the Postal Department they are shipped to him free from Toledo, Ohio, which means that the customer is actually paying 18 cents for the printing.

A customer in Los Angeles would pay $1 parcel post charges to have 500 blank envelopes shipped to him from Toledo, whereas if they are printed by the Postal Department they are shipped to him free. The Postal Department has either lost a dollar or has had the printing done free, since the additional charge for such printing was $1.

SUMMARY

This is what Government does when it competes with private industry. You probably ask why has this monstrosity been permitted all of these years? The answer is that the Post Office Department's customers are businessmen scattered throughout the United States who like the present system, not because it is in anywise a good business venture, not because it is fair in any respect to private industry, not because it reduces Government or Government expenditures, but simply because it is convenient and cheaper for them.

Here—at a time when the Government is boasting of getting out of business, here at a time when the Postal Department is operating at a tremendous deficit, here at a time when there is an outcry for increased postal rates to reduce postal deficits, here, then, is the time and place to cut out a useless function costing the taxpayer millions of dollars a year, causing the Postal Department millions of yards of additional redtape; here is the place to use the ax.

SENATE

THURSDAY, FEBRUARY 21, 1957

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

O Thou who hearest prayer, the utmost soul of us cries out for the living God. Teach us how costly are the fruits of prayer that keep open the channels between Thy life and ours. We confess that so often we have asked for that which we already have—neglected and unappropriated. Often we have beseeched Thee to give us that which we must win for ourselves, perhaps with sweat and tears. Give us to see that the first step in the stairway that slopes through doubt and darkness up to Thee is the hushing of the clamor which so often drowns out the music of Thy peace. Grant us to know that not in the rush and roar of things, but in quietness and confidence, shall we be strengthened for the work committed to our hands in this day of destiny when we believe that in Thy providence our America has come to the kingdom for such a time as this. We ask it in the name of that Holy One who is the Way and the Truth and the Life. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Wednesday, February 20, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 1056. An act to permit members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, with dependents, to occupy inadequate quarters on a rental basis without loss of basic allowance for quarters;

H. R. 4897. An act making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes; and

H. J. Res. 209. Joint resolution to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans pending further investigation of housing credit conditions.

The message informed the Senate that the Speaker had appointed Mr. TEAGUE of Texas, Mr. LANKFORD, of Maryland, and Mr. KEARNS, of Pennsylvania, as members, on the part of the House, of the National Memorial Stadium Commission.

The message also informed the Senate that the Speaker had appointed Mr. Harris, of Arkansas, Mr. Morrison, of Louisiana, Mr. Thompson, of New Jersey, Mr. Kearns, of Pennsylvania, Mr. Broyhill, of Virginia, Mr. Barnee Breeskin, of Washington, D. C., and Mr. Robert Dowling, of New York City, N. Y., as members, on the part of the House, of the District of Columbia Auditorium Commission.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

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

H. R. 1056. An act to permit members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, with dependents, to occupy inadequate quarters on a rental basis without loss of basic allowance for quarters; to the Committee on Armed Services.

H. R. 4897. An act making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes; to the Committee on Appropriations.

H. J. Res. 209. Joint resolution to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans pending further investigation of housing credit conditions; placed on the calendar.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Internal Security Subcommittee, of the Judiciary Committee, be permitted to sit during the session of the Senate today. I also ask unanimous consent that the select Committee on Improper Activities in the Labor-Management Field be permitted to sit in executive session during the session of the Senate today.

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

Mr. O'MAHONEY. Mr. President, after consulting the leaders on both sides and obtaining their consent, I now ask unanimous consent of the Senate that the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary may sit this afternoon during the session of the Senate.

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

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I request that statements in connection therewith be limited to 3 minutes.

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

STUDY OF ATTENDANCE AND TRANSACTION OF BUSINESS IN THE SENATE

Mr. JOHNSON of Texas. Mr. President, I announce that I am having a review made of the attendance in the Senate and the transaction of business in this body, in the hope that we can be as efficient and as expeditious as possible. Although we have found it necessary this week to request unanimous consent that certain Senate committees be permitted to sit during the sessions of the Senate, and although we realize the necessity for doing so, and the minority leader has been very liberal, generous, and considerate of our requests in that respect, it may be that after our study is completed and after I have an opportunity to discuss it with the leadership on the other side of the aisle, we shall wish to have sessions for 3 or 4 days a week, and not give permission, except in unusual cases, for committees to meet during that period; and then to have 2 or 3 days a week in which the committees can meet all day. I do not know how the study will result, but I wish to make this announcement, for the information of the Senate.

Many visitors to the Senate find it difficult to understand why at certain times only a few Senators are to be seen on

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

the floor of the Senate. The visitors do not realize that the Senate has an Internal Security Subcommittee that is meeting all day, a Select Committee on Improper Activities in the Labor-Management Field that is meeting all day, an Appropriations Committee that is meeting all day, and perhaps a dozen other committees that are meeting at that time. So it may be that we shall wish to alter our schedule in that respect.

THE PRESIDENT'S ADDRESS TO THE PEOPLE ON THE MIDDLE EAST SITUATION

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there may be printed in the body of the RECORD the address relative to the situation in the Middle East, delivered last night by the President of the United States.

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

I come to you again to talk about the situation in the Middle East. The future of the United Nations and peace in the Middle East may be at stake.

In the 4 months since I talked to you about the crisis in that area, the United Nations has made considerable progress in resolving some of the difficult problems. We are now, however, faced with a fateful moment as the result of the failure of Israel to withdraw its forces behind the armistice lines, as contemplated by the United Nations resolutions on this subject.

I have already today met with leaders of both parties from the Senate and the House of Representatives and we have had a very useful exchange of views. It was the general feeling of that meeting that I should lay the situation before the American people.

Before talking about the specific issues involved, I want to make clear that these issues are not something remote and abstract, but involve matters vitally touching upon the future of each one of us.

The Middle East is a land bridge between the Eurasian and African Continents. Millions of tons of commerce are transmitted through it annually. Its own products, especially petroleum, are essential to Europe and the Western World.

The United States has no ambitions or desires in this region other than that each country there may maintain its independence and live peacefully within itself and with its neighbors and, by peaceful cooperation with others, develop its own spiritual and material resources. But that much is vital to the peace and well-being of us all. This is our concern today.

So tonight I report to you on the matters in controversy and on what I believe the position of the United States must be.

When I talked to you last October, I pointed out that the United States fully realized that military action against Egypt resulted from grave and repeated provocations. But also I said that the use of military force to solve international disputes could not be reconciled with the principles and purposes of the United Nations, to which we had all subscribed. I added that our country could not believe that resort to force and war would for long serve the permanent interests of the attacking nations, which were Britain, France, and Israel.

So I pledged that the United States would seek through the United Nations to end the conflict and to bring about a recall of the forces of invasion, and then make a renewed and earnest effort through that organization to secure justice, under international law, for all of the parties concerned.

Since that time much has been achieved and many of the dangers implicit in the situation have been avoided. The Governments of Britain and France have withdrawn their forces from Egypt. Thereby they showed respect for the opinions of mankind as expressed almost unanimously by the 80-nation members of the United Nations General Assembly.

I want to pay tribute to the wisdom of this action of our friends and allies. They made an immense contribution to world order. Also they put the other nations of the world under a heavy obligation to see to it that those two nations do not suffer by reason of their compliance with the United Nations resolutions. This has special application, I think, to their treaty rights to passage through the Suez Canal which had been made an international waterway for all by the treaty of 1888.

The Prime Minister of Israel, in answer to a personal communication, assured me early in November that Israel would willingly withdraw its forces if and when there should be created a United Nations force to move into the Suez Canal area. This force was, in fact, created and has moved into the canal area.

Subsequently, Israeli forces were withdrawn from much of the territory of Egypt which they had occupied. However, Israeli forces still remain outside the armistice lines, notably at the mouth of the Gulf of Aqaba which is about 100 miles from the nearest Israeli territory and in the Gaza Strip which, by the armistice agreement, was to be occupied by Egypt. This fact creates the present crisis.

We are approaching a fateful moment when either we must recognize that the United Nations is unable to restore peace in this area, or the United Nations must renew with increased vigor its efforts to bring about Israeli withdrawal.

Repeated, but so far unsuccessful, efforts have been made to bring about a voluntary withdrawal by Israel. These efforts have been made both by the United Nations and by the United States and other member states.

Moreover, equally serious efforts have been made to bring about conditions designed to assure that if Israel withdraws in response to the repeated requests of the United Nations, there will then be achieved a greater security and tranquillity for that nation. This means that the United Nations would assert a determination to see that in the Middle East there will be a greater degree of justice and compliance with international law than was the case prior to the events of last October-November.

A United Nations emergency force, with Egypt's consent, entered that nation's territory in order to help to maintain the cease-fire, which the United Nations called for on November 2. The Secretary General, who ably and devotedly serves the United Nations, has recommended a number of measures which might be taken by the United Nations and by its emergency force to assure for the future the avoidance by either side of beligerent acts.

The United Nations General Assembly on February 2 by an overwhelming vote adopted a resolution to the effect that, after full withdrawal of Israel from the Gulf of Aqaba and Gaza areas, the United Nations emergency force should be placed on the Egyptian-Israeli armistice lines to assure the scrupulous maintenance of the armistice agreement. Also the United Nations General Assembly called for the implementation of other measures proposed by the Secretary General. These other measures embraced the use of the United Nations Emergency Force at the mouth of the Gulf of Aqaba, so as to assure nonbelligerency in this area.

The United States was a cosponsor of this United Nations resolution. Thus the United States sought to assure that Israel would, for the future, enjoy its rights under the armistice and under the international law.

In view of the valued friendly relations which the United States has always had with the State of Israel, I wrote to Prime Minister Ben-Gurion on February 3. I recalled his statement to me on November 8 to the effect that the Israeli forces would be withdrawn under certain conditions, and I urged that, in view of the General Assembly resolutions of February 2, Israel should complete that withdrawal.

However, the Prime Minister, in his reply, took the position that Israel would not evacuate its military forces from the Gaza Strip unless Israel retained the civil administration and police. This would be in contradiction to the armistice agreement. Also, the reply said that Israel would not withdraw from the Straits of Aqaba unless freedom of passage through the straits was assured.

It was a matter of keen disappointment to us that the Government of Israel, despite the United Nations action, still felt unwilling to withdraw.

However, in a further effort to meet the views of Israel in these respects, Secretary of State Dulles, at my direction gave to the Government of Israel on February 11 a statement of United States policy. This has now been made public. It was pointed out that neither the United States nor the United Nations had authority to impose upon the parties a substantial modification of the armistice agreement which was freely signed by Israel and Egypt. Nevertheless, the statement said, the United States as a member of the United Nations would seek such disposition of the United Nations emergency force as would assure that the Gaza Strip could no longer be a source of armed infiltration and reprisals.

The Secretary of State orally informed the Israeli Ambassador that the United States would be glad to urge and support, also, some participation by the United Nations, with the approval of Egypt, in the administration of the Gaza Strip. The principal population of the Strip consists of about 200,000 Arab refugees, who exist largely as a charge upon the benevolence of the United Nations and its members.

With reference to the passage into and through the Gulf of Aqaba, we expressed the conviction that the gulf constitutes international waters and that no nation has the right to prevent free and innocent passage in the gulf. We announced that the United States was prepared to exercise this right itself and to join with others to secure general recognition of this right.

The Government of Israel has not yet accepted, as adequate insurance of its own safety after withdrawal, the far-reaching United Nations resolution of February 2 plus the important declaration of United States policy made by our Secretary of State on February 11.

But Israel seeks something more. It insists on firm guaranties as a condition to withdrawing its forces of invasion.

This raises a basic question of principle. Should a nation which attacks and occupies foreign territory in the face of United Nations disapproval be allowed to impose conditions on its withdrawal?

If we agree that armed attack can properly achieve the purposes of the assailant, then I fear we will have turned back the clock of international order. We will, in effect, have countenanced the use of force as a means of settling international differences and gaining national advantages.

I do not myself see how this could be reconciled with the Charter of the United Nations. The basic pledge of all the members of the United Nations is that they will settle their international disputes by peaceful means and will not use force against the territorial integrity of another state.

If the United Nations once admits that international disputes can be settled by using force, then we will have destroyed the very foundation of the organization, and our best hope of establishing a real world order. That would be a disaster for us all.

I would, I feel, be untrue to the standards of the high office to which you have chosen me if I were to lend the influence of the United States to the proposition that a nation which invades another should be permitted to exact conditions for withdrawal.

Of course, we and all the members of the United Nations ought to support justice and conformity with international law. The first article of the charter states the purpose of the United Nations to be "the suppression of acts of aggression or other breaches of the peace and to bring about by peaceful means, and in conformity with justice and international law, adjustment or settlement of international disputes." But it is to be observed that conformity with justice and international law are to be brought about "by peaceful means."

We cannot consider that the armed invasion and occupation of another country are peaceful means or proper means to achieve justice and conformity with international law.

We do, however, believe that upon the suppression of the present act of aggression and breach of the peace, there should be a greater effort by the United Nations and its members to secure justice and conformity with international law. Peace and justice are two sides of the same coin.

Perhaps the world community has been at fault in not having paid enough attention to this truth. The United States, for its part, will vigorously seek solutions of the problems of the area in accordance with justice and international law. And we shall in this great effort seek the association of other like-minded nations which realize, as we do, that peace and justice are in the long run inseparable.

But the United Nations faces immediately the problem of what to do next. If it does nothing, if it accepts the ignoring of its repeated resolutions calling for the withdrawal of invading forces, then it will have admitted failure. That failure would be a blow to the authority and influence of the United Nations in the world and to the hopes which humanity placed in the United Nations as the means of achieving peace with justice.

This failure would be harmful to the long term good of Israel. It would, in addition to its injury to the United Nations, jeopardize the prospects of the peaceful solution of the problems of the Middle East. This could bring incalculable ills to our friends and indeed to our Nation itself. It would make infinitely more difficult the realization of the goals which I laid out in my Middle East message of January 5 to the Congress seeking to strengthen the area against Communist aggression, direct or indirect.

The United Nations must not fail. I believe that—in the interests of peace—the United Nations has no choice but to exert pressure upon Israel to comply with the withdrawal resolutions. Of course, we still hope that the Government of Israel will see that its best immediate and long-term interests lie in compliance with the United Nations and in placing its trust in the resolutions of the United Nations and in the declaration of the United States with reference to the future.

