and Nationality Act. I sincerely hope that no amendments will be offered which would jeopardize the chances of passage of this bill.

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

Mr. EASTLAND. I yield.

Mr. HUMPHREY. As I understand the Senator's response to the Senator from New York, the language describing section 15, so far as the unused visas were concerned under the Refuge Relief Act, might still apply to Hugarian refugees, for example.

Mr. EASTLAND. If qualified.

Mr. HUMPHREY. And refugees from the Middle East, such as Egyptian refugees?

Mr. EASTLAND. Yes.

Mr. HUMPHREY. Let me ask a question with reference to the orphan provision. I wish to clarify this point for myself. As I understand, there is not a limitation of 2,500 in the bill.

Mr. EASTLAND. There is no limitation. As the bill was introduced, there was a limitation of 2,500.

Mr. HUMPHREY. That is correct.

Mr. EASTLAND. We removed it; but we limited the operation to 2 years.

Mr. HUMPHREY. I notice that discretionary authority is given on page 3, under item 8, to the Secretary of State and the Attorney General. They are granted discretionary authority, on the basis of reciprocity, to waive the requirement of fingerprinting in the case of any nonimmigrant alien. I am thinking in terms of visitors who might come to this country—for example, a group of young people from another country might wish to come to this country for some kind of conclave. Also, scientists might wish to visit this country.

Mr. EASTLAND. The Senator is correct. That was a subject of some controversy in the Judiciary Committee. What we have in the bill, I think, is fair.

Mr. HUMPHREY. It surely is a step that will be very helpful, particularly as it relates to scientists, and the exchange of young people. For example, I had some correspondence with persons in Finland, where young people are surely anything but Communists, but at some time in their lives they may have unknowingly become members of an organization which can be termed a Communist front. Yet we want to have those young people visit us on occasion.

Mr. EASTLAND. Our problem was this: The Communist countries send people here under different names, and the security agencies say that the only way they can keep a check on them is by fingerprinting. The Communist countries send agents here under different names. I realize that there is a problem on the other side, as the Senator has described. The only thing we could do was to make the fingerprinting discretionary with the Attorney General and the Secretary of State.

Mr. HUMPHREY. That seems to me to be a reasonable provision. Surely it represents recognition of what the Government has termed a very difficult problem in our foreign policy.

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

Mr. EASTLAND. I yield.

Mr. JAVITS. I think the reciprocity idea is a very sound one.

Mr. EASTLAND. Of course, there is no such thing as reciprocity in this connection. No other country requires fingerprinting.

Mr. JAVITS. I had in mind reciprocity in terms of student exchange.

Mr. EASTLAND. The Senator is correct in that regard.

Mr. JAVITS. I thank the Senator.

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

Mr. EASTLAND. I yield.

Mr. LAUSCHE. Does the bill generally approach the allocation of rights to enter the country on the basis of an intention that the allocation will be made in a fair and equitable manner, with regard to all the satellite nations?

Mr. EASTLAND. Yes; it does.

Mr. LAUSCHE. That is the general yardstick which was applied?

Mr. EASTLAND. That is correct.

Mr. LAUSCHE. There was no purpose to give preferential treatment to those of one country over another?

Mr. EASTLAND. That is exactly correct. I do not think we should legislate on the basis of preferential treatment.

Mr. President, I ask unanimous consent that an explanatory statement be printed in the RECORD, as a part of the legislative history, in connection with the committee amendments to the bill.

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

I wish to offer a brief explanation with respect to the committee amendments.

Amendments Nos. 1 and 2 relate to section 4 of the bill, authorizing the issuance of special nonquota immigrant visas to certain eligible orphans. As introduced, the section authorized the issuance of 2,500 such visas during each fiscal year. The amendment removes the numerical limitation on the issuance of the special nonquota visas, but limits the issuance to a period ending June 30, 1959, at which time the Congress will be in a position to review the program and at that time make a determination of whether additional authorization should be granted.

Amendment No. 4 adds language to section 6 of the bill, as introduced, relating to the discretionary authority of the Attorney General to waive the ground of inadmissibility in the case of certain close relatives of United States citizens and lawfully resident aliens who are afflicted with tuberculosis. The purpose of the additional language is to authorize the giving of a bond and require the Attorney General to consult with the Surgeon General of the United States Public Health Service concerning the conditions under which such aliens may be admitted to the United States, in order to safeguard properly the health of our communities.

Amendment No. 5 removes from the bill section 7 of the bill, as introduced, which related to procedures for the commencement of deportation proceedings under the Immigration and Nationality Act. That section would merely have written into the law a practice presently being followed by the Immigration and Naturalization Service under the authority of the Immigration and Nationality Act, and the committee did not feel that it was necessary to include the language in the instant bill. The amendment also appropriately renumbers the remaining sections of the bill.

Amendment No. 9 modifies the provisions of section 15 of the bill, as introduced. The bill, as introduced, provided in section 15, for the issuance of the special nonquota visas which remained unissued on January 1, 1957, under the Refugee Relief Act, as amended, to certain specifically defined refugee-escapees from Communist-controlled or dominated countries or from the general area of the Middle East, as defined. As revised, the section makes specific allocations of a part of the special nonquota visas which remained unissued to certain German expellees, refugees, and nationals in the Netherlands, and nonindigenous refugees in the Far East, and then provides that the remainder of such visas may be issued to the refugees and escapees from Communist-dominated or controlled countries or the general area of the Middle East.

Amendments Nos. 3, 6, 7, and 8, are technical and make no substantive changes.

Mr. WATKINS. Mr. President, before the Senate concludes its consideration of S. 2792 I should like to point out for the information of my colleagues and for the information of the general public why, as the sponsor of the administration's immigration bill, I am supporting this measure which falls short of the President's recommendation. Before explaining my personal position, I think for the legislative history of this particular bill it would be well to have in the RECORD what provisions of this bill are included as recommendations of the President, wherein the President's recommendations are being denied, and wherein things not recommended by the President are being proposed.

First let me state that the administration's proposal, as embodied in S. 1006 introduced February 1, 1957, contained four general amendments to the Immigration and Nationality Act of 1952. First was a revision of the national origins quota, the major portion of which was the updating of the census date from 1920 to 1950 which would have permitted the immigration of approximately 64,000 additional immigrants each year.

Secondly, the bill contained provisions for relieving Congress of much of the burden necessitated by private bill legislation by authorizing the Attorney General to adjust the status of certain recognized hardship cases which are now the subject of the majority of our private bill legislation.

Thirdly, the bill provided through approximately 20 amendments for perfecting of the administrative technicalities which now make the operation of the act less effective than it should be and could be, were those amendments adopted.

A fourth provision of the administration's proposal provided for a uniform method of judicial review of exclusion and deportation proceedings. If adopted this procedure would materially reduce the confusion and abuses presently existing under the act.

The President also included in his recommendation to Congress specific request that legislation be enacted to clarify existing parole authority so that status of Hungarian refugees now in this country might be regularized so that these refugees might finally become citizens; and that authority be provided to accept refugees from other areas in the event future anti-Communist revolts develop elsewhere in the world.

Mr. President, I should like to interpolate here that in agreeing to a compromise and in supporting the bill which is now before the Senate, I am giving up something that I feel is very important, indeed. I hope that immediately after the first of the year, when a little further study can be given to the matter, Congress will enact legislation which will regularize the status of these Hungarians—some 27,000 of them, or so many of them as can qualify under the law—so that they may become candidates for citizenship. It is important for them to know now whether they will be permitted to stay or whether they will have to return to their native country. It was a great tragedy that happened in Hungary. The world has been told, in a report recently made by a United Nations committee, about the terrible catastrophe that came to those people. They were heroic. They were

brave. They deserve the commendation of the entire world. At the time this was happening, the public press of the United States—and public feeling generally—ran strongly in their favor. At that time it seemed that everyone was willing to help them. We should not forget them now. These are human beings suffering from a great tragedy, and many of them have a price on their heads. If they were forced to go back to Hungary, they would most likely either be sent before a firing squad or would be exiled to a slave labor camp in Siberia or elsewhere.

That is what would happen. The least we can do when we consider this problem after the first of the year is to make it possible for them to qualify, under security requirements of our law, to become citizens of the United States.

The bill presently being considered by the Senate, and which I shall support, since I believe half a loaf or a quarter of a loaf is better than none—depending on how we measure the benefits under the bill—provides in its first section for a redefinition of stepchild so as to include an illegitimate child. This is contained in section 22 of the administration's bill, S. 1006.

Section 2 of the present proposal extends to the illegitimate child the same benefits as are enjoyed by the legitimate child, accruing from its relationship to its natural mother. This is also covered in the administration bill.

Section 3 extends to the spouse and child of an alien entering the United States under first preference the benefits so that preference in those cases where the spouses and children cannot accompany the first preference alien but are able to follow him to join him later. This is covered by section 25 of the administration's proposal.

Section 4 of the bill provides for the admission of an unlimited number of orphans quota-free to enter in the next 2-year period. Section 36 of the administration bill provided for the admission of 2,500 orphans each and every year. It was not limited as to its duration.

Section 5 of S. 2792 provides authority for the Attorney General to waive crimes involving moral turpitude. This includes the "loaf of bread" cases which have been the subject of a great deal of private legislation in this and previous Congresses and is covered by section 7 of the bill I introduced in February of this year in response to the President's request for legislation.

Section 6 likewise permits the Attorney General to waive a ground of exclusion. Specifically this waiver would be directed to immigrants suffering tuberculosis who would be separated from the family unit unless the waiver were granted. This is also covered in the administration bill.

Section 7 is directed to the problem created under the Displaced Persons Act of 1948 and would permit those aliens who misrepresented the place of their nationality, etc., in making application for admission into the United States for fear that they would be sent back to suffer persecution or possible annihilation to remain in this country. This provision was also taken from the administration's proposal introduced in February of this year.

Section 8 grants to the Secretary of State and the Attorney General the discretionary authority to waive fingerprinting of nonimmigrant aliens who enter the United States temporarily, provided their native country extends the same privilege on a reciprocal basis with the United States for temporary visitors. Section 14 of my bill, S. 1006, also was directed to solving this same problem.

Under section 9 of the present proposal the Attorney General could adjust the status of highly skilled aliens who are in this country on July 1, 1957, and who are the beneficiary of an approved petition for first preference, but who are unable to make use of that preference because of the over-subscription of their quota area. This subject is covered in S.461 which is lying on the table awaiting Senate concurrence in certain House amendments. There is no similar provision in S. 1006.

Section 10 strikes the mortgages placed on the quotas of various countries by the Displaced Persons Act and the Sheepherders Acts of 1948, 1950, and 1952 respectively. These mortgages were similarly dissolved under section 1 of the administration's proposal.

Section 11 of the bill now under discussion provides for the expeditious naturalization of children adopted by American citizens living abroad. This proposal was pointed up by the service personnel who because of their employment overseas were unable to satisfy the residence requirements incident to naturalization of such adopted children. Similar provision was contained in section 33 of S. 1006.

Section 12 would permit the holders of first preference status as well as those parents of United States citizens and spouses and children of aliens admitted for lawful residence on whose behalf a petition for preference status under the Walter-McCarran Act had been filed prior to July 1, 1957, to enter nonquota if otherwise admissible. There is no similar provision in the administration's proposal as presented in February.

Section 13 would provide relief in the situation where a foreign diplomat presently in this country cannot or does not choose to return to his country but who has not been requested to depart from the United States might be given permanent residence. The provision provides for submission to Congress of a resolution by the Attorney General to adjust the status and is limited to 50 such adjustmental status cases per year. There was nothing in the administration's proposal dealing with this particular matter.

This need was brought to the attention of Congress and of the country in the case of Wellington Koo, former Chinese Ambassador to the United States, who could not return to his own country, and who, in fact, became a man without status of any kind. This provision would take care of that kind of situation.

Section 14 contains reference to the standard definitions used in the Immigration and Nationality Act of 1952 and making them applicable to this act just as was done in section 9 of my February 1 bill.

Section 15 of this proposal takes from the expired Refugee Relief Act of 1953 those visa numbers which were unused as of the date of its expiration and without in any other way extending that act, makes those numbers available to certain refugees and expellees: 2,500 of these numbers will be available to German expellees who were the people of German ethnic origin expelled from principally the Baltic countries; 1,600 of these would be reserved for persons of Dutch ethnic origin who were either refugees residing in the Netherlands or residents of the Netherlands claiming second, third, or fourth preference under the Immigration and Nationality Act; 500 would be reserved for refugees in the Far East who are not indigenous to the area.

This category generally has been identified as applying to White Russians. The balance of the unused Refugee Relief Act visa numbers, approximately 14,055, will be available on a first-come, first-served basis, I presume, to refugees from Communist territory or refugees from the Middle East who are unable to return to the place from which they fled because of persecution or fear of persecution due to race, religion, or political opinion. The administration proposal did not deal with these unused Refugee Relief Act numbers.

The following is a summary of the differences between the administration's proposal, or what the President asked for, and the present bill, which proposes what the administration will receive: (1) The President asked for a change in the national-origins census date—which he will not get. (2) He asked for approximately 20 technical amendments to the act, and he will get about 7. (3) The President asked for permanent legislation to deal with the orphan problem. He will get a 2-year program. (4) The President asked for a uniform judicial review procedure—which he will not get. (5) The President asked for a waiver of existing mortgages on quotas—which he will receive. (6) The President asked for an amendment which would relieve Congress of much of the burden of private bill legislation. He will receive part of what he asked for in this regard.

In addition to what the President requested, he will receive (1) the relief granted in section 9, dealing with skilled specialists from oversubscribed areas; (2) the relief granted in section 12, dealing with the updating of first, second, and third preference applicants from oversubscribed areas; (3) the relief granted in section 13, dealing with diplomats seeking asylum; and (4) the relief extended by the allocation of the unused Refugee Relief Act numbers.

Admittedly, Mr. President, the controversial provisions of the President's program are omitted in S. 2792, as are many of the technical amendments which would improve the operation of the Immigration and Nationality Act. We are being presented with the sections dealing with the emotional issues included in the President's program—the issues dealing in human lives. Recognizing the lateness of the session and also the

inability of the Senate to gain the concurrence of the House in similar proposed legislation last year, I am speaking in support of S. 2792 in the hope that we may yet get part of an immigration program, rather than hold out for the entire program and get nothing at all.

Mr. President, the issue is just that simple.

However, my support of the pending bill does not indicate that I am relinquishing my attempt to have the Congress enact legislation which will bring about a better revision of the inequities in the Immigration and Nationality Act of 1952.

I hope Congress will give serious attention to those problems soon after the first of the coming year; and I hope that then the Congress will promptly enact legislation which at least will take care of the refugees who came from Hungary during the great rebellion in that country.

I also hope there will be enacted a measure which will give the President much firmer authority and establish procedures to be used in connection with occasions such as the Hungarian crisis. We should be in a position to do at least that much to help those who are willing to risk their all in the cause of liberty.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an analysis of the new immigration bill, S. 2792. The analysis is divided into sections. It is chiefly the work of the committee staff, and I believe it should be printed in the RECORD, for purposes of clarification of the pending measure.

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

ANALYSIS OF NEW IMMIGRATION BILL, S. 2792

Section 1. Stepchildren: The definition of stepchild will now include an illegitimate child.

Section 1 of the bill, as amended, would amend the definition of the term "child" as used in titles I and II of the Immigration and Nationality Act, for the purpose of alleviating certain hardships which have arisen as a result of an administrative interpretation that a child born out of wedlock to a woman who subsequently marries a man not the father of the child is not included within the term "stepchild." The proposed amendment would clarify the law in such manner as to make it clear that a child born out of wedlock in relation to its mother may be included in the term "stepchild" and thereby enjoy the same immigration status as other stepchildren. The committee believes that this would accomplish the original intent of the section.

Section 2. Illegitimate children: An illegitimate child will receive the same benefits as a legitimate child, accruing from relationship to its mother.

Section 2 would further redefine the term "child" as used in titles I and II of the Immigration and Nationality Act to clarify the law so that the illegitimate child would in relation to his mother enjoy the same status under the immigration laws as a legitimate child, to remove any doubt of the intent of the original drafters of the act. The term "child" is also amended to include adopted children in those cases where the child is adopted while under the age of 14 years and has thereafter been in the legal custody of and has resided with the adopting parent or parents for at least 2 years. At present, the term "child" does not include adopted children, and it is believed that the proposed amendment is desirable to prevent hardship in cases where the child is chargeable to a heavily oversubscribed quota and would not otherwise be able to accompany his adoptive parents. Adequate safeguards are included to prevent abuse.

Section 3. First-preference spouses and children: Benefits now extend to spouse and children of a first-preference alien even though they do not accompany him to the United States, but follow to join him later.

Under section 203 of the Immigration and Nationality Act, a preference of 50 percent of each quota is allotted to aliens with special skills whose services are urgently needed in the United States, and under subsection (a) (1) (B) of that section such first-preference status is also extended to the spouse and children who are accompanying the principal applicant. Under section 3 of the bill, it is provided that such first-preference status shall also be accorded to the spouse and children who are "following to join" such a principal applicant.

Section 4. Orphans: This admits an unlimited number of orphans quota-free for the next 2 years.

Section 4 would authorize the issuance of special nonquota immigrant visas to certain eligible alien orphans under 14 years of age who are adopted by United States citizens or who are coming to the United States to be adopted. The authority to issue such special nonquota immigrant visas shall expire on June 30, 1959, at which time the Congress may review the operation of the program and a determination may then be made whether the program should be curtailed, modified or canceled. Not more than two such special nonquota immigrant visas may be issued to orphans adopted by any one United States citizen and spouse unless necessary to prevent the separation of brothers and sisters.

Section 5. Waiver cases: This permits waivers by the Attorney General of moral turpitude (generally theft) and immorality cases.

Under the provisions of existing law found in section 212 (a) (9) of the Immigration and Nationality Act, aliens who have been convicted of or who admit the commission of crimes involving moral turpitude or who admit committing acts which constitute the essential elements of such a crime are ineligible to receive a visa or be admitted to the United States. Under section 212 (a) (10) of that act, aliens who have been convicted of two offenses regardless of whether the offenses involved moral turpitude and for which the aggregate sentences to confinement actually imposed were 5 years or more are ineligible to receive a visa and be admitted to the United States. Also, under section 212 (a) (12) of that act, aliens who are members of certain immoral classes such as aliens who have practiced prostitution are forever barred from entering the United States for permanent residence. Section 5 of the bill would grant discretionary authority to the Attorney General to waive these grounds of exclusion in behalf of the spouse, parent, or child, including a minor adopted child, of a United States citizen, or an alien lawfully admitted for permanent residence, who is an applicant for a visa for permanent residence in the United States if such aliens are found to be otherwise admissible. In meritorious cases, therefore, the Attorney General would in the future be authorized to admit certain aliens to the United States even though they are subject to exclusion on the foregoing grounds in order to prevent the separation of families.

Section 6. TB waiver: This permits waivers of certain TB cases by the Attorney General.

Under the provisions of section 212 (a) (6) of the Immigration and Nationality Act, aliens who are afflicted with tuberculosis are ineligible to receive a visa and be admitted to the United States as permanent residents. Section 6 of the bill would permit the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, to admit the spouses, parents, and minor children, including adopted children, of United States citizens, or aliens lawfully admitted for permanent residence notwithstanding the fact that such close relatives are afflicted with tuberculosis. Adequate safeguards are included to assure that where the discretionary authority is exercised that the alien will not become a public charge.

Section 7. Misrepresentations: This would permit certain aliens who misrepresented their nationality to remain in this country.

Section 7 of the bill would provide for the correction of a situation which exists in the case of certain aliens admitted under the Displaced Persons Act who are in a deportable status because of misrepresentations made with reference to their nationality or place of birth to avoid repatriation to Communist-controlled countries. This section would also permit a similar adjustment to be made in the case of spouses, parents, or children of United States citizens or lawful resident aliens, who have sought to procure or have procured visas or other documentation or entry into the United States by fraud or misrepresentation. The section further provides that after the effective date, the Attorney General shall have discretionary authority to waive the ground of inadmissibility in behalf of the spouse, parent or child of a United States citizen or alien lawfully admitted for permanent residence who is found to be subject to exclusion because he has practiced fraud or made a misrepresentation in connection with his visa application or application for admission to the United States.

Section 8. Waiving fingerprints: This would grant the Secretary of State and the Attorney General the authority to waive fingerprinting of alien visitors.

Section 8 of the bill grants to the Secretary of State and the Attorney General the discretionary authority to waive the fingerprinting requirements, on a basis of reciprocity, in the case of aliens who are seeking to enter the United States temporarily as nonimmigrants.

Section 9. First preference from over-subscribed areas: This would permit the Attorney General to adjust for permanent residence the status of highly skilled aliens who are already in this country, and who have acquired first preference ratings, but are unable to make use of them because the quotas of their homelands are oversubscribed.

Section 9 of the bill authorizes the Attorney General, in the administration of the Immigration and Nationality Act, to adjust the status of certain highly skilled specialists who are in the United States temporarily and whose services have been determined to be urgently needed in the United States, to that of aliens lawfully admitted for permanent residence. As a prerequisite to such adjustment, it must be found that the alien was physically present in the United States on July 1, 1957, and the alien must be the beneficiary of an approved visa petition for first preference immigrant status, filed on his behalf prior to the date of the enactment of this act. The section also provides that the spouse and children, who were physically present in the United States on July 1, 1957, of such alien, may have their status similarly adjusted to that of aliens lawfully admitted for permanent residence. If the principal beneficiary is married at the time such an adjustment is made under this section, the Attorney General is also authorized to grant nonquota status to the spouse or child of the alien residing outside the United States and such spouse or child may be admitted, if otherwise admissible.

Section 10. Lifting of mortgages: Quota deductions under the mortgaging plan are hereby terminated.

Section 10 of the bill would remove the mortgages on the quotas of certain countries imposed under the Displaced Persons Act of 1948, as amended, and under the acts of June 30, 1950, and April 9, 1952, relating to the importation of certain skilled sheepherders.

Section 11. Naturalization of children adopted abroad: This would permit children, who are living abroad with their American adoptive parents, to obtain United States citizenship without residence in the United States.

Section 11 of the bill would provide for the expeditious naturalization of certain adopted children of United States citizens employed abroad.

Section 12. Upgrading preference categories: This would permit holders of first preferences; parents of United States citizens; and spouses and children of lawful resident aliens, to come into this country quota-free.

Section 12 of this bill provides for the granting of nonquota immigrant status to certain skilled specialists, parents of United States citizens, and spouses and children of aliens lawfully admitted for permanent residence on behalf of whom a petition for the preference status under the Immigration and Nationality Act was approved by the Attorney General prior to July 1, 1957. Provision is made that such skilled specialists and relative-preference aliens must be otherwise admissible under the immigration laws.

(It is estimated that there are over 3,500 cases in Greece which will be granted visas under this section, and over 21,000 cases in Italy which will be granted visas.)

Section 13. Special diplomatic cases: This would permit an annual maximum of 50 diplomatic people now in this country to remain here permanently if they do not desire to return to their homelands.