I do not believe that Israel's default should be ignored because the United Nations has not been able effectively to carry out its resolutions condemning the Soviet Union for its armed suppression of the people of Hungary. Perhaps this is a case where the proverb applies that two wrongs do not make a right.

No one deplores more than I the fact that the Soviet Union ignores the resolutions of the United Nations. Also no nation is more vigorous than is the United States in seeking to exert moral pressure against the Soviet Union, which by reason of its size and power and by reason of its veto in the United Nations Security Council, is relatively impervious to other types of sanction.

The United States and other free nations are making clear by every means at their command the evil of Soviet conduct in Hungary. It would indeed be a sad day if the United States ever felt that it had to subject Israel to the same type of moral pressure as is being applied to the Soviet Union.

There can, of course, be no equating of a nation like Israel with that of the Soviet Union. The peoples of Israel, like those of the United States, are imbued with a religious faith and a sense of moral values. We are entitled to expect, and do expect, from such peoples of the free world a contribution to world order which unhappily we cannot expect from a nation controlled by atheistic despots.

It has been suggested that United Nations actions against Israel should not be pressed because Egypt has in the past violated the armistice agreement and international law. It is true that both Egypt and Israel, prior to last October, engaged in reprisals in violations of the armistice agreements and that Egypt ignored the United Nations in exercising belligerent rights in relation to Israeli shipping in the Suez Canal and in the Gulf of Aqaba. However, such violations constitute no justification for the armed invasion of Egypt by Israel which the United Nations is now seeking to undo.

Egypt, by accepting the six principles adopted by the Security Council last October in relation to the Suez Canal, bound itself to free and open transit through the canal without discrimination, and to the principle that the operation of the canal should be insulated from the politics of any country.

We should not assume that if Israel withdraws, Egypt will prevent Israeli shipping from using the Suez Canal or the Gulf of Aqaba. If, unhappily, Egypt does hereafter violate the armistice agreement or other international obligations, then this should be dealt with firmly by the society of nations.

The present moment is a grave one, but we are hopeful that reason and right will prevail. Since the events of last October and November, solid progress has been made, in conformity with the charter of the United Nations. There is the cease-fire, the forces of Britain and France have been withdrawn, the forces of Israel have been partially withdrawn, and the clearing of the canal nears completion. When Israel completes its withdrawal, it will have removed a definite block to further progress.

Once this block is removed, there will be serious and creative tasks for the United Nations to perform. There needs to be respect for the right of Israel to national existence and to internal development. Complicated provisions insuring the effective international use of the Suez Canal will need to be worked out in detail. The Arab refugee problem must be solved. As I said in my special message to Congress on January 5, it must be made certain that all the Middle East is kept free from aggression and infiltration.

Finally, all who cherish freedom, including ourselves, should help the nations of the Middle East achieve their just aspirations for improving the well-being of their peoples.

What I have spoken about tonight is only one step in a long process calling for patience and diligence, but at this moment it is the critical issue on which future progress depends.

It is an issue which can be solved if only we will apply the principles of the United Nations.

That is why, my fellow Americans, I know you want the United States to continue to use its maximum influence to sustain those principles as the world's best hope for peace.

SPEECHES ON THE MIDDLE EAST JOINT RESOLUTION

Mr. JOHNSON of Texas. Mr. President, I wish to read into the RECORD a memorandum for the information of the Senate:

The Senate majority and minority leaders have asked that the members of the Foreign Relations and the Armed Services Committees be notified that Senators who wish to make remarks in connection with the pending Middle East joint resolution should endeavor to do so on Wednesday, February 20, or Thursday, February 21. At the present time there do not seem to be sufficient speakers on the subject. No unanimous-consent request for a time to vote has yet been made.

On yesterday, Mr. President, we served notice that if no speakers were available from time to time, we would, in the absence of Senators who were prepared to speak, proceed to vote.

EXECUTIVE COMMUNICATIONS, ETC.

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

AMENDMENT OF TITLE 14, UNITED STATES CODE, RELATING TO RETIREMENT OF CERTAIN OFFICERS

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend title 14, United States Code, entitled "Coast Guard," with respect to warrant officers' rank on retirement, and for other purposes (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT OF FEDERAL CIVIL DEFENSE ADMINISTRATION

A letter from the Administrator, Federal Civil Defense Administration, Battle Creek, Mich., reporting, pursuant to law, on property acquisitions by that Administration, for the quarter ended December 31, 1956; to the Committee on Armed Services.

EXTENSION OF CERTAIN BENEFITS TO TRUST TERRITORY OF PACIFIC ISLANDS

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to extend the benefits of section 301 of the Tariff Act of 1930 to the Trust Territory of the Pacific Islands (with an accompanying paper); to the Committee on Finance.

REPORT OF UNITED STATES ADVISORY COMMISSION ON INFORMATION

A letter from the Chairman, United States Advisory Commission on Information, transmitting, pursuant to law, a report of that Commission, dated January 1957 (with an accompanying report); to the Committee on Foreign Relations.

GRANTING OF TITLE TO CERTAIN LANDS TO TERRITORY OF ALASKA

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to grant to the Territory of Alaska title to certain lands beneath tidal waters, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

TRAINING OF FEDERAL EMPLOYEES

A letter from the Chairman, United States Civil Service Commission, Washington, D. C., transmitting a draft of proposed legislation to authorize the training of Federal employees at public or private facilities, and

for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

Two joint resolutions of the Legislature of the State of Colorado; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial No. 3

"Whereas under the shared-revenue program of the Federal Government with the States and counties, 25 percent of the fees from the national forests was, by Federal statute, to be paid to the counties through the States; and

"Whereas it was discovered that the Forest Service had withheld 20 percent of the grazing fees and that they had only paid 80 percent of the 25 percent to which the counties were entitled; and

"Whereas the 81st Congress, 2d session, passed an act authorizing payment to certain States, amounts withheld from grazing fees on public land, and authorized to be appropriated the sum of $1,351,149.37 for payment by the Secretary of the Treasury to the following States the following sums:

Arizona	$153,829.60
California	126,880.55
Colorado	201,641.56
Idaho	167,473.14
Missouri	1,805.16
Montana	130,273.34
Nebraska	9,473.77
Nevada	74,851.66
New Mexico	95,725.13
Oregon	77,960.80
South Dakota	14,696.39
Utah	174,997.45
Washington	19,085.83
West Virginia	362.50
Wyoming	102,092.49

Such sums shall be expended by such States in accordance with the terms of acts of May 28, 1908, and March 1, 1911, as amended (16 U. S. C. 500), passed by the House of Representatives September 18, 1950. This bill was signed by the President of the United States in December of 1950; and

"Whereas the State of Colorado is the loser of the largest amount due any State, namely $201,641.56; and

"Whereas these moneys have been withheld illegally by the Forest Service of the Department of Agriculture and should be forthwith paid to the States: Now, therefore, be it

"Resolved by the Senate of the Forty-first General Assembly of the State of Colorado (the House of Representatives concurring herein), That we respectfully memorialize the Congress of the United States to forthwith make an appropriation to the Department of Agriculture to pay the several States the amount that was illegally withheld by the Forest Service, and that this money be appropriated to the use of the several States, including Colorado; be it further

"Resolved, That a copy of this memorial be transmitted to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Congressmen representing the State of Colorado in the Congress of the United States.

"CHARLES R. CONKLIN,
"Speaker of the house of representatives.
"LEE MATTIES,
"Chief clerk of the house of representatives.
"FRANK L. HAYS,
"President of the senate.
"MILDRED H. CRESSWELL,
"Secretary of the senate."

"Senate Joint Memorial 4

"Memorializing the Congress of the United States to enact or amend legislation under the shared revenue program established by the Congress of the United States for the benefit of schools and roads to increase from 25 percent to 75 percent of the gross receipts from national forest lands in those counties where the predominant annual income comes from grazing fees instead of from timber sales

"Now, therefore, be it resolved by the Senate of the 41st General Assembly of the State of Colorado (the House of Representatives concurring herein), That the Congress of the United States be and hereby is memorialized to enact or amend existing legislation authorizing the payments to the States for the use of the counties' road and school funds 75 percent of the gross receipts from national forest lands in those counties where the predominant annual income comes from grazing fees instead of from timber sales; be it further

"Resolved, That a copy of this memorial be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Congressmen representing the State of Colorado in the Congress of the United States.

"CHARLES R. CONKLIN,
"Speaker of the house of representatives.
"LEE MATTIES,
"Chief clerk of the house of representatives.
"FRANK L. HAYS,
"President of the senate.
"MILDRED H. CRESSWELL,
"Secretary of the senate."

Two joint resolutions of the Legislature of the State of Montana; to the Committee on Agriculture and Forestry:

"Joint resolution of the Senate and House of Representatives of the State of Montana to the President of the United States; to the Congress of the United States; to Senators JAMES E. MURRAY and MIKE MANSFIELD from the State of Montana; to Congressmen LEE METCALF and LEROY ANDERSON from Montana; to the Department of Agriculture and the Secretary of Agriculture of the United States; relating to unfair publicity on agricultural commodities held by the Commodity Credit Corporation of the United States and referred to as 'surpluses,' requesting the Department of Agriculture and the Secretary of Agriculture to consider and evaluate agricultural commodities designated as 'surpluses,' and to segregate sufficient amounts of such commodities to be called 'reserves,' to be in quantities comparable to other commodities and to be used in the event of crop failure or national emergencies

"Whereas the public is constantly made aware of the unfairness of publicity relating to the agricultural commodities purchased and held by the Commodity Credit Corporation of the United States, which commodities are constantly referred to as 'surpluses'; and

"Whereas the costs of holding the same and the losses incurred thereby are attributed to the farmers; and

"Whereas the farmers are placed in the undesirable position of being recipients of special subsidies at the expense of other classes of the national population: Now, therefore, be it

"Resolved, That the Department of Agriculture and Secretary of Agriculture of the United States be instructed and enjoined to carefully consider and evaluate these agricultural commodities and to segregate sufficient amounts of such commodities to be considered as 'reserves' in quantities comparable to the reserves of fuels, metals, munitions and manpower presently maintained for the protection of the country in the event of crop failure or national emergency; and be it further

"Resolved, That these amounts shall be clearly and emphatically designated and publicized as 'reserves' rather than 'surpluses,' and that the costs of maintaining such 'reserves' be charged to national security rather than the agricultural program; and be it further

"Resolved, That copies of this resolution be submitted by the secretary of state of the State of Montana to the President of the United States; to the Congress of the United States; to Senators JAMES E. MURRAY and MIKE MANSFIELD from the State of Montana; to Congressmen LEE METCALF and LEROY ANDERSON from Montana; to the Department of Agriculture and the Secretary of Agriculture of the United States.

"EUGENE H. MAHONEY,
"Speaker of the house.
"PAUL CANNON,
"President of the Senate."

"House Joint Memorial 11

"Joint memorial of the House of Representatives and the Senate of the State of Montana to Dwight D. Eisenhower, President of the United States; to the Congress of the United States; to the Honorable JAMES E. MURRAY and the Honorable MIKE MANSFIELD, Senators from the State of Montana; to the Honorable LEE METCALF and the Honorable LEROY ANDERSON, Representatives from the State of Montana; to the Department of Agriculture and to the Honorable Secretary of Agriculture, Ezra Taft Benson; asking that acreages of experimental wheat be not counted in the allotted acreage set up for each farm and that the grower of experimental wheat be not penalized for this excess acreage

"Whereas wheat production makes up a major portion of the new wealth of the Nation; and

"Whereas it is an accepted fact that more research is needed to establish the wheat farmer in a healthy economic condition; and

"Whereas the present curtailed acreage allotment discourages the use of these curtailed acres for experimental work, since every allotted acre is needed to bolster the sagging farm economy; and

"Whereas experimental wheat crops cannot be counted on to equal approved varieties in the production of revenue: Now therefore be it

"Resolved by the House of Representatives of the State of Montana (the Senate concurring), That we respectfully urge that Dwight D. Eisenhower, President of the United States; the Congress of the United States; the Honorable JAMES E. MURRAY and the Honorable MIKE MANSFIELD, Senators from the State of Montana; the Honorable LEE METCALF and the Honorable LEROY ANDERSON, Representatives from the State of Montana; the Department of Agriculture and the Honorable Ezra Taft Benson, the Secretary of Agriculture, to allow wheat producers to grow unproved varieties of experimental wheat under direction of the State extension service, and that such acreages of experimental wheat be not counted in the allotted acreage set up for each farm and that the grower of experimental wheat be not penalized for this excess acreage; be it further

"Resolved, That the Secretary of State for the State of Montana be, and is hereby directed to transmit a copy of this memorial to those listed in the title of this memorial.

"EUGENE H. MAHONEY,
"Speaker of the house.
"PAUL CANNON,
"President of the senate."

A resolution of the Senate of the State of Montana; to the Committee on Agriculture and Forestry:

"Resolution of the Senate of the State of Montana, to the Senate and House of Representatives of the United States of America, and the Honorable JAMES E. MURRAY, and the Honorable MIKE MANSFIELD, Senators from Montana, and the Honorable LEE METCALF and the Honorable LEROY H. ANDERSON, Representatives in Congress from Montana and to the Secretary of Agriculture of the United States, urging and requesting the passage of legislation now being debated in Congress relating to the seeding of durum wheat in allotted acreages

"Whereas there are no surpluses of durum wheat now existing in the State of Montana, or in the United States; and

"Whereas durum wheat in the years 1955 and 1956 constituted a substantial part of the income of the farmers of the State of Montana; and

"Whereas legislation in the Congress of the United States has been introduced and is being currently debated, affecting the acreage allotments pertaining to the seeding of durum wheat in Montana: Now, therefore, be it

"*Resolved*, That the Senate of the State of Montana does hereby go on record and petition the Senate of the United States of America and the House of Representatives of the United States of America to act and urge passage of the legislation introduced and affecting acreage allotments of durum wheat, to wit: For each acre of durum wheat seeded within the allotted wheat acreage, one acre of durum wheat may be seeded outside of the allotted acreage: Now, therefore, be it further

"*Resolved*, That a copy of this resolution be transmitted by the secretary of the State of Montana, to the Senate and the House of Representatives of the United States of America and to the Honorable JAMES E. MURRAY and the Honorable MIKE MANSFIELD, Senators from the State of Montana, and the Honorable LEE METCALF and the Honorable LEROY H. ANDERSON, Congressmen from the State of Montana, and the Secretary of Agriculture of the United States of America; and that they, the Senators and Congressmen from the State of Montana, and the Secretary of Agriculture of the United States of America, be requested to use all honorable means within their powers to foster and urge the passage of said legislation.

"PAUL CANNON,
"President of the Senate."

A resolution adopted by citizens of Lithuanian descent of the city of Racine, Wis., relating to the 39th anniversary of Lithuanian independence; to the Committee on Foreign Relations.

A resolution adopted by the Hawaiian Government Employees' Association, Honolulu, T. H., favoring the enactment of legislation to increase the salaries of the members of the Hawaiian Territorial Legislature; to the Committee on Interior and Insular Affairs.

The petition of David H. Johnson, of Draper, Utah, praying for a redress of grievances; to the Committee on the Judiciary.

Petitions signed by Hans E. Johnson, of Mora, Minn.; George Soupene, of Moorland, Okla.; Mrs. E. R. Horsey, Mrs. E. Martinez, and Mrs. P. Isidoro, all of Oceanside, Calif.; Hugh C. Smith, of Granada Hills, Calif.; W. E. McCorquodale, of Orange, Tex.; S. W. Rogers, of Lakeland, Fla.; Alvin O'Pry, of Morton, Tex., and Frances S. Pack, of Neosho, Mo.; praying for an investigation of the Food and Drug Administration for its action relating to the Hoxey cancer cure; to the Committee on Labor and Public Welfare.

By Mr. MUNDT:

A concurrent resolution of the Legislature of the State of South Dakota; to the Committee on Agriculture and Forestry:

"House Concurrent Resolution 1

"Concurrent resolution memorializing the Congress of the United States to establish a Joint Congressional Committee To Investigate the Cost of Living and Marketing Margins as it pertains to agricultural commodities

"Be it resolved by the House of Representatives of the State of South Dakota (the Senate concurring therein):

"Whereas the economic welfare of the people of South Dakota is of primary concern to the legislature; and

"Whereas the rising cost of living and the widening spread between the prices received by farmers and those paid by consumers for agricultural commodities indicate need for investigation: Now, therefore, be it.

"Resolved by the 35th legislature, That we hereby memorialize the United States Congress, to establish a joint Congressional Committee To Investigate the Cost of Living and Marketing Margins to insure continued abundance of food and fiber at reasonable prices consistent with equitable economic returns to farm people; and be it further

"Resolved, That copies of this concurrent resolution be forwarded to His Excellency the President of the United States; to the Honorable KARL MUNDT and the Honorable FRANCIS CASE, United States Senators; to the Honorable GEORGE MCGOVERN and the Honorable E. Y. BERRY, Representatives in the United States Congress.

"NILS A. BOE,
"Speaker.
"W. J. MATSON,
"Chief Clerk.
"L. R. STOUCK,
"Lieutenant Governor.
"NILES P. JENSEN,
"Secretary of Senate."

RESOLUTION OF COUNCIL OF AMERICAN LIBRARY ASSOCIATION

Mr. HUMPHREY. Mr. President, I have just received a resolution on the Library Services Act adopted by the council of the American Library Association on January 31, 1957.

It has been a source of considerable dismay to me to learn that the President's recommendations for fiscal 1958 for this critical and important public-library service program in rural areas amounts to only $3 million. Senators interested in this matter will remember that the Library Services Act, passed by the 84th Congress, authorized an annual appropriation of $7,500,000.

Here is another example of unwarranted budget cutting which is contrary to the immediate and long-term needs of the American people. For my part, I want to protest the inadequacy of the President's budgetary request, and I earnestly hope that the appropriate committees of the Congress will not agree to undercut our rural library program in this manner.

I ask unanimous consent that the resolution be printed at this point in the RECORD, and appropriately referred.

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

RESOLUTION ON THE LIBRARY SERVICES ACT, ADOPTED BY THE COUNCIL OF THE AMERICAN LIBRARY ASSOCIATION, JANUARY 31, 1957

Whereas the Library Services Act was passed by the 84th Congress and signed by the President to aid the States in extending and developing public library service to millions of people in rural areas now without such service or with inadequate service; and

Whereas this act authorizes an annual appropriation of $7,500,000 for a 5-year period to be used for grants to the States on a matching basis; and

Whereas the President's budget for 1957–58 recommends only $3 million for these grants; and

Whereas this recommended appropriation for 1957–58 will penalize States that have developed and promoted programs in anticipation of the full amount for which they could qualify under the act because any reduction from the total amount authorized under the act, namely, $7,500,000, will necessarily reduce the amount available to each State; and

Whereas this proposed reduction will seriously endanger the accomplishment of the primary objective of the act—to stimulate the States and their political subdivisions to establish and maintain adequate library facilities in our rural areas, now unserved or inadequately served: Therefore be it

Resolved, The members of the American Library Association at their midwinter meeting at Chicago, Ill., on January 31, 1957, recommend to the 85th Congress, sitting in its first session, that it appropriate for 1957–58 the full amount of $7,500,000 authorized by the act in order that this amount may be available to stimulate the States to proceed with their programs of further extending public library services to rural area; and be it further

Resolved, Copies of this resolution be sent to the President of the United States; to all the Members of the Congress; to the Secretary of the Department of Health, Education, and Welfare; and to the United States Commissioner of Education.

(Transmitted by David H. Clift, executive secretary.)

RESOLUTIONS OF SOUTH CAROLINA ASSOCIATION OF SOIL CONSERVATION DISTRICT SUPERVISORS

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted by the South Carolina Association of Soil Conservation District Supervisors, at its 16th annual convention at Clemson, S. C.

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

SOUTH CAROLINA ASSOCIATION OF SOIL CONSERVATION DISTRICT SUPERVISORS,
February 13, 1957.

The Honorable STROM THURMOND,
United States Senate,
Washington, D. C.

DEAR SENATOR THURMOND: This association, at the 16th annual convention at Clemson, S. C., January 10, 1957, made the following resolutions:

"1. Whereas many counties in the State of South Carolina have experienced difficulties in securing ample 5-percent funds for servicing by the Soil Conservation Service of the ACP referrals and whereas these difficulties are straining working relationships between the soil conservation districts, the county ASC committees and the Soil Conservation Service of the United States Department of Agriculture: Now, therefore, be it

"Resolved, That—

"(a) We urge the Congress of the United States to make direct appropriations to the Soil Conservation Service for the servicing ACP referrals; and

"(b) The Members of the Congress from South Carolina be advised individually of this desire on the part of the State Association of Soil Conservation Districts.

"2. Whereas most of the soil conservation districts in South Carolina come in the category of being old in comparison with other soil conservation districts in the United States since South Carolina has been completely covered by soil conservation districts since May 7, 1943;

"Whereas the workload has continued to increase due to changes in agriculture and increasing interest in sprinkler irrigation and other practices requiring more technical assistance than the amount presently available;

"Whereas the amount of technical assistance currently available is inadequate to work with old cooperators with soil conservation districts and continue to plan farms for new cooperators in keeping with their interest: Now be it

"Resolved, That the State Association of Soil Conservation District Supervisors in assembly in their annual meeting at Clemson in January 1957, request all district supervisors in the State to call this situation to the attention of their Congressmen and Senators and urge them to increase the amount of technical assistance available to soil conservation districts in South Carolina: Be it further

"Resolved, That a copy of this resolution be sent to each Congressman and Senator from South Carolina.

"3. Whereas the building of big dams will destroy valuable land that will be needed for food and fiber production in the future; and

"Whereas little or no protection from floods will be gained from these structures; and

"Whereas Public Law 566 is in our opinion a practical, effective, and economical means of management of water and land in keeping with the principles of good land use: Now be it

"Resolved—

"(a) That this association go on record as opposing the principle of water control by big dams until the proper upstream treatment has been established, including the Hartwell Dam,

"(b) That we endorse the management of water and land under the principle of upstream watersheds as provided by Public Law 566 and its amendments, which will provide overall watershed protection and the management and use of water for agriculture, municipalities, and industry, and

"(c) Further, that a copy of these resolutions be transmitted to every department of Government and legislative departments of Government which have in their power a right to carry out the wishes as signified in these resolutions."

We hold these to be important in the conservation of soil and water resources of South Carolina and shall expect your full support.

Sincerely yours,

NEWMAN D. BUCK,
President.

ASSISTANCE IN RELIEVING SHORTAGE OF FUNDS FOR HOME LOANS—REPORT OF A COMMITTEE

Mr. SPARKMAN. Mr. President, from the Committee on Banking and Currency, I report an original bill to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans, and for other purposes, and I submit a report (No. 94) thereon.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar.

The bill (S. 1325) to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans, and for other purposes, reported by Mr. SPARKMAN, from the Committee on Banking and Currency, was read twice by its title, and placed on the calendar.

REPORT ENTITLED "ACTION BY THE 84TH CONGRESS ON THE SECOND HOOVER COMMISSION REPORTS" (S. REPT. NO. 95)

Mr. McCLELLAN. Mr. President, I submit a report of the Senate Committee on Government Operations made by its Subcommittee on Reorganization upon the action taken by the 84th Congress on the reports of the Commission on Organization of the Executive Branch of the Government, the Second Hoover Commission, and ask that it be printed.

This report contains four tables.

Table I lists the more than 500 bills introduced relating to the Commission's reports.

Table II shows the action taken by each House of the Congress on each of these bills.

Table III shows each specific Hoover Commission recommendation to which each bill relates.

Table IV lists the public laws enacted which implement the Commission's recommendations.

I believe Members of the Senate will find this document of considerable benefit in answering inquiries relating to the action taken by the 84th Congress on the Hoover Commission reports.

The PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Arkansas.

TEMPORARY STAFF MEMBERS AND ASSISTANTS FOR COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. HILL, from the Committee on Labor and Public Welfare, reported an original resolution (S. Res. 101) authorizing the Committee on Labor and Public Welfare to employ certain temporary staff members and assistants, which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Labor and Public Welfare is authorized, from March 1, 1957, through January 31, 1958, to employ 4 additional professional staff members and 2 additional clerical assistants to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with section 202 (e), as amended, of the Legislative Reorganization Act of 1946, and the provisions of Public Law 4, 80th Congress, approved February 19, 1947, as amended.

BILLS INTRODUCED

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

By Mr. MANSFIELD (for himself and Mr. MURRAY):

S. 1318. A bill to provide that certain surplus property of the United States may be donated for park or recreational purposes; to the Committee on Government Operations.

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

By Mr. MANSFIELD (for himself and Mr. MURRAY (by request):

S. 1319. A bill to renounce any right, title, and interest which the United States may have in certain lands in Montana; to the Committee on Interior and Insular Affairs.

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

By Mr. GOLDWATER (for himself and Mr. ALLOTT):

S. 1320. A bill to provide that whenever public lands have been heretofore granted to a State for the purpose of erecting certain public buildings within such State, such purpose shall be deemed to include construction, reconstruction, repair, renovation, furnishings, and other permanent improvements of such public buildings; to the Committee on Interior and Insular Affairs.

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

By Mr. WILEY:

S. 1321. A bill for the relief of Junko Matsuoka Eckrich; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey:

S. 1322. A bill for the relief of Heinrich Johann Ellebrecht; and

S. 1323. A bill for the relief of Marianne Schaeffner Tarantella; to the Committee on the Judiciary.

By Mr. PASTORE:

S. 1324. A bill for the relief of Lt. Cornelius J. Gearin, Jr.; to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 1325. A bill to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans, and for other purposes; placed on the calendar.

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

By Mr. JOHNSTON of South Carolina:

S. 1326. A bill to establish a system for the classification and compensation of scientific and professional positions in the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BUTLER:

S. 1327. A bill to amend the act of June 19, 1952, with respect to the crediting for civil service retirement purposes of certain service performed by civilian employees of nonappropriated fund instrumentalities of the Armed Forces; to the Committee on Post Office and Civil Service.

By Mr. BUTLER (for himself and Mr. BEALL):

S. 1328. A bill to permit the use of appropriated funds in purchasing land in connection with the Antietam Battlefield site; to the Committee on Interior and Insular Affairs.

By Mr. SCHOEPPEL:

S. 1329. A bill for the relief of Joyce Trueman Watson; and

S. 1330. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon a certain claim of the

Padbloc Co., Inc., and Harry G. Lankford, of Wichita, Kans.; to the Committee on the Judiciary.

By Mr. SCHOEPPEL (by request):

S. 1331. A bill for the relief of John P. Souvaldzis; to the Committee on the Judiciary.

By Mr. BEALL:

S. 1332. A bill to amend title II of the Social Security Act so as to permit the State of Maryland to provide for the extension of the insurance system established by such title to service performed by certain policemen and firemen in such State; to the Committee on Finance.

S. 1333. A bill for the relief of John W. Martz; to the Committee on the Judiciary.

By Mr. POTTER:

S. 1334. A bill for the relief of Tadeusz Gasowski; and

S. 1335. A bill for the relief of Sandra Ann Scott; to the Committee on the Judiciary.

By Mr. HRUSKA (for himself and Mr. CURTIS):

S. 1336. A bill to provide that the Secretary of the Interior shall investigate and report to the Congress as to the advisability of establishing Pike-Pawnee Village Cite, Webster County, Nebr., as a national monument; to the Committee on Interior and Insular Affairs.

By Mr. EASTLAND (by request):

S. 1337. A bill to amend section 331 of title 28, United States Code, to provide representation of district judges on the Judicial Conference of the United States;

S. 1338. A bill 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;

S. 1339. A bill to provide that chief judges of circuit and district courts shall cease to serve as such upon reaching the age of 70;

S. 1340. A bill to amend section 456 of title 28, United States Code, with respect to traveling expenses of justices and judges; and

S. 1341. A bill to amend section 372 of title 28, United States Code; to the Committee on the Judiciary.

By Mr. SYMINGTON:

S. 1342. A bill for the relief of David Romain; to the Committee on the Judiciary.

RESOLUTION

The following resolution was reported by Mr. HILL, from the Committee on Labor and Public Welfare, and referred to the Committee on Rules and Administration:

S. Res. 101. Resolution authorizing the Committee on Labor and Public Welfare to employ certain temporary staff members and assistants.

(See resolution printed in full where it appears under the heading "Reports of Committees.")

DONATION OF CERTAIN SURPLUS PROPERTY FOR PARK AND RECREATIONAL PURPOSES

Mr. MANSFIELD. Mr. President, on behalf of myself and my distinguished colleague, the senior Senator from Montana [Mr. MURRAY], I introduce for appropriate reference a bill to provide that certain surplus property of the United States may be donated for park or recreational purposes.