Section 13 of the bill would provide a procedure for the adjustment of the immigration status of certain aliens who entered the United States in a diplomatic or semidiplomatic status as officers or employees of a foreign government or certain international organizations and who has failed to maintain his official status, but who has not been required to depart from the United States. In such cases the alien would be permitted to apply to the Attorney General for an adjustment of his status to that of an alien lawfully admitted for permanent residence and if the application is approved, the Attorney General is required to submit a report thereon to the Congress. Such an adjustment becomes final if neither the Senate nor the House of Representatives passes a resolution disapproving the action of the Attorney General in the session in which the report is submitted or the session next following. The number of aliens who may be granted the status of an alien lawfully admitted for permanent residence under the provision is limited to 50 in any fiscal year.

Section 14. Use of standard definitions: Definitions contained in the Immigration and Nationality Act are applicable in this act. Section 14 of the bill merely provides that the definitions contained in the Immigration and Nationality Act shall apply to certain sections of the proposed legislation (noncontroversial).

Section 15. Refugee Relief Act visas: 18,656 numbers were left unused from the Refugee Relief Act, which has expired. This would permit use of these numbers by escapees from communism and by refugees in various parts of the world.

Section 15 of the bill authorizes the issuance, under the existing provisions of the basic Immigration and Nationality Act, of the special nonquota immigrant visas which were authorized under the Refugee Relief Act of 1953, as amended, but which remained unissued on January 1, 1957. Under that act, 18,656 such visas remained unissued. This section allots and authorizes the issuance of 2,500 of the remaining visas to German expellees described in section 4 (a) (1) of the Refugee Relief Act, as amended; 1,600 to the Dutch ethnics described in paragraphs (9) and (10) of that section; and 500 to the refugees described in paragraph (11) of that section. All the rest and remainder of the unissued visas are authorized to be issued to refugee-escapees who are carefully defined in the bill so as to include any alien who was forced to flee from Communist territory, or from any country in the Middle East (a term strictly defined) and who is unable to return to the place from which he fled because of persecution or fear of persecution on account of race, religion, or political opinion. It is the intention of the committee that the distribution of this remainder will be made in a fair and equitable manner, without any prescribed numerical limitations for any particular group, according to the showing of hardship, persecution, and the welfare of the United States. It is carefully spelled out in the bill that the alien must be eligible for admission to the United States under all the provisions of the Immigration and Nationality Act, except for the fact that a quota number is not available to him at the time of his application for a visa.

Two thousand five hundred to German expellees (German ethnics who were born in the Balkans, the Baltic area, Poland, U. S. S. R., etc.).

One thousand six hundred to Dutch ethnic refugees.

Five hundred to White Russians, Europeans, and other nonindigenous people in the Far East.

Fourteen thousand and fifty-six to refugees from communism anywhere in the world, and to refugees in the Middle East (both Arab and Jew) who are fleeing from oppression due to race, religion, or political opinion.

Mr. LAUSCHE. Mr. President, will the Senator from Utah yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Utah yield to the Senator from Ohio?

Mr. WATKINS. I yield for a question.

Mr. LAUSCHE. Under existing law or under the existing powers vested in the Chief Executive, is there any way by means of which the 27,000 patriots of Hungary who fled to the United States can have their residence in the United States legalized?

Mr. WATKINS. Does the Senator from Ohio mean under existing law?

Mr. LAUSCHE. Yes; and under the powers of the Executive.

Mr. WATKINS. When the Senator from Ohio uses the word "legalize," we are likely to become involved in difficulty. I may not be able to answer that particular question, because it is not yet certain—according to some of those who have been working for years on proposed legislation in this field—whether there was full authority to have those 27,000 persons admitted to the United States under the parolee clause of the Immigration Act of 1952. However, they have been admitted to the United States, and the presumption is that they were admitted legally.

In order to enable them to become citizens of the United States, additional legislation must be enacted in order to regularize their admission. I would not use the word "legalize," because that would put them in position where their present status would be open to question.

Mr. LAUSCHE. So, in the opinion of the Senator from Utah, additional legislation must be enacted. Is that correct?

Mr. WATKINS. That is correct, because they are legally in the United States; but they were not admitted for the purpose of becoming citizens.

Mr. LAUSCHE. To what extent would any of the provisions of the pending measure apply to any of these 27,000 Hungarians, if at all?

Mr. WATKINS. I doubt very much that any of the provisions of the presently proposed legislation would apply to them. But the committee experts are here, and we can ask them. They advise me that the present proposal does not affect them.

Mr. LAUSCHE. Mr. President, I wish to subscribe fully to the beautiful statement made about our obligation to the patriots of Hungary. They fought for our cause just as much as they did for their own. If we do not do something to help them, we shall have a black stain upon the fulfillment of our responsibility to people who believe in our cause.

Mr. WATKINS. Mr. President, in concluding my remarks, let me state that I hope the Senate will pass the bill, and I hope the bill will be passed by the favorable votes of a large majority of the Members of the Senate. We have great hopes that it will be possible to get through the House of Representatives a bill which will be substantially the same as the one now before the Senate. Certainly proposed legislation of this sort should be passed this year; and we should not come to the end of the session—as was the case last year—with no bill in this field passed by both Houses of Congress, even though last year the Senate did pass such a bill.

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

Mr. EASTLAND. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi? Without objection, the committee amendments are considered and agreed to en bloc.

The amendments agreed to en bloc are as follows:

On page 2, after line 14, strike out:

"SEC. 4. The Immigration and Nationality Act is amended by adding after section 207 a new section to read as follows:

"'SEC. 208. (a) Not to exceed 2,500'."

And insert:

"SEC. 4. (a) On or before June 30, 1959, special"

In line 20, after the word "issued", strike out "during each fiscal year"; on page 3, at the beginning of line 3, strike out "'(b)'" and insert "(b)"; and in the same line, after the word "term", strike out "'eligible orphan'" and insert "'eligible orphan'"; on page 4, line 3, after the word "this", strike out "act." and insert "act."; on page 5, line 4, after the word "any", strike out "which the Attorney General in his discretion may by regulations prescribe" and insert "including the giving of a bond, as the Attorney General, in his discretion, after consultation with the Surgeon General of the United

States Public Health Service, may by regulations prescribe"; after line 8, strike out:

"SEC. 7. Subsection (b) of section 242 of the Immigration and Nationality Act is amended by inserting immediately after '(b)' the following: 'Proceedings to determine the deportability of an alien shall be commenced by the issuance of any process, pleading, or document as the Attorney General shall by regulations prescribe. For the purposes of this act, a proceeding to determine deportability instituted upon the basis of such a process, pleading, or document shall have the same effect as if instituted by the issuance and service of a warrant of arrest'."

At the beginning of line 19, change the section number from "8" to "7"; on page 7, at the beginning of line 3, change the section number from "9" to "8"; at the beginning of line 10, change the section number from "10" to "9"; in line 13, after the word "status", strike out "of" and insert "to"; on page 8, at the beginning of line 15, change the section number from "11" to "10"; at the beginning of line 25, change the section number from "12" to "11"; on page 9, line 16, after the word "faith", strike out "and" and insert "an"; on page 10, at the beginning of line 1, change the section number from "13" to "12"; at the beginning of line 12, change the section number from "14" to "13"; on page 12, at the beginning of line 9, change the section number from "15" to "14"; in line 12, after the word "sections", strike out "5, 6, 8, 9, 10, 13, and 14" and insert "4, 5, 6, 7, 8, 9, 12, 13, and 15"; after line 13, strike out:

"SEC. 16. (a) Notwithstanding the provisions of section 20 of the Refugee Relief Act of 1953, as amended (67 Stat. 400; 68 Stat. 1044), special nonquota immigrant visas allotted for issuance to aliens specified in paragraphs (1), (9), (10), and (11) of section 4 (a) of such act, which remained on January 1, 1957, may be issued by consular officers as defined in section 101 (a) (9) of the Immigration and Nationality Act to aliens who are refugee-escapees (as defined in subsection (b)): *Provided,* That such alien is found to be eligible to be issued an immigrant visa and to be admitted to the United States under the provisions of the Immigration and Nationality Act: *Provided further,* That all special nonquota immigrant visas authorized to be issued under this section shall be issued in accordance with the provisions of section 221 of the Immigration and Nationality Act: *Provided further,* That a quota number is not available to such alien at the time of his application for a visa.

"(b) (1) For purposes of subsection (a), the term "refugee-escapee" means any alien who, because of persecution or fear of persecution on account of race, religion, or political opinion has fled or shall flee (A) from any Communist, Communist-dominated, or Communist-occupied area, or (B) from any country within the general area of the Middle East, and who cannot return to such area, or to such country, on account of race, religion, or political opinion.

"(2) For purposes of paragraph (1), the term 'general area of the Middle East' means the area between and including Libya on the west, Turkey on the north, Pakistan on the east, and Saudi Arabia and Ethiopia on the south.

"(3) Nothing in this section shall be held to extend the Refugee Relief Act of 1953, as amended (66 Stat. 174; 68 Stat. 1044), and nothing in this section shall be held to authorize the issuance of special nonquota immigrant visas in excess of the number provided in section 3 of that act."

And insert:

"SEC. 15. (a) Notwithstanding the provisions of section 20 of the Refugee Relief Act of 1953, as amended (67 Stat. 400; 68 Stat. 1044), special nonquota immigrant visas authorized to be issued under section 3 of that act which remained unissued on January 1, 1957, shall be allotted and may be issued by consular officers as defined in the Immigration and Nationality Act in the following manner:

"(1) Not to exceed 2,500 visas to aliens described in paragraph (1) of section 4 (a) of the Refugee Relief Act, as amended;

"(2) Not to exceed 1,600 visas to aliens described in paragraphs (9) or (10) of such section 4 (a);

"(3) Not to exceed 500 visas to aliens described in paragraph (11) of such section 4 (a);

"(4) All the rest and remained of said visas to aliens who are refugee-escapees as defined in subsection (c).

"(b) The allotments provided in subsection (a) of this section shall be available for the issuance of immigrant visas to the spouses and unmarried sons or daughters under 21 years of age, including stepsons or stepdaughters and sons or daughters adopted prior to July 1, 1957, of persons referred to in subsection (a) of this section if accompanying them: *Provided,* That each such alien is found to be eligible to be issued an immigrant visa and to be admitted to the United States under the provisions of the Immigration and Nationality Act: *Provided further,* That all special nonquota immigrant visas authorized to be issued under this section shall be issued in accordance with the provisions of section 221 of the Immigration and Nationality Act: *Provided further,* That a quota number is not available to such alien at the time of his application for a visa.

"(c) (1) For purposes of subsection (a), the term 'refugee-escapee' means any alien who, because of persecution or fear of persecution on account of race, religion, or political opinion has fled or shall flee (A) from any Communist, Communist-dominated, or Communist-occupied area, or (B) from any country within the general area of the Middle East, and who cannot return to such area, or to such country, on account of race, religion, or political opinion.

"(2) For the purposes of this section, the term 'general area of the Middle East' means the area between and including (1) Libya on the west, (2) Turkey on the north, (3) Pakistan on the east, and (4) Saudi Arabia and Ethiopia on the south.

"(d) Except as otherwise provided in subsection (a) of this section, nothing in this section shall be held to extend the Refugee Relief Act of 1953, as amended (67 Stat. 400; 68 Stat. 1044), and nothing in this section shall be held to authorize the issuance of special nonquota immigrant visas in excess of the number provided in section 3 of that act."

So as to make the bill read:

Be it enacted, etc., That subparagraph (B) of section 101 (b) (1) of the Immigration and Nationality Act is amended to read as follows:

"(B) a stepchild, whether or not born out of wedlock, provided the child had not reached the age of 18 years at the time the marriage creating the status of stepchild occurred; or"

SEC. 2. Section 101 (b) (1) of the Immigration and Nationality Act is amended by adding at the end thereof the following new subparagraphs:

"(D) an illegitimate child, by, through whom, or on whose behalf a status, privilege, or benefit is sought by virtue of the relationship of the child to its natural mother;

"(E) a child adopted while under the age of 14 years if the child has thereafter been in the legal custody of, and has resided with, the adopting parent or parents for at least 2 years."

SEC. 3. Section 203 (a) (1) of the Immigration and Nationality Act is amended by striking out "him." and inserting in lieu thereof the following: "or following to join him.".

SEC. 4. (a) On or before June 30, 1959, special nonquota immigrant visas may be issued to eligible orphans as defined in this section who are under 14 years of age at the time the visa is issued. Not more than two such special nonquota immigrant visas may be issued to eligible orphans adopted or to be adopted by any one United States citizen and spouse, unless necessary to prevent the separation of brothers or sisters.

(b) When used in this section, the term "eligible orphan" shall mean an alien child (1) who is an orphan because of the death or disappearance of both parents, or because of abandonment or desertion by, or separation or loss from, both parents, or who has only one parent due to the death or disappearance of, abandonment, or desertion by, or separation or loss from the other parent and the remaining parent is incapable of providing care for such orphan and has in writing irrevocably released him for emigration and adoption; (2) (A) who has been lawfully adopted abroad by a United States citizen and spouse, or (B) for whom assurances, satisfactory to the Attorney General, have been given by a United States citizen and spouse that if the orphan is admitted into the United States they will adopt him in the United States and will care for him properly and that the preadoption requirements, if any, of the State of the orphan's proposed residence have been met; and (3) who is ineligible for admission into the United States solely because that portion of the quota to which he would otherwise be chargeable is oversubscribed by applicants registered on the consular waiting list at the time his visa application is made. No natural parent of any eligible orphan who shall be admitted into the United States pursuant to this section shall thereafter, by virtue of such parentage, be accorded any right, privilege, or status under this act.

SEC. 5. Any alien, who is excludable from the United States under paragraphs (9), (10), or (12) of section 212 (a) of the Immigration and Nationality Act, who (A) is the spouse or child, including a minor unmarried adopted child, of a United States citizen, or of an alien lawfully admitted for permanent residence, or (B) has a son or daughter who is a United States citizen or an alien lawfully admitted for permanent residence, shall, if otherwise admissible, be issued a visa and admitted to the United States for permanent residence if the Attorney General, in his discretion, and pursuant to such terms, conditions, and procedures as he may by regulations prescribe, has consented to the alien's applying or reapplying for a visa and for admission to the United States.

SEC. 6. Notwithstanding the provisions of section 212 (a) (6) of the Immigration and Nationality Act as far as they relate to aliens afflicted with tuberculosis, any alien who (A) is the spouse or child, including the minor unmarried adopted child, of a United States citizen, or of an alien lawfully admitted for permanent residence, or (B) has a son or daughter who is a United States citizen or an alien lawfully admitted for permanent residence, shall, if otherwise admissible, be issued a visa and admitted to the United States for permanent residence in accordance with such terms, conditions, and controls, if any, including the giving of a bond, as the Attorney General, in his discretion, after consultation with the Surgeon General of the United States Public Health Service, may by regulations prescribe.

SEC. 7. The provisions of section 241 of the Immigration and Nationality Act relating to the deportation of aliens within the United States on the ground that they were excludable at the time of entry as (1) aliens who have sought to procure, or have procured visas or other documentation, or entry

into the United States by fraud or misrepresentation, or (2) aliens who were not of the nationality specified in their visas, shall not apply to an alien otherwise admissible at the time of entry who (A) is the spouse, parent, or a child of a United States citizen or of an alien lawfully admitted for permanent residence; or (B) was admitted to the United States between December 22, 1945, and November 1, 1954, both dates inclusive, and misrepresented his nationality, place of birth, identity, or residence in applying for a visa: *Provided*, That such alien described in clause (B) shall establish to the satisfaction of the Attorney General that the misrepresentation was predicated upon the alien's fear of persecution because of race, religion, or political opinion if repatriated to his former home or residence, and was not committed for the purpose of evading the quota restrictions of the immigration laws or an investigation of the alien at the place of his former home, or residence, or elsewhere. After the effective date of this act, any alien who is the spouse, parent, or child of a United States citizen or of an alien lawfully admitted for permanent residence and who is excludable because (1) he seeks, has sought to procure, or has procured, a visa or other documentation, or entry into the United States, by fraud or misrepresentation, or (2) he admits the commission of perjury in connection therewith, shall hereafter be granted a visa and admitted to the United States for permanent residence, if otherwise admissible, if the Attorney General in his discretion has consented to the alien's applying or reapplying for a visa and for admission to the United States.

SEC. 8. The Secretary of State and the Attorney General are hereby authorized, in their discretion and on a basis of reciprocity, pursuant to such regulations as they may severally prescribe, to waive the requirement of fingerprinting specified in sections 221 (b) and 262 of the Immigration and Nationality Act, respectively, in the case of any nonimmigrant alien.

SEC. 9. In the administration of the Immigration and Nationality Act, the Attorney General is authorized, pursuant to such terms and conditions as he may by regulations prescribe, to adjust the status to that of an alien lawfully admitted for permanent residence in the case of (A) an alien, physically present within the United States on July 1, 1957, who is the beneficiary of an approved visa petition for immigrant status under section 203 (a) (1) (A) of the Immigration and Nationality Act filed on his behalf prior to the date of enactment of this act, and (B) his spouse and children physically present within the United States on July 1, 1957. This section shall be applicable only to aliens admissible to the United States except for the fact that an immigrant visa is not promptly available for issuance to them because the quota of the quota area to which they are chargeable is oversubscribed. Upon the payment of the required visa fee and the adjustment of status under this act, the Attorney General shall record the alien's lawful admission for permanent residence as of the date of the order adjusting status. Nothing contained in this section shall be held to repeal, amend or modify any of the provisions of the act of June 4, 1956 (70 Stat. 241). Pursuant to such terms and conditions, and in accordance with such procedure, as he may by regulations prescribe, the Attorney General is authorized to grant nonquota status, and a nonquota immigrant visa shall be issued, to the otherwise admissible spouse and child of any alien specified in clause (A) whose status has been adjusted under this act if the marriage by virtue of which such relationship exists occurred prior to July 1, 1957.

SEC. 10. The quota deductions required under the provisions of the following acts are hereby terminated effective on the date of the enactment of this act—

(1) section 201 (e) (2) of the Immigration and Nationality Act;

(2) the Displaced Persons Act of 1948, as amended (62 Stat. 1009, 64 Stat. 219; 65 Stat. 96);

(3) the act of June 30, 1950 (64 Stat. 306); and

(4) the act of April 9, 1952 (66 Stat. 50).

SEC. 11. Section 323 of the Immigration and Nationality Act is amended by adding at the end thereof the following new subsection:

"(c) Any such adopted child (1) one of whose adoptive parents is (A) a citizen of the United States, (B) in the Armed Forces of the United States or in the employment of the Government of the United States, or of an American institution of research recognized as such by the Attorney General, or of an American firm or corporation engaged in whole or in part in the development of foreign trade and commerce of the United States, or a subsidiary thereof, or of a public international organization in which the United States participates by treaty or statute, and (C) regularly stationed abroad in such service or employment, and (2) who is in the United States at the time of naturalization, and (3) whose citizen adopted parent declares before the naturalization court in good faith an intention to have such child take up residence within the United States immediately upon the termination of such service or employment abroad of such citizen adoptive parent, may be naturalized upon compliance with all the requirements of the naturalization laws except that no prior residence or specified period of physical presence within the United States or within the jurisdiction of the naturalization court or proof thereof shall be required, and paragraph (3) of subsection (a) of this section shall not be applicable."

SEC. 12. Any alien eligible for a quota immigrant status under the provisions of section 203 (a) (1), (2), or (3) of the Immigration and Nationality Act on the basis of a petition approved by the Attorney General prior to July 1, 1957, shall be held to be a nonquota immigrant and, if otherwise admissible under the provisions of that act, shall be issued a nonquota immigrant visa: *Provided*, That, upon his application for an immigrant visa, and for admission to the United States, the alien is found to have retained his relationship to the petitioner, and status, as established in the approved petition.

SEC. 13. Notwithstanding any other provision of law—

(a) Any alien admitted to the United States as a nonimmigrant under the provisions of either section 101 (a) (15) (A) (i) or (ii) or 101 (a) (15) (G) (i) or (ii) of the Immigration and Nationality Act, who has failed to maintain a status under any of those provisions, and who has not been required to depart from the United States under the authority of section 241 (e) of such act, may apply to the Attorney General for adjustment of his status to that of an alien lawfully admitted for permanent residence.

(b) If it shall appear to the satisfaction of the Attorney General that the alien is a person of good moral character, and that such action would not be contrary to the national welfare, safety, or security, the Attorney General, in his discretion, may record the alien's lawful admission for permanent residence as of the date of the order of the Attorney General approving the application for adjustment of status is made.

(c) A complete and detailed statement of the facts and pertinent provisions of law in the case shall be reported to the Congress with the reasons for such adjustment of status. Such reports shall be submitted on the first day of each calendar month in which Congress is in session. If, during the session of the Congress at which a case is reported, or prior to the close of the session of Congress next following the session at which a case is reported, either the Senate or the House of Representatives passes a resolution stating in substance that it does not favor the adjustment of status of such alien, the Attorney General shall thereupon require the departure of such alien in the manner provided by law. If neither the Senate nor the House of Representatives passes such a resolution within the time above specified, the Secretary of State shall, if the alien was classifiable as a quota immigrant at the time of his entry, reduce by one the quota of the quota area to which the alien is chargeable under section 202 of the Immigration and Nationality Act for the fiscal year then current or the next following year in which a quota is available. No quota shall be so reduced by more than 50 percent in any fiscal year.

(d) The number of aliens who may be granted the status of aliens lawfully admitted for permanent residence in any fiscal year, pursuant to this section, shall not exceed 50.

SEC. 14. Except as otherwise specifically provided in this act, the definitions contained in subsections (a) and (b) of section 101 of the Immigration and Nationality Act shall apply to sections 4, 5, 6, 7, 8, 9, 12, 13, and 15 of this act.

SEC. 15. (a) Notwithstanding the provisions of section 20 of the Refugee Relief Act of 1953, as amended (67 Stat. 400; 68 Stat. 1044), special nonquota immigrant visas authorized to be issued under section 3 of that act which remained unissued on January 1, 1957, shall be allotted and may be issued by consular officers as defined in the Immigration and Nationality Act in the following manner:

(1) Not to exceed 2,500 visas to aliens described in paragraph (1) of section 4 (a) of the Refugee Relief Act, as amended;

(2) Not to exceed 1,600 visas to aliens described in paragraphs (9) or (10) of such section 4 (a);

(3) Not to exceed 500 visas to aliens described in paragraph (11) of such section 4 (a);

(4) All the rest and remaining of said visas to aliens who are refugee-escapees as defined in subsection (c).

(b) The allotments provided in subsection (a) of this section shall be available for the issuance of immigrant visas to the spouses and unmarried sons or daughters under 21 years of age, including stepsons or stepdaughters and sons or daughters adopted prior to July 1, 1957, of persons referred to in subsection (a) of this section if accompanying them: *Provided*, That each such alien is found to be eligible to be issued an immigrant visa and to be admitted to the United States under the provisions of the Immigration and Nationality Act: *Provided further*, That all special nonquota immigrant visas authorized to be issued under this section shall be issued in accordance with the provisions of section 221 of the Immigration and Nationality Act: *Provided further*, That a quota number is not available to such alien at the time of his application for a visa.