As my Senate colleagues know, under existing law surplus property may be transferred to educational institutions without monetary consideration. The bill I am introducing today, if enacted, will expand this provision so as to include the disposal of surplus property, largely lands, for recreational purposes without financial consideration.

The enactment of such legislation would be of great assistance in the expansion of State parks and recreational areas. In addition, it would assist communities, large and small, in expanding city park facilities. Historical monuments would also come under the provisions of the bill.

There are far too many instances of the expansion of important recreation areas being hindered because of the lack of sufficient funds to acquire the desired property. This proposed legislation would bring relief in the situation insofar as Federal surplus property is concerned.

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

The bill (S. 1318) to provide that certain surplus property of the United States may be donated for park or recreational purposes, introduced by Mr. MANSFIELD (for himself and Mr. MURRAY), was received, read twice by its title, and referred to the Committee on Government Operations.

TITLE TO CERTAIN LANDS IN STATE OF MONTANA

Mr. MANSFIELD. Mr. President, on behalf of myself, and my distinguished colleague, the senior Senator from Montana [Mr. MURRAY], by request I introduce, for appropriate reference, a bill to renounce any right, title, and interest which the United States may have in certain lands in Montana.

In 1954 the Federal Government was the beneficiary of one-half interest in eight lots of land in the community of Harlowton, Mont., "to be used for a Federal building and first-class apartment house."

During the course of the probate of the estate of Edwin A. Patterson, the appropriate Federal agencies were contacted; and it was ruled that the devise to the Federal Government was not acceptable. Thus, the decree made by the district court distributing the estate ordered that this property be distributed in a life estate to the heirs.

Subsequently the heirs have decided to sell the property, and a problem of clearing the title to the property has arisen. The purpose of the bill I am introducing today is to make clear that the United States makes no claim to the property.

I am prepared to submit the necessary information to the appropriate committee of the Senate, and I hope the matter can be disposed of expeditiously.

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

The bill (S. 1319) to renounce any right, title, and interest which the United States may have in certain lands in Montana, introduced by Mr. MANSFIELD (for himself and Mr. MURRAY), by request, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

ERECTION OF CERTAIN PUBLIC BUILDINGS ON PUBLIC LANDS GRANTED TO THE STATES

Mr. GOLDWATER. Mr. President, when the United States began to bring the Territories of the West into the Union, certain lands in those States were dedicated to use for public buildings or public schools. However, the Supreme Court of Montana has ruled that the language employed did not include the repair or the renovation of the buildings. Montana has undertaken to have this corrected by the introduction of proposed legislation in the House of Representatives, which has passed that body, and is today on the calendar of the Senate.

Mr. President, on behalf of the senior Senator from Colorado [Mr. ALLOTT] and myself, I introduce a bill which provides that whenever public lands have heretofore been granted to a State for the purpose of erecting certain public buildings within such, such purpose shall be deemed to include construction, reconstruction, repair, renovation, furnishings, and other permanent improvements of such public buildings.

I ask that the bill be appropriately referred.

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

The bill (S. 1320) to provide that whenever public lands have been heretofore granted to a State for the purpose of erecting certain public buildings within such State, such purpose shall be deemed to include construction, reconstruction, repair, renovation, furnishings, and other permanent improvements of such public buildings, introduced by Mr. GOLDWATER (for himself and Mr. ALLOTT), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST—AMENDMENT

Mr. FLANDERS submitted an amendment, intended to be proposed by him, to the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence, which was ordered to lie on the table and to be printed.

CHANGE OF REFERENCE

Mr. HENNINGS. Mr. President, I ask unanimous consent that the Committee on Government Operations be discharged from the further consideration of the bill (S. 921) to amend section 161 of the Revised Statutes with respect to the authority of Federal officers and agencies to withhold information and limit the availability of records and that it be referred to the Committee on the Judiciary, so that it may there be assigned to the Subcommittee on

Constitutional Rights, for consideration in connection with the subcommittee's studies of freedom of information, which began last year and are continuing this year.

I understand the senior Senator from Arkansas [Mr. McCLELLAN], who is the chairman of the Committee on Government Operations, has reported that the Committee on Government Operations gave its approval to the rereferral of this bill at an executive session held this morning.

The bill deals with clarification of an old housekeeping statute; we seek to make clear that regulation of routine records in Government agencies should not be construed to permit withholding of information of a nonsecurity nature from the public.

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

ELIZABETH LUCY LEON—ADDITIONAL COSPONSOR OF BILL

Mr. BUSH. Mr. President, I ask unanimous consent to have the name of the Senator from New York [Mr. JAVITS] added as an additional sponsor of the bill (S. 82) for the relief of Elizabeth Lucy Leon. Mrs. Leon is the fashion editor of the New York Herald Tribune.

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

EXTENSION OF SPECIAL SCHOOL MILK PROGRAM—ADDITIONAL COSPONSOR OF BILL

Mr. HENNINGS. Mr. President, I ask unanimous consent that the name of the senior Senator from Wisconsin [Mr. WILEY] may be added as a cosponsor of the bill (S. 1103) to amend the Agricultural Act of 1949, as amended, with respect to the special school milk program, introduced by me on February 7, 1957.

I should like to say that I am delighted to have the Senator from Wisconsin sponsor this bill with me.

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

PRINTING AS A SENATE DOCUMENT THE REPORT OF BOARD OF ACTUARIES OF CIVIL SERVICE RETIREMENT AND DISABILTY FUND (S. DOC. NO. 30)

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the 35th annual report of the Board of Actuaries of the Civil Service Retirement and Disability Fund, for the fiscal year ended June 30, 1955, previously transmitted to the Senate, be printed as a Senate document.

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

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

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

By Mr. HUMPHREY:

Speech delivered by him before the fourth national conference on international economic and social development.

DR. HENRY NORRIS RUSSELL

Mr. SMITH of New Jersey. Mr. President, on last Monday, February 18, Dr. Henry Norris Russell died at Princeton, N. J. For many years Dr. Russell was one of the outstanding members of the Princeton faculty. He retired some years ago. He was looked upon throughout the world as one of the leading thinkers in the field of astronomy; and he added great luster to Princeton's studies in scientific research which have included important discoveries by Einstein and others in the field of atomic fission.

Mrs. Smith and I are happy to claim Dr. Russell and his family as warm personal friends and neighbors of ours in Princeton. It gives me great satisfaction to pay this tribute to him in the CONGRESSIONAL RECORD. In the New York Herald Tribune of Tuesday, February 19, there appeared an article describing the remarkable achievements of this outstanding scientist during the course of his wonderful life. I ask unanimous consent that the article in the Tribune be printed in full in the RECORD at the close of my remarks.

To Mrs. Russell and their children, Mrs. Smith and I extend our affectionate sympathies.

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

DR. HENRY N. RUSSELL DIES—DEAN OF UNITED STATES ASTRONOMERS

PRINCETON, N. J., February 18.—Dr. Henry Norris Russell, 79, one of the world's leading astronomers, died today at Princeton Hospital.

Dr. Russell, who lived at 70 Alexander Street, was a research associate at the Harvard Observatory and former director of the Princeton Observatory as well as Charles A. Young professor of astronomy emeritus.

HONORED BY FOUR NATIONS

Honored by scientific societies of four countries and given honorary degrees by universities here and abroad, Dr. Russell developed the theory of eclipsing binary stars, and discovered that the temperature, luminosity, and chemical composition of most stars were related.

In 1951, when Yale University conferred an honorary degree on him, the citation accompanying the degree called him the "dean of American astronomers, profound student of the physics of the stars and the structure of the atom, master in interpreting to us the whole domain of astronomical research, philosopher of cosmic evolution and man's place in the universe."

VIEWS ON PLANETARY LIFE

Dr. Russell's applications of the ionization theory to astronomy, interpretation of solar and stellar spectra, and atomic studies led to a complete revision of earlier ideas about the chemical makeup of the universe.

From a more popular standpoint, Dr. Russell was often quoted in news accounts of scientific meetings in regard to his long-held theory there was life on other planets. In 1924 he said there were probably millions of planets with a variety of life on them, and the following year he stated as an incontrovertible fact there was vegetable life on Mars.

PESSIMISTIC PREDICTION

For long-range worriers he added a pessimistic note in 1935, when he said the earth was slowly being depleted of its oxygen and that present forms of life would die of suffocation on or about the year 1,101,935 A. D. Four years later, he added another warning note, advising that the sun would change from a red star type to a white dwarf and grow brighter and bluer, causing the earth to become hotter at the rate of 1° Fahrenheit every 100 million years.

Alone or in collaboration with Princeton colleagues, Dr. Russell has written a number of classics in astronomy. In addition to about 15 contributions to scientific journals, he wrote such books as Determination of Stellar Parallax, published in 1911; Astronomy, 1926; The Solar System and Its Origin, 1935; and The Masses of Stars, 1940.

ARMY CONSULTANT

During World War I he was consulting and experimental engineer for the Army Signal Corps and later civilian engineer for the board of aircraft production. During World War II he was a member of the ballistics advisory committee at the Army Proving Ground at Aberdeen, Md.

He received two medals from the French Academy, the gold medal of the Royal Astronomical Society of England, and medals from the National Academy of Sciences, Astronomical Society of the Pacific, and the American Academy of Arts and Sciences. In 1946 Mexico awarded him the Order of the Aztec Eagle, the highest award that country gives to foreigners.

HEADED SCIENTIFIC GROUPS

Dr. Russell formerly was president of the American Philosophical Association, American Astronomical Society and the American Association for Advancement of Science.

Surviving are his wife, Mrs. Lucy May Cole Russell; three daughters, Mrs. George H. Gardner, Miss Elizabeth Hoxie Russell, and Mrs. Frank K. Edmonson; and a son, Dr. Henry Norris Russell, Jr.

OSCAR JACKSON COFFIN

Mr. SCOTT. Mr. President, I rise in tribute to the memory of a great North Carolinian.

Oscar Jackson Coffin, known as O. J. to his contemporaries and as "Skipper" to his legion of students, died on October 29, 1956, a few short months after he retired from 30 years of teaching journalism at the University of North Carolina at Chapel Hill.

O. J. was as much a home-grown, Tar Heel institution as the journalism school he built, and nobody in North Carolina had a keener eye or pen than his.

Along with a veritable host of others in North Carolina, I counted him as my great and good friend. The Journalism Newsletter of his school recently published a collection of excerpts from some of the dozens of editorial tributes paid to him by his fellow newspapermen in North Carolina, and I think these editorials come close to revealing O. J. Coffin's standing among his home folks.

Mr. President, I ask unanimous consent that this collection be printed in the RECORD as a part of my remarks.

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

EDITORIAL TRIBUTES TO O. J. COFFIN

Goldsboro News-Argus: "Oscar Coffin was a newspaperman's newspaperman. Legends

grew about him like ivy around some ancient building."

Shelby Star: "Skipper Coffin was one of the boys in the backroom whose voice was always heard out front."

Fayetteville Observer: "He taught more than the techniques of journalism. He taught honest, aggressive and investigative thinking."

Raleigh Times: "Today there are many typewriter pounders across this State, and even across the country, who would bet their last dollar that the Skipper gave them something extra and worth while, something they would not have gotten without him."

Raleigh News and Observer: "O. J. possessed a barbed wit but there was no malice in his jibes and jabs. Above all, he admired decency in human affairs."

Durham Sun: "He found much humor in life and brought it forth; but most of all, perhaps, he readily discerned pretense and bombast. He was never quite so happy as when debunking bunk."

Daily Tar Heel: "Coffin believed simply in good writing, and his students reflected that belief. He believed in being homey, and he walked and talked and drank beer with his students because he enjoyed it."

Kinston Free Press: "His spirit was a constant challenge to all who knew and loved him. That it will roam the ramparts of good journalism so long as his students live and serve we have no doubt."

High Point Enterprise: "His first loyalty was to the working newspaperman whom he regarded in need of the kind of encouragement he liked to give."

Greenville Daily Reflector: "North Carolina's newspapers are better today because of the tireless years the Skipper devoted to training men and women in the profession."

Oxford Ledger: "With his black-marking editor's pencil, he could add a word there, change one here, and then strike out paragraphs of 'loose' writing by those who came to his classroom for training."

Greensboro Daily News: "The elements in him were so mixed that he was a great teacher and a discerning, stimulating and at times riddling commentator."

Charlotte Observer: "He would always have had a voice somewhere, however long he lived, for the Skipper was a man with something to say."

Charlotte News: "This brusque, rough-hewn monolith was truly a newspaperman's newspaperman. * * * He could render a biblical phrase with the same painstaking accuracy and flavor that he could render a back-country story."

Smithfield Herald: "Skipper Coffin loved honesty and truth and accuracy. He hated hypocrisy and pretension. These loves and these hates he conveyed to his students."

Roy Thompson in the Feedbox, Winston-Salem Journal: "In his own way—he never did anything any other way—he was a great man."

Roy Parker in Hertford County Herald, Ahoskie: "In his home and away from the classroom, his richest possession was comradeship with family, friends, and former students."

Charles Craven in Byways of the News: "When you think of Skipper, the damned adjectives just keep flying up * * * adjectives like ornery, quick-witted, ironic, warm, caustic, down-to-earth, garrulous, skilled, experienced, prominent, respected, kind, profane, beloved."

Rocky Mount Telegram: "Frankness, perhaps, stood out as the greatest personal trait of Dr. Coffin—and if you were a friend of his, you added that title of 'Doctor' at your own peril."

Sanford Herald: "The Coffin front porch was the most sociable hiring hall that ever happened into being. Most of the former students calling there had acquired, in some measure, characteristics of their host. From the time they had first sat in his class in elementary news reporting, they had taken to his way of cussing one minute and citing the Book of Job as an example of polished-down writing the next, of deflating campus stuffed shirts with a colorful phrase or two, and of applying country terms to urbane subjects and characters."

Greensboro Record: "The professor scorned textbooks. He was his own textbook. What he said came from his own experience and his sharp, humorous, caustic, fertile, observant, retentive mind."

Gastonia Gazette: "He was a good craftsman."

Burke Davis in Tar Heel Notebook: "It is only half the truth to say that North Carolina journalism will never be the same again with the death of O. J. Coffin. It was never like that before him, either. If any of us are unique, surely he was."

Bob Ruark in his syndicated column: "One of the lights of my life went out the other day when a magnificently cantankerous gentleman named Oscar Coffin died in Raleigh, N. C., possibly from boredom * * *. O. J. was a humorously irascible gentleman whose hooked nose and craggy chin gave him the appearance of a truculent turtle. He had a pair of piercing blue eyes behind frosty glasses and a laugh that could be reminiscent of the croaking of ravens. Some of this was asthma, but a lot of it arrived from the sardonic view that there was little room in his racket for ineptness. * * * If he's someplace where he can read obits, he probably has already produced a blue pencil and is busy hacking them to bits."