(c) (1) For purposes of subsection (a), the term "refugee-escapee" means any alien who, because of persecution or fear of persecution on account of race, religion, or political opinion has fled or shall flee (A) from any Communist, Communist-dominated, or Communist-occupied area, or (B) from any country within the general area of the Middle East, and who cannot return to such area, or to such country, on account of race, religion, or political opinion.

(2) For the purposes of this section the term "general area of the Middle East" means the area between and including (1) Libya on the west, (2) Turkey on the north,

(3) Pakistan on the east, and (4) Saudi Arabia and Ethiopia on the south.

(d) Except as otherwise provided in subsection (a) of this section, nothing in this section shall be held to extend the Refugee Relief Act of 1953, as amended (67 Stat. 400; 68 Stat. 1044), and nothing in this section shall be held to authorize the issuance of special nonquota immigrant visas in excess of the number provided in section 3 of that act.

Mr. EASTLAND. Mr. President, I wish to say that I do not believe any Member of the Senate has worked harder or is more diligent or more conscientious in dealing with either this subject or any other subject with which the Senate considers, than the distinguished senior Senator from Utah [Mr. WATKINS]. He has done very effective work on the Judiciary Committee. It is the judgment of the chairman of the committee that the Senator from Utah is entitled to a great amount of credit for the progress represented by this bill.

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

Mr. PASTORE. Mr. President, I rise to support S. 2792, a bill to amend the Immigration and Nationality Act. I am a cosponsor of this bill, but I am frank to say that it does not measure up to all my hopes. It does not measure up to the aspirations of those who, in season and out of season, have believed in, and fought for, immigration laws liberal enough to represent the responsibility of America. I believe that the moral leadership and economic standards of our country permit of something much better, and should produce something better.

But this measure, although only a mild and moderate step forward, is an affirmative step. It indicates the direction in which we intend to move. It may be termed a compromise; but, indeed, it is not a surrender.

The bill will get some things done. Through its various steps, 60,000 persons will be allowed to come to this country. Sixty thousand may be only a trickle; but for each of the 60,000, the bill may be something of a triumph. These will be 60,000 who, but for this bill, would not get this opportunity.

This bill is praiseworthy in its fundamental purpose—to reunite families. It does achieve this in fair measure, and it keeps alive our sense of obligation to do the right thing as befits our position among the nations of a troubled world.

It is not my intention to analyze the bill. I am discussing only the overall philosophy of the bill. It is the product of divergent views, and that christens it a compromise. But we can accept it, as practical people, in the closing hours of this session, as an accomplishment, whereas otherwise we might be left with no advance at all.

It is my clear understanding that this is the view of the individuals and organizations who have long led the fight for strong, realistic measures, and who recognize S. 2792 as the most we can hope for at this time.

It was because of its evidence of moral responsibility that I joined as a cosponsor of the bill. It is because it is a practical, forward step, however modest, that I am going to vote for it; and I strongly recommend to the other Members of the Senate that they vote for it, too.

This bill does not mark the end. We must work on. In this challenging world, our country cannot stand still. It cannot isolate itself from the demands of our times that would destroy the fearful. The hour has its rewards for nations bold enough to be as great as they can be, brave enough to realize their strength of the past, born of the mingled cultures and courage of many races; and practical enough to understand that mere material wealth is not total security in an atomic age. It takes moral courage to accept leadership and to make high decisions in keeping with the character of the growing, generous America that is the parent of us all. Today, we are taking a step forward.

Let us keep on to the heights where we shall be unafraid to welcome the worthy in a world which constantly grows smaller in size. We can still be giants in a land to which God has been so kind, a land for which we hold such power of decision, such high duty for its destiny.

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

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. Has the bill been read the third time?

The PRESIDING OFFICER. It has not.

Mr. JOHNSON of Texas. Mr. President, I support this bill with mixed feelings. I have favored a more substantial immigration bill—one which would have provided further improvements in this field.

Last year, the Senate passed such a bill. It was my hope that the Senate would be able, this year, to pass a bill regularizing the status of the Hungarian refugees who came to the United States as parolees, and who do not now enjoy the status of permanent residents. It was my further hope that it would be possible, this year, to pass proposed legislation reallocating a small portion of the unused quotas each year to the countries whose quotas are heavily and consistently oversubscribed, and who receive relatively small initial quotas under existing law.

Those of us who believe that such steps are justified will not abandon our hopes. We shall strive to achieve these further improvements at the earliest possible time.

The bill now before the Senate accomplishes many substantial improvements. By releasing the displaced person mortgages, it will open up new avenues of immigration for many people now unable to come to this country.

Orphan children will be able to qualify in unlimited numbers for the next 2 years. Eighteen thousand refugees and expellees from countries throughout the world will be able to come and make their home in this great land we are proud to call the home of liberty.

This bill is in the nature of an emergency measure to relieve immediate and existing hardships. I am glad it has brought together men from both sides of the aisle, from both parties. I hope it will be passed by a substantial vote. I think it must and should be passed without delay in the Senate, and I hope the House will act on it before Congress adjourns.

Mr. JAVITS. Mr. President, I ask unanimous consent to include in the RECORD as a part of my remarks a statement of declarations subscribed to by nine Senators, with respect to their reasons for not offering amendments to the bill and their views as to the things which it leaves undone.

In order not to take too much time of the Senate, I merely wish to read the following sentences of the declaration:

Within its very sharp limitations the bill does some good things, but it fails to do so much that is urgently needed as to be deeply disappointing. * * *

We pledge our determined efforts in the next session of Congress to seek to effectuate the fundamental revisions required in the immigration law by the interests of justice and our national interest. We shall do everything we can to bring such measures to hearing and floor consideration. We issue this statement to state our reason for not offering amendments to the pending legislation. We are convinced it is so essential to get even some element of immigration relief at this session, that unsatisfactory and unimpressive as is this bill, we nevertheless wish to do nothing which could jeopardize its passage.

It is signed by Messrs. CLARK, DOUGLAS, HUMPHREY, NEUBERGER, BUSH, CASE of New Jersey, COOPER, IVES, and myself.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from New York?

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

JOINT STATEMENT BY SENATORS CLARK, DEMOCRAT OF PENNSYLVANIA, DOUGLAS, DEMOCRAT OF ILLINOIS, HUMPHREY, DEMOCRAT OF MINNESOTA, NEUBERGER, DEMOCRAT OF OREGON, BUSH, REPUBLICAN OF CONNECTICUT, CASE, REPUBLICAN OF NEW JERSEY, COOPER, REPUBLICAN OF KENTUCKY, IVES, REPUBLICAN OF NEW YORK, JAVITS, REPUBLICAN OF NEW YORK, AND BEALL, REPUBLICAN OF MARYLAND

We consider the bill before us, S. 2792, as reported with amendments by the Judiciary Committee, amending the Immigration and Nationality Act, to be unsatisfactory and inadequate. Within its very sharp limitations the bill does some good things, but it fails to do so much that is urgently needed as to be deeply disappointing.

It is our considered judgment that the immigration laws need basic revision in the national interest and in the interests of national security not accomplished by this bill. We are advised, however, and are convinced that amendment of this bill in the Senate to accomplish the revisions we consider necessary in our immigration law would mean that the bill, even if it passes the Senate with such amendments, will not be brought up in the other body at this session. After careful consideration we have come to the conclusion that inadequate as is this measure we nevertheless cannot contribute to its defeat by our own action. The experience in a similar situation in 1956 convinces us that we are facing no idle threat.

We point out that among the major deficiencies of the pending measure is its failure to regularize the status of the refugees from Hungary admitted on parole—over 27,000 of them, including thousands of Hungarian freedom fighters and their families. Also the failure to open the door adequately to our fair share of other thousands of Hungarians, many of them teen-agers who composed the

heart of the organized anti-Communist element in Hungary and who languish in Austrian refugee camps and are fast losing their faith in freedom. The pending bill also fails to make adequate provision for refugees and escapees from other situations paralleling that of Hungary which may develop behind the Iron Curtain, an urgent element in the anti-Communist struggle, or from the persecution of the Nasser government in Egypt.

Nor does the bill deal with some of the major basic injustices and inequities of the McCarran-Walter immigration law, among them the archaic 1920 census as the basis for the establishment of nationality quotas, which arbitrarily cuts off some 65,000 additional opportunities for worthy immigration into the United States; the provisions regarding loss of citizenship which make most unjust discrimination against naturalized citizens; the continuation of the racial test for those of half-Asiatic origin seeking to immigrate; the absence of the statute of limitations regarding deportation, which exposes men and women who have lived here for decades and raised their families here to sudden deportation; and the crippling of the previous provisions which allowed hardship cases to be dealt with fairly. Even as modest a proposal as the pooling of unused quotas is denied.

We pledge our determined efforts in the next session of Congress to seek to effectuate the fundamental revisions required in the immigration law by the interests of justice and our national interest. We shall do everything we can to bring such measures to hearing and floor consideration. We issue this statement to state our reason for not offering amendments to the pending legislation. We are convinced it is so essential to get even some element of immigration relief at this session, that unsatisfactory and unimpressive as is this bill, we nevertheless wish to do nothing which could jeopardize its passage.

Mr. HUMPHREY. Mr. President, I was very happy to work out with the Senator from New York, along with other colleagues, the statement he has received consent to place in the RECORD. I have been a sponsor of immigration legislation ever since I have been in the Senate. I feel that the present law is unworthy of the great traditions of this Republic, and I am hopeful that the proposed legislation which is now being acted upon, of which I am a cosponsor, will do something to alleviate many hardships which have come to the attention of respective Members of Congress. The bill goes a part of the way. It does much for children. It does something, I may say, for the needy and for the refugees from different lands; but it surely does not get at the fundamentals of the weaknesses and inequities of the Immigration Act.

I only want to say I pledge my continuing efforts in the years to come, and particularly in the next session, for more important modification and alteration of our immigration statutes.

Mr. JAVITS. I thank my colleague.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

The PRESIDING OFFICER. The question now is, Shall the bill pass?

Mr. KNOWLAND. Mr. President, on that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, I believe that this bill is the utmost that could be passed in this Congress. I think it is a good bill. It will take care of some people who have vital need to be taken care of. It takes care of certain categories to which attention has long been overdue. I hope the Senate will pass it.

I ask unanimous consent to have printed in the body of the RECORD at this point a statement I have prepared on the bill.

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

STATEMENT BY SENATOR KENNEDY

I would like to make a few brief comments on the pending bill, S. 2792, which I have introduced with the cosponsorship of a number of Senators on both sides of the aisle. I should like to make it clear at the outset that this legislation represents the work of many who, like myself, have been extremely interested in seeing to it that a substantial immigration bill is enacted during the current session of Congress. Therefore, the provisions of this bill are an amalgam taken from many bills, all of which have had substantially the same purposes.

The bill which is now before the Senate is the result of a considerable amount of consultation among various Members who are interested and informed on the subject of immigration and has been exhaustively considered by the Judiciary Committee. The bill which is now before us does not, nor have any of its sponsors claimed that it does go to the heart of what many of us believe are critical weaknesses in our immigration policy. I believe that a full examination of certain aspects of immigration policy should be undertaken by the Congress at an early date, for I do not believe that our immigration policy is geared to the challenges and requirements of the age in which we live. Therefore, let it be clear to all that this bill is not the final answer to our immigration problems. It is merely designed to meet some pressing and obvious situations which require legislative action now.

I shall not go into a detailed section-by-section analysis, since an excellent summary of this bill is provided in the report which lies before the Senate. However, I think it is useful to point out that this bill accomplished two principal purposes and its provisions generally support these two purposes.

Most of the provisions of this bill are designed to correct certain situations which have arisen as a result of the workings of statutes already on the books, specifically the Immigration and Nationality Act itself and the Refugee Relief Act of 1953 as amended. In each case, these provisions are designed to clarify or adjust existing provisions of law in the interest of reuniting broken families or permitting American citizens to perform eminently humanitarian acts. One example is the section of this bill which would permit orphans adopted by United States citizens to enter the country during the next 2 years. Another provision is section 12, which permits the issuance of a limited number of visas to certain skilled specialists, parents of United States citizens and spouses and children of aliens lawfully admitted for permanent residence. This group of provisions is, in short, designed to overcome certain features of our law which time and experience have demonstrated cause untold and needless human suffering in terms of separating families.

The second series of provisions address themselves to refugee problems which are so bound up with the welfare of the United States and the conduct of our foreign relations. These provisions allow a limited number of nonquota visas to be granted to certain specified refugees who have fled from communism or some other form of tyranny.

I should also like to point out to my colleagues that this bill has the support of agencies which are affiliated with each of the major religious faiths in the United States. I do not maintain that they, nor I, nor each of the sponsors of this legislation believe that it meets every problem or goes far enough. On the contrary, they recognize in this bill a substantial step forward which needs to be taken before the Congress adjourns. But this is an important and beneficial step forward. On this ground then, I urge passage of S. 2792.

Mr. SYMINGTON. Mr. President, I support S. 2792, the bill to amend the Immigration and Nationality Act.

Although this bill is not all we had hoped for, it does represent a step forward.

Mr. President, AHEPA, the American Hellenic Educational Progressive Association, a notable organization of Greek-Americans, is meeting in St. Louis, Mo., at this time. It is particularly appropriate that this proposed immigration legislation should be considered by the Senate and acted upon at the time of their convention.

This bill affords an opportunity for entry into the United States of at least 3,500 Greeks, plus orphans, 25,000 Italians, and 5,000 Germans. In my opinion it is a step forward in the long struggle to bring about a better and more constructive approach to the problem of immigration.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered.

Mr. KNOWLAND. Mr. President, 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. KNOWLAND. 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 having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. SPARKMAN (when his name was called). On this vote I have a pair with the Senator from Vermont [Mr. FLANDERS]. It is my understanding that if he were present and voting, he would vote the same way I shall vote. I therefore vote "yea."

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. HILL], the Senator from Louisiana [Mr. LONG], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Wyoming [Mr.

O'MAHONEY], the Senator from Virgina [Mr. ROBERTSON], and the Senator from North Carolina [Mr. SCOTT] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Economic Conference of the Organization of American States at Buenos Aires.

The Senator from Missouri [Mr. HENNINGS] is absent by leave of the Senate because of illness.

I further announce that if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. HILL], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from North Carolina [Mr. SCOTT] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Maine [Mr. PAYNE] are absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate to represent the Senate at the Latin American Economic Conference in Buenos Aires.

The Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from Maryland [Mr. BUTLER] and the Senator from South Dakota [Mr. CASE] are absent on official business.

The Senator from New York [Mr. IVES] and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

The Senator from Kansas [Mr. CARLSON] and the Senators from North Dakota [Mr. LANGER and Mr. YOUNG] are also detained on official business.

If present and voting, the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from South Dakota [Mr. CASE], the Senator from Vermont [Mr. FLANDERS], the Senator from New York [Mr. IVES], and the Senator from Maine [Mr. PAYNE] would each vote "yea."

The result was announced—yeas 65, nays 4, as follows:

YEAS—65

Aiken	Green	Monroney
Allott	Hayden	Morton
Barrett	Hickenlooper	Mundt
Beall	Holland	Neuberger
Bennett	Hruska	Pastore
Bible	Humphrey	Potter
Bricker	Jackson	Purtell
Bush	Javits	Revercomb
Carroll	Jenner	Saltonstall
Case, N. J.	Johnson, Tex.	Schoeppel
Clark	Kefauver	Smathers
Cooper	Kennedy	Smith, Maine
Cotton	Kerr	Smith, N. J.
Curtis	Knowland	Sparkman
Dirksen	Kuchel	Stennis
Douglas	Lausche	Symington
Dworshak	Magnuson	Talmadge
Eastland	Malone	Thye
Ervin	Mansfield	Watkins
Frear	Martin, Iowa	Williams
Goldwater	Martin, Pa.	Yarborough
Gore	McClellan	

NAYS—4

Ellender	Russell	Thurmond
Johnston, S. C.		

NOT VOTING—26

Anderson	Flanders	Murray
Bridges	Fulbright	Neely
Butler	Hennings	O'Mahoney
Byrd	Hill	Payne
Capehart	Ives	Robertson
Carlson	Langer	Scott
Case, S. Dak.	Long	Wiley
Chavez	McNamara	Young
Church	Morse	

So the bill S. 2792 was passed.

CONTROL OF MUSIC BROADCAST BY RADIO AND TELEVISION

Mr. SMATHERS. Mr. President, for many years, and particularly in recent years, the American people have been deprived of the opportunity to hear over radio and television all the music they may like to hear, and frequently they are deprived of the opportunity of hearing new and dramatic songs, because those songs do not come from the right, or controlling, organization. This action has jeopardized to a great extent our entire musical heritage—and if continued—threatens the caliber of the music of the future.

The music that all of us grew up with and cherish today was written by a large group of talented and dedicated composers. Many of their names are well known to all of us. They include such names as Victor Herbert, George M. Cohan, Jerome Kern, George Gershwin, Irving Berlin, Richard Rodgers, Oscar Hammerstein, and others. All of them have unquestionably made great contributions to our musical literature.

I should like to give a little history. To protect the rights of these creators a cooperative association was formed in 1914. It was called the American Society of Composers, Authors, and Publishers and its catalog now contains more than a million compositions, ranging from the operatic and symphonic to musical comedy and jazz. The association licenses the works of these composers to broadcasters and theaters and all other users of music.

Mr. DOUGLAS. Mr. President, may we have order?

The PRESIDING OFFICER. There will be order in the Senate. Attachés who desire to converse will retire from the Chamber. Others will take their seats and not converse in audible tone. The Senator from Florida may proceed.

Mr. SMATHERS. I might say for the record that I have sat here all afternoon, restraining myself at the request of, first, one Senator and then another, who said, "Please do not make the speech until after we get rid of certain bills."

So I, naturally trying to be cooperative, said that I would restrain myself. I have waited just about as long as I could, particularly in light of the fact that no other Senator wants to practice what he preached. That being the case, I felt it was only proper that I should say what I had in my mind at this time.

As a matter of fact, so influential did this association become, as its copyrights increased over the years, that in 1934 it was accused by the Department of Justice of being a monopolistic association. As a result, it agreed to make basic alterations in its structure and operation and by complying with consent decrees, freed itself of all improper attributes.

Meanwhile, radio and television had grown enormously as a medium of entertainment, and the nationwide networks began to realize that there was no more important ingredient in filling up air time than music, for music can be pleasurably listened to hour after hour, whereas a continuous diet of the spoken word often becomes indigestible—as we have seen demonstrated here this afternoon and on other afternoons and on other occasions.

Realizing this fact, the broadcasters in 1940, when their negotiations with ASCAP for a new license broke down, decided to create another source of music and at the same time pay ASCAP less. This was the beginning of the broadcasters' influence and control over the source of music, and it may be said to be the beginning of the end of the public's freedom to listen to all types and kinds of music unrestricted by monopolistic practices.

The leading networks (CBS, NBC, ABC, and the Mutual Broadcasting System) joined with over 600 of their affiliated radio and television stations to go into the music business. With their considerable pooled capital, they formed a corporation known as Broadcast Music, Inc., through which they gave subsidies to hundreds of publishing firms. Today this musical empire consists of 2,000 such firms.

In conducting its inquiry into the same subject matter, an Antitrust Subcommittee of the Committee on the Judiciary of the House of Representatives had this to say concerning the organizational structure of BMI, as well as its relationship to the broadcasting industry:

> At the outset it will be noted that only broadcasters have ever owned stock in BMI. Except where the purchaser buys the station along with the vendor's stock, the stock cannot be sold to a third party unless it has first been offered for sale to the corporations. At present, 624 radio stations—many controlled by, or affiliated with TV stations—own 73,104 outstanding shares. But it is the networks that are BMI's largest individual stockholders. Thus, CBS owns 6,519 shares or 8.9 percent of the outstanding stock; NBC 4,264 shares or 5.8 percent; and ABC, 3,304 shares or 4.5 percent. What is more, the principal owner of the Mutual Broadcasting System, General Teleradio, owns 4,601 shares or 6.4 percent. The networks, in sum, own 25.6 percent of BMI's outstanding stock. Furthermore, 46,938 shares or 64.2 percent are owned by stations affiliated with the networks while the balance of 7,478 shares or 10.2 percent is owned by independent stations.
>
> BMI's board of directors comprises 14 members with CBS, NBC, ABC, and the Mutual Broadcasting System, each having one representative. * * * The short of the matter is that with two exceptions, every member of BMI's board of directors is associated with an organization that has a direct network relationship (H. Rept. 607, p. 118).

Again on page 128 of the same report, it is stated:

> BMI through its publications and the statements of its representatives, has stated in effect, on numerous occasions that it is an instrument of the broadcasting industry. In a publication entitled "BMI Reports

to the Industry" dated October 21, 1946, for example, such statements appear as "BMI Is Yours; When It's BMI, It's Yours; Every Bit of Music in the BMI Catalog Is Your Music; Every Service Provided by BMI to Broadcasters Is Your Service." A BMI advertisement appearing in Radio Daily in 1949 is another illustration. In that document it was stated: "Industry-owned and operated Broadcast Music, Inc., was established and is maintained and operated by and for the broadcasting industry. Management of BMI is directed and guided by a board of directors elected by the broadcasting industry and functions solely in your interest as a broadcaster."

It is significant to note that present Federal Communications Commission rules permit the ownership of as many as seven stations by the networks themselves, not more than five of which shall be VHF and not more than three of which shall be UHF. Today NBC owns 100 percent control in five VHF stations and two UHF; CBS owns 100 percent control in three VHF stations, and two UHF stations, and it has received a construction permit for a fourth VHF station. ABC has 100-percent control in five VHF stations. All of these stations are major units operating in large markets and exercise great control over the programing of those stations involved, as well as the networks themselves.

It is well known that today a musical composition has practically no chance of becoming popular and succesfsul unless it is played on radio and television. Thus realizing that the first indispensable step in popularizing a song is to get it recorded, two of the largest networks purchased the two largest recording companies. CBS purchased Columbia Records, and NBC's parent, RCA, purchased Victor. Through their combined capital they were easily able to pay for their music to be written, published and recorded. The broadcasters, controlling networks and television stations, then engaged in exploiting it over the air waves. This interlocking combination, in my opinion, constitutes in and of itself a structure which—to say the least—is not in the public interest. Consequently, the public today, to a great extent, is a captive audience. It is being force-fed a brand of music not always to its liking.

It is significant to note that women's clubs throughout the Nation, with a combined membership of 5½ million, together with other groups and organizations, have protested the practices going on today. Had these practices been in existence in prior years many great songs, such as "Star Dust," "Night and Day," the "Missouri Waltz," and others too numerous to mention, might not have been available for the enjoyment of the public. This, indeed, emphasizes the great disservice that is being done the public today.

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

Mr. SMATHERS. I am happy to yield to the able Senator from Arizona.

Mr. GOLDWATER. Would the Senator from Florida say that the establishment of BMI, and the participation in that program by the network, was to get around the payment of royalties to ASCAP?

Mr. SMATHERS. I think originally that was the purpose of the organization of BMI.

Mr. GOLDWATER. Would the Senator further agree that the airways of this country have been flooded with inferior music ever since BMI was formed?