Harry Golden in the Carolina Israelite: "* * * he influenced and 'made' more newspapermen in North Carolina than any other man in his generation. The unusual excellence of this State's press (which some graduate student should explore for his doctorate thesis) is the monument to Mr. Coffin's memory."

THE CORN PROGRAM

Mr. DIRKSEN. Mr. President, the sun is getting a little higher in the heavens right along, and there is a little more concern about the corn program in the Middle West. Some time ago I introduced a bill which was referred to the Committee on Agriculture and Forestry. The Secretary of Agriculture appeared before the committee and testified. He indicated the 8th of March would be pretty nearly the deadline for action, because after that time it would be useless for a farmer to make any new arrangement. The design of the bill was to get around the corn referendum in December and go back to the corn acreage program which was established in the farm bill. Nothing has been done, and time is running out. It will be only 2 weeks until the 8th of March. Then the farmers will be back to a 37-million-acre limit. There is not going to be any incentive for compliance.

I deplore the idea of some individuals hurling criticism at the Secretary of Agriculture at every opportunity. Recently the Secretary of Agriculture made a statement to the effect that "prices received by farmers have been running about 7 percent above a year ago." The record shows he was right. I think he was right. He was charged with uttering misleading information. Obviously, he certainly cannot calculate a price at a given hour and a given day. Yet the record shows that as between last December and the prior December, prices were higher by 7 percent. If one compares the prices for January 1957 with those for January 1956, the figures show prices were higher by 5 percent. So the Secretary was substantially correct. But, Mr. President, I simply must take a moment to call attention to the fact that it is becoming almost a settled habit to reflect upon persons in the executive branch of the Government, to reflect upon their character, to reflect upon their veracity, and to charge them with giving out misleading figures. I think we could better afford to devote the time to a little less quibbling and a little more action, now that we have hundreds of thousands of farmers who are interested in action on a corn bill by both the Senate and the House of Representatives.

So I take the time today to assert my confidence in the character and in the veracity of the Secretary of Agriculture. He is one of the greatest we have ever had. I am sure that no one who knows him would ever impugn his character or reflect upon his honesty or integrity. He has been a great public servant. He has been courageous. He has stood up to take sharp criticism and caustic comment at a time when so many were quailing and not going along with what he thought was a correct program in the interest of a durable solution of the agricultural problems of the country.

So in connection with my remarks, I ask unanimous consent to have printed at this point in the RECORD a release by the Department of Agriculture on the 14th of February 1957.

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

WASHINGTON, February 14, 1957.—"Questions have been raised regarding the manner in which the Department of Agriculture reports farm income," Secretary of Agriculture Ezra Taft Benson said today. "A number of persons have said that the Secretary should include inventory changes in the income figures he reports.

"The present Secretary and his predecessors, in public statements, have consistently reported realized net income of farm operators," continued the Secretary. "This is a figure which includes receipts from farm marketings and Government payments and the value of farm products for home use. It excludes changes which result from inventory increases or decreases. The present Secretary and those who previously have occupied this office have felt that income should be reported when crops and livestock are sold and income is actually realized, because only that kind of income is available for spending.

"In my addresses and in my statements to the Congress I have consistently reported realized net income of farm operators, even though there have been years when I could have shown farm income in a more favorable light by reporting in some other manner. For example, in 1954 I used realized net income of farm operators, a figure of $12,021,000,000, as a measurement of returns in agriculture, when I might have included inventory changes and reported $12,487,000,000 a figure $466 million higher. In 1955, I might have included inventory changes and reported a figure $340 million higher than the $11,340,000,000 realized net income of farm operators which I actually used.

"Farm income is reported in a variety of ways, so as to meet the varied needs of those who use our statistics. There is gross and net cash income, net income, with and without inventory change, with and without Government payments, net with and without off-farm income, total, per capita, adjusted and unadjusted for changes in price levels and so on.

"It is possible, by shifting from one of these measures to another from year to year, to give a biased picture of the income situation in agriculture. This I scrupulously avoid, as should others who are interested in reporting the facts.

"If inventory changes should be fully reflected in farm income, as some have suggested, one could argue that year-to-year changes in the net value of farm real estate should show up in farm income. If that were done, farm income would be shown as increasing during each of the past 2 years, an average increase of more than $3 billion a year. Of course, I would never report income in such a manner; I merely indicate this to show how varied a picture of farm income one can paint if he selects, from year to year, the basis of income reporting which is favorable to his cause."

Following is a table showing, since 1953, the net income of farm operators with and without inventory changes:

Realized net income of farm operators in the United States, 1953 to 1956, and net income of farm operators including inventory changes

Year	Realized	Including inventory changes
	Millions	*Millions*
1953	$13,880	$13,263
1954	12,021	12,487
1955	11,340	11,680
1956 (preliminary)	11,900	11,700

SIXTY-FIFTH ANNIVERSARY OF BIRTH OF WENDELL WILLKIE

Mr. JAVITS. Mr. President, recently I had the honor to participate in ceremonies held in New York City in commemoration of the 65th anniversary of the birth of Wendell Willkie. The principal address was delivered by Chief Justice of the United States Earl Warren, and the ceremonies were also participated in by the Reverend Dr. John Sutherland Bonnell, of the Fifth Avenue Presbyterian Church of New York City, and by the Honorable Herbert Bayard Swope. Addresses and messages on this occasion were received from the President of the United States, the Governor of the State of New York, the mayor of New York, and the Construction Coordinator of the city of New York, in addition to which the Reverend Dr. Bonnell delivered a most moving address.

I believe we shall keep the memory of Wendell Willkie green and fresh always, for upon looking down the road of the coming generations, his contributions to American life and to the Republican Party become more valid and valuable as the years go on.

Mr. President, I ask unanimous consent that there may be printed in the RECORD the proceedings of the ceremony to which I have referred.

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

MESSAGE FOR WILLKIE COMMEMORATION FROM PRESIDENT DWIGHT D. EISENHOWER

THE WHITE HOUSE,
Washington, D. C.

The Honorable JACOB K. JAVITS,
United States Senator,
Care Freedom House,
Willkie Memorial Building:

Following message relayed from the President to the White House office for transmittal:

"Please give my greetings to the members and distinguished guests of Freedom House gathered in commemoration of the 65th anniversary of the birth of Wendell Willkie. New York City, built by the toil of millions from every race and nation, is a splendid setting for the continuing work of the American who saw the vision of one world. On the wall of the public library, where the wisdom of the ages is freely offered to all, it is fitting to mount the features of that vigorous champion of liberty, Wendell Willkie. To his family, his friends and his followers, I send congratulations and best wishes.

"DWIGHT D. EISENHOWER"

TEXT OF ADDRESS BY CHIEF JUSTICE EARL WARREN AT WILLKIE COMMEMORATION

This is the birthday of our friend, the late Wendell Willkie—an American to whom all of us are indebted. We gather in a place dedicated to his memory—Freedom House which shelters so many of the causes he espoused.

But it is 12 years since he passed this way. We do not know why this is so but we do not question the reason for it. We have faith that it was for an important purpose—in keeping with the divine pattern that is being eternally woven with the broken strands of man's experiences. It must be so or he would have been here to make his presence felt in the ordeals of these world shattering years. They would have been his most productive years. He would have been at the height of his intellectual powers, enriched by his character-forming experiences and by the maturity of his vision. We can only conjecture what his role would have been, but this we know: In the struggle for world peace based upon freedom for all nations and equality for all people, he would have been heard. His voice would have been strong, his sincerity would have been felt and the force of his personality would have moved the more timid among us to action.

In the 4 brief years of his political ministry he did as much to remove the blinders from the eyes of Americans and to change the course of the party whose standard he carried as any American without governmental portfolio in our national history. When he came on the political scene we were still in the throes of an isolationism which trusted the broad oceans for our national defense and our own national wealth solely for our economic stability. There was no room in that isolationism for the interplay of world affairs or of world needs. He realized the shortsightedness of this approach and undertook to change it. It was not popular at the moment, but he made a crusade of it. The opening sentence of his One World is:

"Today * * * America is like a beleaguered city that lives within high walls through which there passes only an occasional courier to tell us what is happening outside. I have been outside those walls. And I have found that nothing outside is exactly what it seems to those within."

And a little farther on he said—"There are no distant points in the world any longer. I learned from this trip that the myriad millions of human beings of the Far East are as close to us as Los Angeles is to New York by the fastest trains. I cannot escape the conviction that in the future what concerns them must concern us, almost as much as the problems of the people of California concern the people of New York. Our thinking in the future must be worldwide."

Heresy? Yes it was heresy then; to his party and to the people of great sections of our country. But it was also prophetic. Within the past month the President of the United States who carries the same banner, standing on the steps of the Capitol of our Nation had this to say at his inauguration:

"For one truth must rule all we think and all we do. No people can live to itself alone. The unity of all who dwell in freedom is their only sure defense. The economic need of all nations—in mutual dependence—makes isolation an impossibility: not even America's prosperity could long survive if other nations did not also prosper. No nation can longer be a fortress, lone and strong and safe. And any people seeking such shelter for themselves, can only build their own prison."

This met with general approbation. America has torn down the high walls surrounding the beleaguered city of which our friend spoke 14 years ago.

Wendell Willkie did not live to witness the organization of the United Nations. But he foresaw the great need for it. When the world was engrossed with passionate warfare and blind with rage, he preached the doctrine that when we are at war, we must prepare for peace.

"I was a soldier in the last war," he said, "and after that war was over I saw our bright dreams disappear, our stirring slogans became the jests of the cynical, and all because the fighting peoples did not arrive at any common postwar purposes while they fought. It must be our resolve to see that this does not happen again.

"While they fight, the people of the world must come to a common understanding of what they fight for and what they hope for. Millions have already died in this war and many thousands more will go before it is over. Unless Britons and Canadians and Russians and Chinese and Americans and all our fighting allies, in the common cooperation of war, find the instrumentalities and the methods of cooperative effort after the war, we, the people, have failed our time and our generation."

These words were strange to most people—dubious words to many—controversial words to others. Yet last month our President had this to say at his inauguration: "We recognize and accept our own deep involvement in the destiny of men everywhere. We are accordingly pledged to honor, and to strive to fortify, the authority of the United Nations. For in that body rests the best hope of our age for the assertion of that law by which all nations may live in dignity."

He also saw the need for economic aid to distressed nations, before others spoke. "It is inescapably true," he said, "that to raise the standard of living of any man anywhere in the world is to raise the standard of living by some slight degree of every man everywhere in the world."

This was long before any of the billions of dollars for foreign economic aid were spent or even advocated. But as farseeing and as concerned as he was about our foreign relationships, his greatest love was reserved for the American people, and his greatest solicitude for the preservation of the free institutions under which we are privileged to live. He was dedicated to our system of free enterprise and he insisted that it be kept undefiled—with equal opportunity for all. "Only the productive can be strong; only the strong can be free" was his battle cry. His faith in America was a simple one and the epitome of it is in these simple statements:

"The only soil in which liberty can grow is that of a united people—we must have

faith that the welfare of one is the welfare of all—we must acknowledge that all are equal before God and before the law."

"Freedom is an indivisible word—we must be prepared to extend it to everyone, whether they are rich or poor, whether they agree with us or not, no matter what their race or the color of their skin."

And he knew that as we cannot isolate ourselves from the other peoples of the world, neither can we isolate ourselves from the past. He believed with the poet that "The best prophet of the future, is the past."

Student of history that he was, and believing that true enlightenment springs from the wisdom of the ages, he haunted for many years the bookshelves of the municipal library of the city of New York. It is both appropriate and significant that this building named for him should be literally in the shadow of that library. Nothing could have pleased him more.

And today the great city of New York in gracious recognition of his contribution to public enlightenment authorizes affixing a Willkie memorial plaque to their wonderful public library; a bronze tablet that will serve to inspire the millions who will pass this way. On it appears an inscription in his own words—

"I believe in America because in it we are free—free to choose our government, to speak our minds, to observe our different religions."

It will be our present duty to dedicate that plaque. We will do so with the fervent hope that as long as people come here in search of knowledge they will help to keep alive the generous spirit of Wendell L. Willkie, implicit in these words of his:

"We must establish beyond any doubt the equality of men. And we shall find this equality, not in the different talents which we severally possess, nor in the different incomes which we severally earn, but in the great franchise of the mind, the universal franchise which is bounded neither by color, nor by creed, nor by social status. Open the books if you wish to be free."

FROM ADDRESS BY SENATOR JACOB K. JAVITS AT WILLKIE COMMEMORATION

We live constantly today in the light of Wendell Willkie's great contribution to United States foreign policy. We are greatly indebted to his memory for bipartisanship in foreign policy. This doctrine, born in the 1940 campaign through the need for full support of the destroyer-for-bases programs with a beleaguered Britain and brought to fruition by Senator Vandenberg, remains responsible for the fact that isolationism has become a dead letter. United States foreign policy has been able to attain that continuity so essential to our world leadership and yet so complex under our system of coordinate powers in checks and balances between the President and the Congress due very largely to Wendell Willkie and Arthur Vandenberg. I feel it may truly be said that Wendell Willkie was the political father of that concept of international responsibility which is so fundamental to modern republicanism.

Second, Wendell Willkie awakened Americans to the oneness of the world, to the interrelation of all that occurred in it; for instance, the effect upon our foreign policy and peace leadership of the continued tolerance of discrimination and segregation in the United States or of flouting civil liberties at home.

Finally, he translated so meaningfully to millions abroad the sincerity, fairness, and spiritual content of our political institutions.

I believe we shall keep the memory of Wendell Willkie green and fresh always, for upon looking down the road of the coming generations, his contributions to American life become more valid and more valuable as the years go on.

MESSAGE FOR WILLKIE COMMEMORATION FROM GOV. AVERELL HARRIMAN

ALBANY, N. Y.

HERBERT BAYARD SWOPE,
Care of George Field, Executive Secretary, Freedom House, Willkie Memorial Building:

All of us, regardless of political affiliations, pay homage today to the memory and achievements of a great American, Wendell Willkie. He was a man of energy and imagination, being one of those who early realized the interdependence of a modern world and the effects of this on our foreign and domestic policy. We in New York are proud that Freedom House is putting up a memorial plaque to him in our State, where he lived so many years among us.

AVERELL HARRIMAN.