Mr. SMATHERS. I would completely agree with the able Senator's assertion.

Mr. GOLDWATER. I should like to inform the Senator from Florida that one of my closest friends is Hoagy Carmichael, a prominent composer. I heard him 2 or 3 nights ago say that he has not been able to get a song published since BMI was introduced. This is the man who gave us "Star Dust" and many top tunes, who today is not able to sell music.

I hope something can be done by the proper committees of the Congress to ascertain why BMI was started and what it has done to good, decent American music since it has been in existence.

Mr. SMATHERS. I thank the Senator for his observations. I also hope something will be done. That is my purpose in introducing the bill.

Mr. President, competition in the free enterprise system, which has made great contributions to this country's growth, economically and musically, is now being stifled and the general public is the ultimate loser.

I am sure that all will agree that equal opportunities should be afforded the Victor Herberts, the George M. Cohans, the George Gershwins and the Irving Berlins of today to have their music heard in the free atmosphere of our competitive democratic system.

In order to bring this present practice of controlled music to an end and to protect the public interest, I am today introducing proposed legislation which would amend section 310 of the Communications Act of 1934 so as to provide that a license for a radio or television broadcasting station shall not be granted to or held by any person or corporation engaged directly or indirectly in the business of publishing music or of manufacturing or selling of musical recordings. I am convinced that it is not in the public interest to have the networks and radio and television stations engaged in the music publishing and recording business. This legislation is designed to save them from their own excesses.

Specifically, the legislation provides that no construction permit or license for a broadcasting station shall be granted to or held by (a) any person or corporation engaged in, or which owns any interest in a corporation engaged in, the business of publishing music or of manufacturing or selling recordings of musical compositions; (b) any corporation which directly or indirectly is controlled by any person or corporation engaged in the business of publishing music or of manufacturing or selling recordings of musical compositions; or (c) any corporation which directly or indirectly is controlled by any person or corporation which directly or indirectly controls any corporation engaged in the business of publishing music or of manufacturing or selling recordings of musical compositions.

The legislation further provides that if any license is in violation of these provisions it shall be suspended for such time as the Federal Communications Commission determines to be reasonable to enable such licensee to dispose of the property which constitutes a violation of the provisions of this amendment or to transfer or surrender his license pursuant to the provisions of the Federal Communications Commission Act.

Behind the Iron Curtain, we have been able to observe the stultifying effect on the creative arts produced by arbitrary control. The works of the inspired composers and literary figures of pre-Communist days in Russia and all the satellite countries have never been equaled under the tightly censured and manipulated regimes of today.

Such control and censorship are repugnant to the American spirit.

We must not permit broadcasters or any other power group to chain that spirit.

I sincerely trust that the committee to which this bill is referred will act promptly and favorably upon it and that it will be passed by the Congress.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2834) to provide that a license for a radio or television broadcasting station shall not be granted to, or held by, any person or corporation engaged directly or indirectly in the business of publishing music or of manufacturing or selling musical recordings, introduced by Mr. SMATHERS, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

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

Mr. SMATHERS. I am happy to yield to the Senator from Massachusetts.

Mr. KENNEDY. I think the Senator is discussing a matter which involves importantly the public interest. I am sure the members of the committee will have an opportunity to go into this matter next January when the Congress returns.

Mr. SMATHERS. I thank the Senator. I hope there will be hearings on the bill.

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

Mr. SMATHERS. I am happy to yield to the Senator from Washington.

Mr. MAGNUSON. I should like to point out to the Senator from Florida that this is a matter which has been long considered to be a subject necessary to be gone into by the members of the Committee on Interstate and Foreign Commerce. I think there has been some hesitancy about taking the matter up without there being before the Senate a bill such as the one the Senator from Florida has introduced tonight, because there is a suit pending. This is a matter of such importance to the people of America that I am sure by next January there will be very favorable consideration by the committee at least with re-

gard to having hearings and discussing the bill fully.

Mr. SMATHERS. I thank the able Senator from Washington for his statement.

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

Mr. SMATHERS. I am happy to yield to the Senator from Rhode Island, the chairman of the Subcommittee on Communications.

Mr. PASTORE. I wish to assure the Senator from Florida that we have had members of our staff documenting some of the allegations which have been made by the persons who are interested in the bill which is being sponsored by the distinguished Senator from Florida. When that investigation is completed, if a hearing is merited, it will be held.

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

Mr. SMATHERS. I am happy to yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I commend the Senator from Florida for bringing this matter to the attention of the Senate again. I was delighted to hear the chairman of the Committee on Interstate and Foreign Commerce make the assertion that this subject will be looked into, and justice rendered where justice is due.

Mr. SMATHERS. I thank the Senator.

CONSTRUCTION OF A STADIUM IN THE DISTRICT OF COLUMBIA

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives insisting upon its disagreement to the amendment of the Senate to the bill (H. R. 1937) to authorize the construction, maintenance, and operation by the Armory Board of the District of Columbia of a stadium in the District of Columbia, and for other purposes, and requesting a further conference with the Senate on the disagreeing votes of the two Houses thereon.

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

The motion was agreed to; and the Presiding Officer appointed Mr. BIBLE, Mr. FREAR, and Mr. BEALL conferees on the part of the Senate.

TRANSFER OF CERTAIN HOUSING PROJECTS TO THE CITY OF DECATUR, ILL.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1066, S. 2460.

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

The CHIEF CLERK. A bill (S. 2460) to authorize the transfer of certain housing projects to the city of Decatur, Ill., or to the Decatur Housing Authority.

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

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and insert:

That, notwithstanding any other provision of law, the Housing and Home Finance Administrator is authorized and directed to sell and convey to the city of Decatur, Ill., or to the Decatur Housing Authority, all of the right, title, and interest of the United States in and to that part of the North Jasper Homes housing projects (ILL–11218 and ILL–11219) which comprises a single site of approximately 22.452 acres and on which there are located 180 dwelling units and an administration building. Such sale shall be made in consideration of the payment of $266,000 by the purchaser to the United States. The purchase price shall be paid at the time of closing, or in such installments as may be agreed upon by the Housing and Home Finance Administrator over a period not in excess of five years after the date of sale. Such sale shall be subject to the condition that if, at the end of five years after the date of sale, any such dwelling units have not been demolished, the purchaser shall pay an additional amount, to be determined by the Housing and Home Finance Administrator, to the United States for each month beyond the stated five-year period that any such units have not been demolished. Any sale pursuant to this authorization shall be made within four months after the date of enactment of this Act.

Mr. DOUGLAS. Mr. President, I believe the bill is noncontroversial.

The city of Decatur is anxious to purchase or enable its housing authority to purchase these homes and within 5 years to demolish them, rather than to have them sold at auction to the highest bidder under the Lanham Act. It fears that the project will become a slum if occupied for a longer period, and it desires, instead, to demolish the project within 5 years and control the future use of the land as a part of an urban redevelopment program.

Hearings were held earlier this year by the Banking and Currency Committee, and the mayor, Hon. Clarence A. Sablotny, and other leading citizens testified and made a convincing case for such a purchase. But the necessary appraisals and negotiations could not be concluded in time to include this bill in the Housing Act of 1957.

The bill would now authorize and direct the Housing and Home Finance Administrator, therefore, to sell this project, known as the North Jasper Homes, to the city or its housing authority for $266,000.

The sale price fixed in the bill is the figure which the Housing and Home Finance Agency has determined to be a fair evaluation on the basis of demolition in 5 years. The bill would also require a condition in the sales contract compelling the payment of additional amounts if at the end of 5 years any of the units have not been demolished.

It is my understanding that the executive agencies have no objection to the bill. The bill was reported without objection by the Banking and Currency Committee, and I understand that it has likewise been cleared with the majority and minority leaders and calendar committees.

There are numerous precedents for the bill. Sales of four such projects were authorized, for example, in the Housing Act of 1957, H. R. 6659.

Mr. President, I ask unanimous consent that there be printed in the RECORD excerpts from the committee report on S. 2460, so that the House may have a fuller statement of the nature of the bill and the reasons behind it, in the hope that it will possibly assist in getting

There being no objection, the excerpts from the report—No. 1043—were ordered to be printed in the RECORD, as follows:

EXPLANATION OF THE BILL

This bill would authorize and direct the Housing and Home Finance Administrator to sell and convey to the city of Decatur, Ill., or to the Decatur Housing Authority warhousing projects ILL–11218 and ILL–11219. Section 614 of the Lanham Act now provides that all permanent Lanham Act housing not sold by January 1, 1957, be advertised and sold as expeditiously as possible to the highest bidder. This bill, therefore, would suspend section 614 to permit the Housing and Home Finance Administrator to sell the North Jasper Homes project (ILL–11218 and ILL–11219) to the city of Decatur, Ill., or to the Decatur Housing Authority for $266,000.

This bill further provides that the purchase price shall be paid at the time of closing or in such installments as may be agreed upon by the Housing and Home Finance Administrator over a period not to exceed 5 years. The bill also provides that if at the end of 5 years the structures and dwelling units involved have not been demolished, the city of Decatur or the Decatur Housing Authority shall pay an additional amount, to be determined by the Housing and Home Finance Administrator, to the United States for each month beyond the stated 5-year period that such structures and dwelling units have not been demolished. In addition, the bill provides that any sale pursuant to this bill shall be made within 4 months after the date of enactment of the legislation.

The North Jasper Homes project was originally constructed as two projects—ILL–11218 and ILL–11219. The ILL–11218 project was developed with funds provided by Public Law 849, 76th Congress, as amended. Construction was completed in 1945. This project originally contained 30 single-family dwelling units on scattered sites which have been or will be sold to tenants and veterans. The remaining units of this project which are authorized to be sold by this bill are 60 dwelling units in 30 duplex structures, and 60 dwelling units in 15 four-family buildings. All structures are one-story frame on concrete piers. The project ILL–11219 was developed with funds provided by Public Law 375, 78th Congress. Construction was completed in February 1945. This project consists of 60 permanent family-dwelling units in 10 six-family buildings. These structures are all two-family frame buildings on concrete piers.

The 180 units are located on approximately 22.452 acres of land in the northeast part of Decatur just outside the city limits. The bill also authorizes the sale of an administration building, as a part of the project. City officials informed the committee that the primary purpose for acquiring this project is to control the future use of underlying land and to prevent its development into a slum area. The city, therefore, desires to purchase these projects under the stipulation that they will be used for a period not in excess of 5 years, after which they will be demolished.

The Acting Administrator of the Housing and Home Finance Agency reports on the bill as follows:

HOUSING AND HOME FINANCE AGENCY,
OFFICE OF THE ADMINISTRATOR,
Washington, D. C., August 13, 1957.

Re S. 2460, 85th Congress.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Banking and Currency, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: This is in further reference to your letter of July 8 and to informal inquiries by Messrs. Semer and O'Neil of your staff concerning S. 2460, a bill to authorize the transfer of certain housing projects to the city of Decatur, Ill., or to the Decatur Housing Authority. If the 180 housing units referred to in the bill, including the underlying land, were to be appraised on the assumption that the structures will be removed after 5 years, we believe that the resulting evaluation would be $266,000. In our opinion also, a fair return to the Federal Government for the continued on-site use of the structures after a 5-year period would be $25 per unit per month.

Sincerely yours,

WALLACE MASON,
Acting Administrator.

The committee bill authorizes the city of Decatur to utilize these structures for 5 years only. The bill further provides for the payment of a penalty to the United States if the structures are not demolished before the expiration of that 5-year period. No attempt has been made to establish a specific dollar penalty to be paid for failure to comply with the demolition requirement, as the committee feels that such an amount should be left to the determination of the Housing and Home Finance Administrator, who could prescribe the amount in the contract of sale. The committee, however, has noted the statement in a letter of August 13, 1957, to the chairman from the Acting Administrator of the HHFA, in which it is stated that—

"A fair return to the Federal Government for the continued on-site use of the structures after a 5-year period would be $25 per unit per month."