MESSAGE FOR WILLKIE COMMEMORATION FROM MAYOR ROBERT F. WAGNER

Mr. GEORGE FIELD,
Executive Secretary, Freedom House, Willkie Memorial Building:

Regret that city business prevents me from attending the program commemorating the 65th anniversary of the birth of Wendell Willkie, February 18. It is indeed appropriate that Freedom House should be called the Willkie Memorial Building. Wendell Willkie exemplified to millions the American ideal both as an individual and in the work he carried on during his lifetime. He contributed greatly to increasing our understanding of the Nation's problems confronting our neighbors throughout the world. This tribute to the man and to the ideals that Wendell Willkie espoused takes on new significance.

ROBERT F. WAGNER,
Mayor.

MESSAGE FROM ROBERT MOSES, READ AT THE DEDICATION OF THE WENDELL WILLKIE PLAQUE AT BRYANT PARK, NEW YORK CITY, MONDAY, FEBRUARY 18, 1957

The translation of the Ten Commandments and the Sermon on the Mount into international government had its greatest modern exponent in that uncompromising Calvinist, Woodrow Wilson, and Franklin Roosevelt and Wendell Willkie were his disciples. In spite of the storm clouds overhanging the administration of the United Nations, who shall say that they failed?

The immediate and unqualified application of the principles of the brotherhood of man to international affairs was Willkie's creed. He was a courageous leader who roused and stimulated his party when it was in the slough of despond.

A century or two from now, when the immediate concerns and acerbities of our time are forgotten, our descendants will perhaps know the true significance in world history of men like Woodrow Wilson, Franklin Roosevelt, and Wendell Willkie. In the meantime, let us assume that the road of international brotherhood is long and broken, and that on the journey there are honorable places both for the evangelists and for the step-by-step conservatives. The important thing is to be sure that we are headed in the same direction.

THE EDUCATION OF AN AMERICAN POLITICIAN

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an outstanding address entitled "The Education of an American Politician," which was delivered at the annual convention of American Association of School Administrators and National School Board Association, at Atlantic City, N. J., February 19, 1957, by the distinguished junior Senator from Massachusetts [Mr. KENNEDY].

I would emphasize particularly those portions of this outstanding address in which the Senator from Massachusetts stresses the urgent need for idealism, courage, and integrity in American public life. Senator KENNEDY has also rightly directed attention to the growing gap between educational demands and funds available for education in our country toward solving that dilemma. He has called for an adequate and effective program of Federal education to schools.

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

THE EDUCATION OF AN AMERICAN POLITICIAN

(Remarks of Hon. JOHN F. KENNEDY, of Massachusetts, annual convention of American Association of School Administrators and National School Board Association, Municipal Auditorium, Atlantic City, N. J., February 19, 1957)

It is a great if somewhat awesome honor to be here this evening with what is probably the greatest collection of brainpower any politician has even addressed. More important, you are undoubtedly one of the most powerful audiences in the world—powerful not in terms of the national and international policies you control or manipulate, but powerful because in your hands the future leaders of this Nation, the most powerful nation in the world, are being shaped. Your responsibilities consequently are in many ways far greater than those of us who serve in national policymaking bodies.

My announced topic for this evening was "The Education of an American Politician." It was a title which frankly I thought might stimulate some interest—for the simple reason that most Americans, including educators, are not accustomed to thinking of us politicians as educated men. We may be experienced, or cynical, or skillful, or shrewd or even fluent—but no more education is required for this kind of success than that provided by smoke-filled rooms and backstage deals. Even those of you who are required to be elected at the polls to your post as school superintendent or school board member do not, I dare say, like to regard yourselves as politicians. You may consider yourselves public servants or leaders of your community—but never politicians.

It is disheartening to me, and I think alarming for our Republic, to realize how poorly the political profession is regarded in America. Mothers may still want their favorite sons to grow up to be President but, according to a famous Gallup poll of some years ago, they do not want them to become politicians in the process. Successful politicians, according to Walter Lippmann, are "insecure and intimidated men," who "advance politically only as they placate, appease, bribe, seduce, bamboozle, or otherwise manage to manipulate" the views and votes of the people who elect them. It was considered a great joke years ago when the humorist Artemas Ward declared: "I am not a politician, and my other habits are also good." And, in more recent times, even the President of the United States, when asked at a news conference early in his first term how he liked "the game of politics," replied with a frown that his questioner was using a derogatory phrase. Being President, he said, "is a very fascinating experience * * * but the word 'politics' * * * I have no great liking for that."

Unfortunately, this disdain for the political profession is not only shared but intensified by the educational profession. To

many educators we politicians represent nothing but censors, investigators, and perpetrators of what has been called the swinish cult of anti-intellectualism. To others, we are corrupt and selfish, manipulating votes and compromising principles for personal and partisan gain.

Educators find it difficult, I believe, to accept the differences between the laboratory and the legislature. In the former, the goal is truth, pure and simple, without regard to changing currents of public opinion; in the latter, compromises and majorities and procedural customs and rights affect the ultimate decision as to what is right or good, or more accurately, what is possible. And even when they realize the difference, many educators, academicians, and other intellectuals consider their chief function to be that of the critic—and politicians are sensitive to critics (possibly because we have so many of them). We in politics must rely on the majority, but "many intellectuals," Sidney Hook has said, "would rather 'die' than agree with the majority, even on the rare occasions when the majority is right."

This disdain for the political profession in our schools and communities did not matter quite as much in the days when active participation in the political affairs of the Nation was limited to a select few. But today, the implications of national policy necessarily make politicians of all of us. Today, every citizen, regardless of his interest in politics, holds office; every one of us is in a position of responsibility; and, in the final analysis, the kind of Government we get depends upon how we fulfill those responsibilities. We, the people, are the boss, and we will get the kind of political leadership, be it good or bad, that we demand and deserve.

Consider, for example, the changes in our Nation's role in world affairs which make it impossible to prevent the man in the street from influencing, or being influenced by, our foreign policy. In the past, public interest in and knowledge of American international commitments have reached their peak only in time of war, when extraordinary demands were made upon our manpower and material resources. Even then, war touched only indirectly the lives of many Americans. But the next world war, unlike any other, will sear the lives of every American, and bring for the first time massive death and destruction within our own borders.

Moreover, what has in the past been normal in peacetime is no more relevant to a discussion of the public's participation in politics today than it is to an analysis of current budgets or airpower requirements; for this is a peace which resembles none previously experienced. Frequent hostilities, uneasy truces, military alliances, a worldwide struggle for the minds of men and a furious armaments race characterize the war upon which we have placed the curious epithet "cold"—a struggle which will continue in our generation to maintain the same excessive wartime demands upon our lives and pocketbooks and maintain the same heightened public interest.

Thus the American politician of whom I speak today, and with whose education I am concerned, is in effect potentially each and every American citizen. His opinions, his votes, and his efforts define the limits of our policy, provide its guideposts, and authorize its implementation. In Lincoln's words, that man on the street, the average citizen, the educated voter, "makes statutes possible or impossible to execute." His attitude toward taxation and selective service, foreign aid and alliances, the United Nations, imports, immigration, even his attitude toward members of minority groups in his own country—all of these have an impact upon foreign policy far beyond his knowledge. Without his indispensable support and loyalty, no American foreign policy in times such as these can succeed.

There are, of course, dangers in this increased participation of the public in the policymaking process. Public opinion in a democracy has on many occasions, in this Nation and others, been too slow, too selfish, too shortsighted, too provincial, too rigid, or too impractical—and in those situations we stand in great need of national leaders of courage and ability, men who are willing to stand for the right against the pressures of the public, men such as those whom I have described in my book on political courage.

But in these times, in facing these issues which deeply touch the lives and fortunes of every citizen, in making these hard decisions which require overwhelming public support, we cannot—we dare not—exclude the people or ignore their opinions, whether right or wrong. Instead, in the words of Thomas Jefferson, "If we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them but to inform their discretion by education."

"To inform their discretion by education." That is your task and the task of every teacher in every city and village in America—the education of American politicians, of all, or nearly all, Americans to serve as politicians in making public policy. But what kind of education will you offer? What kind of training is necessary to prepare young Americans for a more active and enlightened role in the political affairs of their Nation? Permit me to offer a few suggestions from my vantage point in the political arena.

First, I would emphasize that we need not an overconcentration upon civic and political affairs, but the development of a broad range of talents. We do not need men like Lord John Russell, of whom Queen Victoria once said that he would be a better man if he knew a third subject—but he was interested in nothing but the Constitution of 1688 and himself. We need instead men with the education of Thomas Jefferson, described by a contemporary as "A gentleman of 32, who could calculate an eclipse, survey an estate, tie an artery, plan an edifice, try a cause, break a horse, dance a minuet, and play the violin." We need men like Daniel Webster, who could throw thunderbolts at Hayne on the Senate floor and then stroll a few steps down the corridor and dominate the Supreme Court as the foremost lawyer of his time; like John Quincy Adams, who, after being summarily dismissed from the Senate for a notable display of independence, could become Boylston professor rhetoric and oratory at Harvard and then become a great Secretary of State. (Those were the happy days when Harvard professors had no difficulty getting Senate confirmation.) We need men like Missouri's first Senator, Thomas Hart Benton, the man whose tavern brawl with Jackson in Tennessee caused him to flee the State, and yet whose education was described with these words in his obituary: "With a readiness that was often surprising, he could quote from a Roman law or a Greek philosopher, from Virgil's Georgics, the Arabian Nights, Herodotus, or Sanchez Panza, from the Sacred Carpets, the German reformers or Adam Smith; from Fenolon or Hudubras, from the financial reports of Necca or the doings of the Council of Trent, from the debates on the adoption of the Constitution or intrigues of the kitchen cabinet or from some forgotten speech of a deceased Member of Congress."

Secondly, I would emphasize that we need scholarship fitted for practical action, for something more than merely discussing political issues and deploring their solutions with learned phrases, intellectual achievements fitted for more than the delights of abstract discourse. For, as George William Curtis asked a similar body of educators a century ago, in urging their interest in the Kansas-Nebraska controversy: "Would you have counted him a friend of ancient Greece who quietly discussed the theory of patriotism on that Greek summer day through whose hopeless and immortal hours Leonidas and his 300 stood at Thermopylae for liberty? Was John Milton to conjugate Greek verbs in his library, or talk of the liberty of the ancient Shunamites, when the liberty of Englishmen was imperilled?"

It is not enough, therefore, that our schools merely be great centers of learning, without concerning themselves with the uses to which that learning is put in the years that follow graduation. Indeed, care must be taken to see that it is not left behind upon graduation. Dean Swift, you know, always said that Oxford was truly a seat of great learning; for all freshmen who entered were required to bring some learning with them in order to meet the standards of admission—but no senior, when he left the university, ever took any learning away; and thus it steadily accumulated.

Third, I would emphasize the importance, in teaching students about public affairs, of avoiding the confusion of political idealism with political fantasy or rigidity. We need idealism in our public life; we need young men and women who will stand for the right regardless of their personal ambitions or welfare. But let us not permit them to carry that idealism to the point of fantasy—to the point where any compromise or concession is regarded as immoral. For politics and legislation are not matters for inflexible principles or unattainable ideals. Politics, as John Morley has acutely observed, "is a field where action is one long second best, and where the choice constantly lies between two blunders"; and legislation, under the democratic way of life and the Federal system of government, requires compromise between the desires of each individual and group and those around them. Henry Clay, who should have known, said compromise was the cement that held the Union together:

"All legislation * * * is founded upon the principle of mutual concession. * * * Let him who elevates himself above humanity, above its weaknesses, its infirmaties, its wants, its necessities, say, if he pleases, 'I never will compromise'; but let no one who is not above the frailties of our common nature disdain compromise."

It is compromise that prevents each set of reformers—the wets and the drys, the one-worlders and the isolationists, the vivisectionists and the antivivisectionists—from crushing the group on the extreme opposite end of the political spectrum. The fanatics and extremists, and even those conscientiously devoted to hard and fast principles, are always disappointed at the failure of their Government to rush to implement all of their principles and to denounce those of their opponents. But the legislator has some responsibility to conciliate those opposing forces within his State and party and to represent them in the larger clash of interests on the national level; and he alone knows that there are few if any issues where all the truth and all the right and all the angels are on one side.

Some of my colleagues who are criticized today for lack of forthright principles, or who are looked upon with scornful eyes as compromising politicians, are simply engaged in the fine art of conciliating, balancing and interpreting the forces and factions of public opinion, an art essential to keeping our Nation united and enabling our Government to function. Their consciences may in one sense direct them from time to time to take a more rigid stand for principle, but their intellects tell them that a fair or poor bill is better than no bill at all, and that only through the give and take of compromise will any bill receive the successive

approval of the Senate, the House, the President, and the Nation.

Fourth, I would emphasize the importance, in teaching students about public affairs, of avoiding the confusion of national patriotism with national mythology. Instillation of a sense of patriotism, of national pride, of awareness of gratitude for the liberties and opportunities that are ours as Americans—these are precepts which, of course, it is hoped every student shall grasp. But at the same time let us recognize the necessity of clearing away these false axioms and myths which, however comforting to our sense of security or appealing to our sense of patriotism, impair a realistic view of our Nation's role in the world. I refer to those myths, among others, that are based upon the untouchability of national sovereignty; the existence of inherently good, bad, or backward nations; the emphasis of governmental economy over national security; or the impairment of an aggressor's power by refusing him our diplomatic recognition.

Many Americans persist in the myth that the scientific skill of the United States cannot be duplicated in any other country; that the democratic way of life, inasmuch as it is the best way, will inevitably be the victor in any struggle with an alien power; that the United States can never lose a war, or that its shores can never be attacked. Many still hold to the belief that our allies owe homage and gratitude to the United States and to all of its views at all times. There are those who believe the United States can still halt aggression by the arrival of a few American gunboats and marines. There are those who oppose assistance to or cooperation with our allies, those who reject bargaining or diplomatic pressure as a method of dealing with international disputes. Education for citizenship, for increased participation in American political life, must dispel these myths, if it is to avoid the description once furnished by Lord Bryce of a political education "sufficient to enable them to think they know something about the great problems of politics, but insufficient to show them how little they know."

Fifth and finally, I would emphasize that this kind of education requires quality as well as quantity. I realize that education cannot fulfill its responsibilities when nearly a million boys and girls are deprived by the classroom shortage of full-time schooling, when millions more are held back in unwieldy classes of 40 or more and when the Nation is short 135,000 qualified teachers. It is obvious to me that the Federal Government, which has far greater as well as more effective means for raising public revenues, has an unavoidable responsibility in 1957 to enact a bold and imaginative program of Federal assistance to the States and local school districts for the construction of public schools, leaving all control over education itself, of course, in local hands. But more and better classrooms are not enough. Even an increase in the number of teachers is not enough. Better trained, better paid teachers, using better techniques and textbooks, are necessary if we are to improve still further the education of our citizens for the responsibilities of citizenship—and that task is still largely one which is in your lap, not the Federal Government's.

Of one thing we can be sure—the graduates of our schools and of our universities will be expected to play an increasingly important role in American political affairs. The effort and expenditure by which society has made their education possible have not been undertaken merely to give them an economic advantage in the life struggle. They are expected to offer leadership and guidance for all. It was Prince Bismarck who said that one-third of the students of German universities broke down from overwork; another third broke down from dissipation; but the other third ruled Germany. (I leave it to each of you to decide which third attends conventions in Atlantic City.)

Those who are to be among the rulers of our land, in the sense that all thinking citizens must of necessity become political leaders, will not lack problems to which their education can be applied—increasing farm foreclosures, for example, in the midst of national prosperity—record small business failures at a time of record profits, pockets of chronic unemployment and sweat-shop wages amidst the wonders of automation, the care of the chronically and mentally ill, monopoly, race relations, taxation, international trade and, above all, the knotty complex problems of war and peace, of untangling the strife-ridden Middle East, of preventing man's eventual destruction of mankind. If those whom you send to solve these problems are truly educated politicians, as I have described that education this evening, if they can ride easily over broad fields of knowledge, if they can be, as Goethe put it, hammers instead of anvils, then there is no limit to the contribution they can make to the society which gave them that education.

There is considerable talk these days of the educational world's need for assistance from the political world. I am confident that assistance will be forthcoming. But I have also stressed to you tonight the assistance which the world of politics needs from the world of education; and to that end I ask your thoughtful attention to the task of uniting our two worlds still further.

"Don't teach my boy poetry," an English mother recently wrote the provost of Harrow. "Don't teach my boy poetry; he is going to stand for Parliament." Well, perhaps she was right, but if more politicians knew poetry, and more poets knew politics, I am convinced the world would be a little better place to live on this 19th of February, 1957.

INCREASE IN PRICES

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a table from the New York Times of Monday, February 18, 1957, setting forth the obligations of the United States which must be met in the 12-month period following February 8. These maturities amount to $75,584,325,783. Day by day and week by week the obligations of the United States which must be paid off are increasing in amount. It occurs to me that all Members of Congress should take warning from this picture of the national debt that it is unwise and very dangerous to allow the budget of the United States to get out of balance.

The budget which was submitted by the President has been universally called the largest peacetime budget ever submitted to the Congress of the United States. Of course, that overlooks the fact that we are not at peace. We are in a very grave situation. We are in an economic war. We are not in a fighting war. The Government is making great expenditures. Costs are increasing, however. The cost of living is increasing. The costs of all sorts of materials are increasing.

During the hearings now being held with respect to oil we have heard testimony from various sources as to what these increasing costs mean to the people of the United States. This morning two witnesses appeared before our committee. One was our colleague, the senior Senator from Maine [Mrs. SMITH], who testified on behalf of the householders and the industries of New England, saying that they are paying an extraordinarily great increased cost for oil products, and they do not like it.

Another witness was Mr. Hines H. Baker, president of the Humble Oil Co., who testified in defense of the action of that company recently in increasing the price of crude oil.

The significant thing to me about the testimony of Mr. Baker was that he pointed out the increasing cost of steel, pipe, machinery, and other items during the past several years. He laid particular emphasis upon the increased costs beginning with the year 1953 and continuing through 1954, 1955, and 1956, so far as the figures were available.

The Secretary of the Treasury, Mr. Humphrey, appeared before the Joint Economic Committee during December last, I believe, before Congress had assembled, and spoke about the danger of inflation, as he saw it. He gave his advice about the necessity of cutting Government expenditures, but when asked to name any expenditures which could be cut he declined to do so.

The head of the Federal Reserve Board, Mr. Martin, also testified before our committee. Members of the committee interrogated him about the efforts the Federal Reserve Board has been making, through increasing the rate of interest upon borrowed money and, incidentally, increasing the rate of interest on money which the Government borrows. Mr. Martin explained that this was an effort to hold rising costs in restraint; but raising costs have not been held in restraint.

I am not attempting now to state any conclusion with respect to these matters. However, a very clear situation developed this morning, as between the householders all over the country who object to the increasing cost of fuel oil, and the driller, who objects to increasing costs for the materials which he needs to produce the oil. I believe that this situation poses a very interesting problem. The executive branch of government has made no suggestion whatsoever as to what should be done. The Congress will be faced with the necessity of doing something.

I ask unanimous consent that the table from the New York Times be printed in the RECORD at this point as a part of my remarks, to be followed by the statement made by the senior Senator from Maine to the committee; that, in turn, to be followed by a copy of the statement made by Mr. Hines H. Baker, president of the Humble Oil Co.

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

[From the New York Times of February 18, 1957]

ONE-YEAR MATURITIES ARE $75,584,325,783

Direct obligations of the United States Government in the hands of the public that will mature within 12 months amount to $75,584,325,783. They consist of Treasury bonds, certificates of indebtedness, bills, and notes as follows:

Feb. 21: Discount bills	$1,599,827,000
Feb. 28: Discount bills	1,600,093,000
Mar. 1: Series E savings bonds[1]	2,221,561,610

[1] Maturing monthly within a year from this date forward.

Mar. 1: Series F savings bonds [1]	$439,668,849
Mar. 1: Series G savings bonds [1]	1,576,728,600
Mar. 7: Discount bills	1,600,005,000
Mar. 14: Discount bills	1,599,968,000
Mar. 15: 2⅞s Treasury notes	590,000,000
Mar. 21: Discount bills	1,600,310,000
Mar. 22: 2¾s tax anticipation certificates	3,220,612,000
Mar. 22: Tax anticipation bills	1,005,647,000
Mar. 28: Discount bills	1,614,593,000
Apr. 1: 1½s Treasury notes	10,000,000
Apr. 4: Discount bills	1,599,988,000
Apr. 11: Discount bills	1,600,455,000
Apr. 18: Discount bills	1,600,483,000
Apr. 25: Discount bills	1,600,512,000
May 2: Discount bills	1,700,238,000
May 9: Discount bills	1,700,188,000
May 15: 1⅝s Treasury notes	4,154,930,000
May 16: Discount bills	1,700,438,000
June 24: Tax anticipation bills	3,351,464,000
June 24: 3¼s tax anticipation certificates	1,311,980,000
Aug. 1: 2¾s Treasury notes	12,056,091,000
Aug. 15: 2s Treasury notes	3,792,028,000
Oct. 1: 1½s Treasury notes	824,196,000
Oct. 1: 3¼s certificates of indebtedness	7,270,942,000
1958:	
Jan. 1: Series E savings bonds	2,343,258,752
Jan. 1: Series F savings bonds	210,252,572
Jan. 1: Series G savings bonds	1,667,867,400
Feb. 14: 3⅜s certificates of indebtedness	8,420,000,000
Total	75,584,325,783
Week ago	78,812,842,783
Year ago	69,489,729,203

[1] Maturing monthly within a year from this date forward.

PRICE INCREASES BOTHER US ALL—STATEMENT OF SENATOR MARGARET CHASE SMITH TO O'MAHONEY COMMITTEE, FEBRUARY 21, 1957

Mr. Chairman and members of the committee, at a meeting of February 6, 1957, the members of the New England senatorial conference instructed me to appear in behalf of that group before senatorial committees investigating the matter now before your committee. It was also anticipated that the Committee on Interstate and Foreign Commerce, of which four New England Senators are members, would hold hearings on this matter.

Consequently, I have delayed my request for appearance before your committee until the Committee on Interstate and Foreign Commerce organized its plans for inquiry and study of this matter. I did so in the desire of appearing before the two committees at approximately the same time. However, I was informed the other day that the Committee on Interstate and Foreign Commerce had decided, in the interests of avoiding duplication of the hearings of your committee, not to hold hearings although making a serious study of the matter.

I believe that there is little that I can add to the basic information which has been given you other than some refinements with respect to the effect of the fuel oil price rise upon the New England States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut.

As a region, New England probably has the coldest and longest winters of any area in the United States. Since there have been no appreciable discoveries of oil or natural gas in New England and with the conversion from coal to oil heating during recent years, New England is perhaps the heaviest and most dependent consuming area of fuel oil.

To that extent, we of New England are at the mercy of the oil producers. We do not have the luxury of refusing to buy fuel oil if we feel the price is too high. We have practically no choice but to buy—if we want to keep our homes warm and our families from freezing. That is particularly the case in my home State of Maine.

As one who believes in free enterprise, I would ordinarily be impressed with the policy of permitting the law of supply and demand applied to the adjustment of this situation. Unfortunately, that respected law is not completely applicable to this situation for the simple reason that the situation existing at least borders on, or approaches, a monopolistic condition.

For a competitive factor is almost nonexistent. The only appreciable element of competition which has acted to provide some degree of protection for New England fuel-oil consumers in the past has been foreign imports of oil. And on that score we of New England have had to wage a continuing fight against attempts of domestic producers to have restrictive quotas and other restrictions placed on foreign imports of oil. Obviously these attempts of the domestic oil producers have been to eliminate the competition of foreign oil.

Had their efforts in the past on this been successful, they would have converted New England fuel-oil consumers into practically a captive market and made them helpless captive consumers.

I have read and been told that domestic oil producers have claimed that an oil price rise was justified and necessary many, many months ago and even years prior to the recent rise in prices. Perhaps they are right. Perhaps they can fully justify the oil price rise.

For I would unhesitatingly acknowledge that there has been a general rise of prices on many commodities.

But surely that cannot justify the recent raising of oil prices on the law of supply and demand for production and storage statistics reveal oil supplies and inventories at their highest levels in history. The plain fact is that the supply is greater than the demand. And under the working of the law of supply and demand, prices should fall instead of rise when supply far exceeds demand.

What then is the explanation and the justification? Apparently it is the Suez crisis and the blocking of the Suez Canal. But if that is the attempted justification and explanation, it is not convincing for supply and production still remain ahead of demand.

Instead what appears to be an attempt to exploit the Suez crisis actually makes domestic oil producers extremely suspect. If there was a justification and need for increasing oil prices years and months ago, then why didn't the domestic oil producers raise their prices at that time?

I don't profess to know the answer. But I would observe that it is entirely possible that oil prices were not raised by domestic oil producers prior to the Suez crisis for the very obvious factor of competition from foreign imports of oil. Perhaps domestic oil producers didn't dare increase prices for their oil for fear that they would lose such markets as the New England market because imported foreign oil could be purchased at lower prices.

So that it may very well be that the Suez crisis is the real reason for the price increase since the factor of foreign oil competition appeared to be eliminated or drastically curtailed for the period of the Suez crisis. In other words, that it was the element of elimination or curtailment of foreign competition rather than a matter of supply and demand.

For the Suez crisis at least gave the hope of greater possibility of making New England more of a captive market than it had been in the past—more of a captive market than had been unsuccessfuly attempted by domestic oil producers' pressures for restrictions against foreign oil imports to New England.

This is not a pleasant picture to captive consumers bearing the brunt of a fuel-oil price increase in the middle of a very cold winter. The people of New England are reasonable and fair people. But they, in turn, want fair treatment and they protest economic exploitation of themselves.

The authoritative magazine Fuel Oil and Oil Heat estimated that on January 1, 1956, there were 1,380,133 oil burners in use in New England, of which approximately 6 percent were in small stores and the like, the balance in homes.

The average consumption of fuel oil, for New England, per household is figured by the industry as 1,600 gallons per year. This, of course, may vary with weather and obviously from home to home depending on the condition of the equipment and the design and construction of the home.

In 1956 the price of fuel oil per gallon in Portland, Maine, rose from 14.1 cents as reported in January 1956 to 15.0 cents in January 1957—a rise of almost 1 cent a gallon. But in 1 month in 1957 from January to February there was an even greater rise from 15.0 to 16.0 cents. In other words, a price rise of 1 cent in 1 month. I am told that such an increase of 1 cent occurred throughout New England.

If the 1 cent rise holds for the rest of 1957, it will mean that the relatively captive consumers of New England will have had to pay out of their pockets over $22 million dollars more for fuel oil than they did in 1956.

And it may ultimately be even more than that in view of some claims that it will be necessary to raise oil prices even more. For every cent raise on a gallon of fuel oil, the heating bill of New England fuel oil consumers will be hiked another $22 million.

Perhaps your committee may not be able to persuade domestic oil producers to roll back their prices. Obviously the captive consumers of New England have no significant buyer strike bargaining power on that.

But if the hearings of your committee serve no other purpose than to prevent a further increase in oil prices, you will have earned the deep gratitude of the people of New England in the serious plight that domestic oil producers have placed them in.

In closing, may I say that I hope and am confident that the domestic oil producers will be given every chance to explain their side of this matter. However, from my viewpoint, thus far, they have failed to make a plausible case for themselves and to remove the suspicion that New England fuel oil consumers have of their motives.

I have asked for statistical information from the Independent Oil Men's Association of New England, Inc., with respect to oil consumption and prices in New England. I submit that supplied information along with my statement to the committee for its information and use in the study of this matter.

STATEMENT ON PETROLEUM PRICES BY HINES H. BAKER, PRESIDENT, HUMBLE OIL & REFINING CO.

On January 3, 1957, Humble Oil & Refining Co. increased its posted prices for crude oil in Texas by an average of about 35 cents a barrel. In announcing this increase, the company made the following statement:

"The immediate cause of this price change is the sharp increase in demand for domestic crude oil, particularly in Texas, that has de-

veloped since the flow of Middle East crude oil to Europe and the east coast was drastically curtailed by recent events. Humble has been unable to secure its requirements at former prices.

"An important cause of a more basic nature is the substantial rise in unit costs since the previous general increase in crude-oil prices in June 1953. During this period of more than 3½ years crude-oil prices generally have remained constant although wages and salaries, costs of materials purchased, and the investment required for the same amount of production have all increased greatly. In view of these various circumstances, Humble has advanced prices by an amount that should help it to secure additional supplies which it has been unable to purchase to meet unusually heavy demands, and should also tend to encourage the rate of domestic exploration and development of new oil resources desirable for reasons of national security."