AMENDMENT

The committee amended the bill by striking everything after the enacting clause and inserting new language which incorporates in the bill the sale price of the property, the time during which the sale must be consummated, and various other minor technical changes.

SUMMARY

This bill authorizes the sale of Government-owned war housing to a municipality or a local agency of the municipality for a price of $266,000. The committee believes that this bill is in the public interest and recommends its approval.

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

Mr. DOUGLAS. I yield.

Mr. HICKENLOOPER. Does the bill conform with the Morse formula?

Mr. DOUGLAS. Yes; it conforms to that formula. The city will pay the full appraised value, based on the assumption of demolition in 5 years, and additional amount if any units are used for a longer period.

Mr. HICKENLOOPER. Has the senior Senator from Oregon cleared the bill?

Mr. DOUGLAS. It has been cleared with the senior Senator from Oregon.

Mr. HICKENLOOPER. I have no objection to the bill if it conforms with the Morse formula.

Mr. DOUGLAS. I appreciate the desire of the Senator from Iowa, which the Senator from Illinois shares, to conform to the Morse formula.

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

The amendment was agreed to.

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

INCREASE IN COMPENSATION GRANTED TO WAGE BOARD EMPLOYEES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 389, S. 25.

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

The CHIEF CLERK. A bill (S. 25) relating to effective dates of increases in compensation granted to wage board employees.

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

The motion was agreed to and the Senate proceeded to consider the bill.

ORDER FOR ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in adjournment until 12 o'clock noon tomorrow.

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

ORDER LIMITING DEBATE DURING MORNING HOUR TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that during the transaction of routine business in the usual morning hour tomorrow statements by Senators be limited to 3 minutes.

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

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 21, 1957, he presented to the President of the United States the following enrolled bills:

S. 319. An act to provide for the conveyance to the State of Maine of certain lands located in such State;

S. 364. An act for the relief of the village of Wauneta, Nebr.;

S. 534. An act to amend section 702 of the Merchant Marine Act, 1936, in order to authorize the construction, reconditioning, or remodeling of vessels under the provisions of such section in shipyards in the continental United States;

S. 538. An act to amend Public Law 298, 84th Congress, relating to the Corregidor-Bataan Memorial Commission, and for other purposes;

S. 556. An act to provide for the conveyance of certain real property of the United States situated in Clark County, Nev., to the State of Nevada for the use of the Nevada State Board of Fish and Game Commissioners;

S. 620. An act to transfer ownership to Allegany County, Md., of a bridge loaned to such county by the Bureau of Public Roads;

S. 919. An act to provide that certain employees in the Postal Field Service assigned to road duty, and rural carriers, shall receive the benefit of holidays created by Executive order, memorandum, or other administrative action by the President;

S. 1113. An act to provide for the conveyance of certain lands of the United States to the city of Gloucester, Mass.

S. 1417. An act relating to the affairs of the Osage Tribe of Indians of Oklahoma;

S. 1556. An act granting the consent of Congress to the States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a contract relating to their interest in, and the apportionment of, the waters of the Little Missouri River and its tributaries as they affect such States, and for related purposes;

S. 1631. An act to amend certain sections of title 13 of the United States Code, entitled "Census";

S. 1747. An act to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products;

S. 1799. An act to facilitate the payment of Government checks, and for other purposes;

S. 1823. An act to authorize the conveyance of Bunker Hill Island in Lake Cumberland near Burnside, Ky., to the Commonwealth of Kentucky for public park purposes; and

S. 1971. An act to amend sections 4 (a) and 7 (a) of the Vocational Rehabilitation Act.

ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 8 o'clock and 55 minutes p. m.) the Senate adjourned, the adjournment being under the order previously entered, until tomorrow, Thursday, August 22, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 21, 1957:

WORLD HEALTH ORGANIZATION

Dr. H. van Zile Hyde, of Maryland, to be the representative of the United States of America on the Executive Board of the World Health Organization.

CALIFORNIA DEBRIS COMMISSION

Col. John S. Harnett, Corps of Engineers, to be a member of the California Debris Commission, under the provisions of section 1 of the act of Congress approved March 1, 1893 (27 Stat. 507; 33 U. S. C. 661), vice Col. Arthur H. Frye, Jr., to be relieved.

IN THE NAVY

The following-named officers for temporary promotion to the grade of captain in the Medical Corps of the Navy, subject to qualification therefore as provided by law:

Edward G. Goodman
Paul E. Black

The following-named officer for temporary promotion to the grade of captain in the Dental Corps of the Navy, subject to qualification therefor as provided by law:

Robert T. Salandi

Carl W. Thompson, civilian college graduate, to be a lieutenant commander in the

Medical Corps of the Navy, subject to qualification therefor as provided by law.

The following-named Reserve officers to the grades indicated in the Medical Corps of the Navy, subject to qualification therefor as provided by law:

COMMANDER

Harry A. Jenkins

LIEUTENANT

James K. Arnold
Joseph F. Britton
Fred W. Doyle
Robert G. Galbraith, Jr.
Robert H. Hux
Roy C. Pittman
Roy S. White

The following-named Reserve officers to be lieutenants in the Dental Corps of the Navy, subject to qualification therefor as provided by law:

William V. Gibson, Jr.
Roscoe P. Hylton, Jr.
Robert H. Spicer
George K. Thomas

The following-named civilian college graduates to be lieutenants in the Dental Corps of the Navy, subject to qualification therefor as provided by law:

James D. Enoch
Norman K. Luther
James A. VanDyke

Vincent C. Caranante, civilian college graduate to be a lieutenant (junior grade) in the Dental Corps of the Navy, and to be promoted to the grade of lieutenant when his line running mate is so promoted, subject to qualification therefor as provided by law.

Hollis Goddard, United States Navy, retired, to be reappointed from the temporary disability retired list under title 10, United States Code, section 1211, to the grade of lieutenant commander in the United States Navy, subject to qualification therefor as provided by law.

Jack C. Bolander, United States Navy, for transfer to and appointment in the Supply Corps of the Navy in the permanent grade of lieutenant (junior grade) and in the temporary grade of lieutenant.

The following-named officers of the Navy for permanent promotion to the grade of lieutenant:

LIEUTENANTS, LINE

Charles H. Temple
"G" "E" Townsend
Alan D. Watt
David E. Leue
James D. Elliott
Darrell F. Kirkpatrick
Robert W. Barnard
George E. Eckerd
Homer R. Johnson
Marvin J. Miller
Edward J. Hofstra
Richard T. Whitlock
Robert H. Wagner

LIEUTENANTS, SUPPLY CORPS

George F. Borbidge
Willard R. Crabtree
Thomas J. May
John M. Henderson
George B. Halperin

LIEUTENANT, CIVIL ENGINEER CORPS

Richard L. Foley

LIEUTENANT, MEDICAL SERVICE CORPS

John D. Pruitt

Farquhar Macbeth for permanent appointment to the grade of second lieutenant for limited duty in the Marine Corps pursuant to the provisions of title 10, United States Code, section 5589.

The following-named officers for temporary promotion to the grade of first lieutenant in the Marine Corps pursuant to the provisions of title 10, United States Code, section 5784:

Orville R. Kartchner
Robert W. Smith

UNITED STATES CIRCUIT JUDGE

W. Lynn Parkinson, of Indiana, to be United States circuit judge, seventh circuit, vice H. Nathan Swaim, deceased.

UNITED STATES DISTRICT JUDGE

Robert A. Grant, of Indiana, to be United States district judge for the northern district of Indiana, vice W. Lynn Parkinson, elevated.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 21, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, Thou art always standing at the door of our hearts waiting to be welcomed and to bestow upon us the blessings of Thy grace and goodness.

May we acknowledge, gratefully and gladly, that at no moment of the day do we lack Thy kind and beneficent care, and never are we compelled to carry on in our own strength alone.

Grant that we may be more sensitive and responsive to Thy voice calling us to be faithful stewards of Thy manifold blessings.

We rejoice that Thou dost graciously condescend to take our feeble and faulty human efforts and use them in fulfilling Thy blessed purposes for all mankind.

Give us a vivid sense of Thy presence and a vital experience of Thy power as we labor for the security of our beloved country and the peace of the world.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

HOUSE BILLS ENROLLED

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:

H. R. 8992. An act to provide for the appointment of representatives of the United States in the organs of the International Atomic Energy Agency, and to make other provisions with respect to the participation of the United States in that Agency, and for other purposes; and

H. R. 8996. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

ENROLLED BILLS SIGNED

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Tuesday, August 20, 1957, he did on that day sign the following enrolled bills of the House:

H. R. 8992. An act to provide for the appointment of representatives of the United States in the organs of the International Atomic Energy Agency, and to make other provisions with respect to the participation of the United States in that Agency, and for other purposes; and

H. R. 8996. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

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 and joint resolutions of the House of the following titles:

H. R. 293. An act to authorize settlement for certain inequitable losses in pay sustained by officers of the commissioned services under the emergency economy legislation, and for other purposes;

H. R. 787. An act to authorize the exchange of certain lands between the United States of America and the State of California;

H. R. 993. An act to provide for the conveyance of certain land by the United States to the Cape Flattery School District in the State of Washington;

H. R. 1259. An act to clear the title to certain Indian land;

H. R. 1349. An act for the relief of John J. Fedor;

H. R. 1365. An act for the relief of Elmer L. Henderson;

H. R. 1424. An act for the relief of Sylvia Ottila Tenyi;

H. R. 1595. An act for the relief of Vanja Stipcic;

H. R. 1636. An act for the relief of George D. LaMont;

H. R. 1652. An act for the relief of Rajka Markovic and Krunoslav Markovic;

H. R. 1797. An act for the relief of Maria Sausa and Gregorio Sausa;

H. R. 1826. An act to authorize the sale of certain lands of the United States in Wyoming to Bud E. Burnaugh;

H. R. 1851. An act for the relief of Dezrin Boswell (also known as Dezrin Boswell Johnson);

H. R. 1953. An act to provide that checks for benefits provided by laws administered by the Administrator of Veterans' Affairs may be forwarded to the addressee in certain cases;

H. R. 2058. An act for the relief of the Franklin Institute of the State of Pennsylvania;

H. R. 2224. An act providing for payment to the State of Washington by the United States for the cost of replacing and relocating a portion of secondary highway of such State which was condemned and taken by the United States;

H. R. 2237. An act authorizing the transfer of certain property of the Veterans' Administration (in Johnson City, Tenn.) to Johnson City National Farm Loan Association and the East Tennessee Production Credit Association, local units of the Farm Credit Administration;

H. R. 2354. An act for the relief of the estate of Leatha Horn;

H. R. 2816. An act to provide for the conveyance of Esler Field, La., to the parish of Rapides in the State of Louisiana, and for other purposes;

H. R. 2979. An act for the relief of Mary Hummel;

H. R. 3025. An act to authorize the Secretary of the Navy to surrender and convey to the city of New York certain rights of access in and to Marshall, John, and Little Streets, adjacent to the New York Naval Shipyard, Brooklyn, N. Y., and for other purposes;

H. R. 3184. An act for the relief of Gordon Broderick;

H. R. 3246. An act to authorize the exchange of lands at the United States Naval Station, San Juan, P. R., between the Commonwealth of Puerto Rico and the United States of America;

H. R. 3280. An act for the relief of Mrs. Grace C. Hill;

H. R. 3583. An act for the relief of Chandler R. Scott;

H. R. 3818. An act to provide for the maintenance of a roster of retired judges available