While the statement sets forth the basic reasons for Humble's action, further information is supplied herewith in connection with the change in prices at which Humble buys and sells crude oil in Texas. Information is also supplied with reference to gasoline price changes.

EFFECT OF THE SUEZ CRISIS ON HUMBLE'S SITUATION

In October 1956, crude-oil production in Texas was 2,924,000 barrels daily. In the Texas market, Humble purchased 366,000 barrels daily from others and had available a total supply including net production run from its leases of 568,000 barrels daily. Our refinery runs were 241,000 barrels daily, of which about 150,000 was purchased oil. In addition we had some net production sold at leases to others in Texas and other States.

Early in November the flow of crude oil from the Middle East to Europe and to the east coast of the United States was drastically reduced by the closing of the Suez Canal and the disruption of pipeline movements from Iraq to the eastern Mediterranean. On November 2, 1956, Humble was advised by affiliates of Standard Oil Co. (New Jersey), its largest customers, of an additional emergency export requirement at a rate of 5 to 8 million barrels a month for November and December. This constituted an increase of more than 50 percent in the amounts customers wished to purchase from Humble. We were also advised that substantial emergency requirements might continue for an indefinite period depending upon the restoration of normal movements from the Middle East to Europe.

Humble was asked to use its best efforts to provide the maximum possible quantity for export to Europe although it does not normally supply oil for Europe. It proceeded immediately to make available all the supplies it could from its receipts and inventories and to purchase additional supplies from others. In November and December, Humble was able to supply for export to Europe 7,611,000 barrels, which was less than our customers could have taken if we had been able to make more available. It was able to do this only by extraordinary spot purchases of 3,605,000 barrels from other companies and by drawing on its inventories. The company's inventories at coastal terminals for tanker loading were virtually exhausted by the end of December, so that its ability to meet requirements in 1957 depended on the supplies that it could secure from current production and from spot purchases from other companies.

Humble made appearances before the railroad commission of Texas presenting vigorously its additional requirements for crude oil in November, December, and January. There were other purchasers, however, who apparently did not need or want additional supplies of crude oil, as indicated by their nominations. After weighing evidence on market demand and other factors, as provided for by the Texas conservation statutes, the railroad commission set allowable production in December and January at only slightly higher levels than in November. After crude oil inventories showed a substantial decline, it allowed a further increase of over 100,000 barrels daily for February. The allowable production established by the commission did not make available to us as much oil as we wanted. We say this as a fact and not as a criticism of the commission because it had many factors to consider in the performance of its legal duties.

We repeatedly sought to buy crude oil from other companies but were unable to secure oil in the quantities needed. In December, we bought outright what oil was available, including 2,232,000 barrels we were able to buy from inventories held by several companies only by agreeing to make available an equivalent amount of oil in 1957 at the same prices they charged Humble. Because of the urgent needs of our customers, we bought crude oil on this basis, thereby taking the risk of having to buy oil at higher prices in 1957 to take the place of oil exported to Europe at lower prices. By the end of the year we were no longer able to secure additional supplies from other companies at prevailing prices or even through special arrangements such as described.

As a result of the preceding circumstances, Humble's prospective receipts of crude oil at the end of 1956 were such that it could plan to supply for export only 600,000 barrels in January against a minimum export demand of 5,500,000 barrels. Humble was advised by its principal customers that unless additional supplies could be made available it would be necessary to divert tankers from the gulf coast to the Middle East. This action would reduce the ability of tankers to deliver oil to Europe and would increase costs because of the distance and cost of the trip around Africa.

Efforts to make available additional oil on the gulf coast appeared highly desirable in the situation that existed at the end of December. We concluded that the only possible method remaining by which we might secure such supplies was to raise our price for crude oil. From our knowledge of the basic economic situation in the domestic petroleum producing industry and of the implications of the crisis in the Middle East for long-term domestic petroleum requirements, we decided that a higher level of posted prices at which Humble buys and on the basis of which it sells crude oil was required both immediately and for the long run. We hoped that this action would make available some additional supplies for emergency shipments to Europe. We believed also that such a move was consistent with the desirable long-term objective of seeking to assure for Humble a greater potential source of domestic supplies for its customers in the long run, as set forth more fully in the following section.

LONG-TERM IMPLICATIONS OF THE SUEZ CRISIS

The Suez crisis emphasized the hazards involved in the use of oil from the Middle East. Beyond the immediate effects, it demonstrates dramatically that future supplies of domestic oil are even more important for the security of the United States and its allies than had been generally realized. In our judgment, the crisis meant that proved domestic reserves of petroleum should grow at least as rapidly as domestic demand in order to avoid the risk of increasing dependence on foreign oil. By this criterion, the level of prices that had prevailed in recent years was inadequate.

Although drilling has continued to increase, it is a matter of concern that in recent years proved domestic reserves of crude oil have increased at a considerably slower rate than domestic demand. In 1954 and 1955, for example, they increased by only about 1.1 billion barrels, or an average annual rate of only 1.8 percent. Domestic demand has continued to grow at an average rate in excess of 4 percent annually. Domestic productive capacity has been rising at a satisfactory rate relative to normal requirements. There has been a deterioration, however, in the basic relationship of known reserves to demand. The trend in this relationship, which is the basic measure of the adequacy of domestic exploration in terms of future requirements, is shown for the period 1941–56 in the following summary:

Relation of proved reserves to domestic demand in the United States

	Jan. 1 proved reserves, millions of barrels			Domestic demand, millions of barrels	Ratio of proved petroleum reserves to domestic demand, total liquids
	Crude oil	Natural gas liquids	Total		
1941	18,300	2,850	21,150	1,486	14.2
1946	19,942	3,078	23,020	1,793	12.8
1951	25,268	4,268	29,536	2,574	11.5
1956	30,012	5,438	35,450	3,228	11.0

Source: American Petroleum Institute (reserves) and Bureau of Mines (demand).

The tabulation shows that proved domestic petroleum reserves are now less adequate in relation to domestic demand than at the beginning or end of World War II. In 1956, proved domestic petroleum reserves were only 11 times the annual rate of domestic demand. This ratio of reserves to demand is considerably lower than in the past and less than is desirable. This declining ratio reflects the lack of incentives for domestic exploration and development of new resources.

BROADER CONSIDERATIONS AFFECTING CRUDE OIL PRICES

With this background of recent developments, let us look at the broader considerations affecting crude oil prices. Two important facts stand out: (1) petroleum prices have not kept pace with the increase in costs, and (2) the rate of earnings on domestic petroleum operations has been declining and is relatively lower than it should be as compared with other industries considering the risks involved.

Since 1947, there have been only two general increases in crude oil prices. Crude oil prices in the United States averaged $2.60 in 1948. They declined slightly in 1949–50, and did not increase generally until 1953. An advance of about 25 cents in 1953 raised the average price to about $2.77 a barrel. This advance was much less than the change that had occurred in costs in the preceding 5 years, as I stated in testifying before the House Committee on Interstate and Foreign Commerce in June 1953. The second general advance followed the increase Humble made in January 1957 and appears to have raised average industry prices to about $3.07 per barrel compared with $2.60 at the end of 1947, an increase of 18 percent.

The wholesale price index for petroleum and products as of January 29, 1957, following the recent price increase, was 29 percent higher than in the base period 1947–49 according to the latest information released by the Bureau of Labor Statistics. By comparison, the principal cost items in petroleum producing operations have shown increases of 40 to 60 percent. Wage rates in petroleum production have increased by 52 percent from an average hourly rate of $1.64 in 1947–49 to $2.49 at the end of 1956. The wholesale price indexes at the end of 1956 showed increases of 63 percent for iron and steel, 52

percent for metal and metal products, and 43 percent in machinery and motive products as shown by the following tabulation. The prices of these commodities are major elements of cost in petroleum operations.

Wholesale commodity price indexes, 1947–49 equals 100, for petroleum and other major groups

	Year 1948	Year 1953	December 1956	Estimate, January 1957
Petroleum and products	111.7	112.7	120.9	129.3
Major groups particularly affecting petroleum costs:				
Iron and steel	104.3	131.3	163.3	(1)
Metal and metal products	103.9	126.9	152.4	(1)
Machinery and motive products	100.9	123.0	143.5	(1)

[1] Not available.

Source: Bureau of Labor Statistics.

The changes in two of our principal cost items, wages and steel, can be illustrated by the experience since the general crude oil price increase in June 1953. Wage rates in petroleum operations increased 4 percent in 1953, 4 percent in 1955, and 6 percent in 1956, making a cumulative increase of more than 14 percent. The price of J–55 steel casing for new wells increased 4.5 percent in June 1953, 3.1 percent in July 1954, 7 percent in July 1955, 7.7 percent in July 1956, and 3.3 percent a few days ago, making a cumulative increase of about 28 percent since May 1953. The price of this casing is now $198.25 a ton compared with $154.65 at the end of May 1953. While these numerous wage and price increases were taking place, crude oil prices generally remained the same during the 3½-year period prior to the recent advance.

In addition to the effect of the large increases in costs of materials and labor, the petroleum industry has had to contend with other factors adding greatly to its costs. The increasing depth of new wells, the increasing proportion of dry holes, and the rising volume of work in expensive areas, such as offshore drilling, all contribute to rising unit costs. Constant improvement in technology and investment in more efficient equipment have been offsetting factors that have helped to make the advance in wholesale prices of petroleum and products relatively smaller than that of many other commodities.

The preceding factors have operated to increased industry costs on the order of 10 to 15 cents a barrel annually. This would indicate an increase in costs of 35 to 50 cents a barrel since the last general advance in crude oil prices in June 1953. This consideration was a major factor in our decision as to the amount of the price increase we made in January 1957.

The fact that costs for petroleum have risen more than prices has meant decreasing profit margins and a lower rate of return on investments in domestic petroleum operations.

Despite the popular impression of greatly increased profits in the petroleum industry, our studies indicate that the rate of return on investments in domestic petroleum operations has been declining during the past 10 years. Exhibit 1 shows the net income and net assets of eight important domestic oil companies that are relatively large producers without substantial income from foreign operations. It shows that the total investment by the eight domestic companies listed had approximately doubled between 1948 and the end of 1956, whereas their net income was only 40 percent higher in 1956 than the average in 1947–49. Consequently, the rate of return on investment had declined to a level that falls below the average for manufacturing corporations generally, although the rate of return should be higher because of the greater risks in oil producing operations.

Exhibit 2 shows the return on net assets of leading corporations by major industrial groups. It indicates a return of 14.2 percent on petroleum producing and refining, including the high return on large foreign investments, compared with 15 percent for corporations engaged in manufacturing generally. It should also be noted that the rate of return in 1955 in a number of industries, such as chemicals, cement, iron and steel, automobiles, and aircraft, was higher than in petroleum operations. The return for the petroleum industry in 1954 and 1955 was at its lowest postwar level, but the 1955 rate of return in manufacturing generally and in several major industries was at the highest level in 5 years.

Rate of return on net assets of leading corporations by major industries, 1951–55

	Percent return					Change 1951–55
	1951	1952	1953	1954	1955	
Petroleum production and refining	16.6	14.5	14.7	13.8	14.2	−2.4
All manufacturing	14.4	12.3	12.7	12.3	15.0	+0.6
Iron and steel	12.3	8.8	11.6	9.4	15.2	+2.9
Chemical products	16.3	13.5	13.2	14.4	17.7	+1.4
Autos and trucks	17.6	18.7	19.4	18.0	29.1	+11.5

Source: First National City Bank of New York Monthly Letter.

Humble's experience illustrates the decreasing rate of return on domestic petroleum investments. Its net income in 1956 of $179 million was only 9 percent more than in 1953 and actually less than the income 8 years before in 1948. By comparison, the company's investment has increased approximately 25 percent since the end of 1953 and 87 percent since the end of 1948. Humble's rate of return in 1956 was less than 15 percent on its average net investment, and much less than that on recent investments.

It is well to note that average returns on total petroleum investments substantially overstate the rate of return being realized on current investments because of the much higher level of costs now being incurred than was the case for reserves acquired in earlier years. We cannot expect money to be reinvested in exploration and development in order even to replace current production, much less to expand reserves, unless the return on current investments appears sufficiently attractive to compensate for the risks taken.

In view of our immediate needs for more crude oil, of the cost and profit conditions in the industry, and of the length of time required to realize results from expanded exploration and development, we concluded at the end of 1956 that a higher level of prices paid by Humble to those from whom it purchases oil was not only immediately appropriate but also in the right direction for the long run.

CRUDE OIL PRICE CHANGES IN 1957

On January 3, 1957, we raised prices on the crude oils we handled by amounts varying generally from 25 cents to 45 cents a barrel, depending on relative values, and averaging about 35 cents on our total volume. The amount of the increase was a matter of judgment. The general increase we made seemed to us the minimum warranted by the circumstances.

The level of general market prices is, of course, determined by evaluation of buyers and sellers as to current and prospective conditions of both supply and demand. A certain amount of trial and error is involved in the determination of a new level of market prices following the initiation of price changes. At times in the past when others initiated price increases that in our judgment were not warranted by the economic circumstances then prevailing, we have resisted making any changes. In 1947, our judgment to resist an upward movement in prices proved wrong and we had to meet a higher level in order to secure necessary supplies for our customers. In 1948, we resisted another price increase and in this case our judgment proved right as borne out by the fact that the companies initiating the changes finally had to drop back to the general market level. If our judgment on crude oil prices in January 1957 had been in error, other companies would not have changed their prices and Humble would have taken action to move back toward the established market level.

Humble posted price increases varying among grades of crude oil in accordance with its interpretation of their relative values. Other companies made changes which were smaller in some cases and larger in others than those posted by Humble. In west Texas, for example, Humble increased its price by 25 cents a barrel, but a number of companies raised prices by 35 cents a barrel and one raised 30 cents. Subsequently over a period of time, these purchasers dropped back to a 25-cent increase. For the Anahuac and Sweden grades, we posted an increase of 45 cents but others raised comparable crudes only 35 or 40 cents. Humble found that market conditions established a lower price than it had posted; and it adjusted its prices for these grades downward by 5 cents a barrel on February 1, 1957.

Adjustments of the type described are part of the process of finding the general market level. By the end of January, it appeared that the general market level for crude oil prices had increasd about 25 cents a barrel in west Texas and the midcontinent areas, about 35 cents in east Texas, and about 40 cents along the gulf coast, with an average increase of about 30 cents in Texas and 25 cents in the midcontinent producing area.

RECENT GASOLINE PRICE CHANGES

As a direct marketer of gasoline in Texas and New Mexico, Humble had to decide what part of the increase in cost of crude oil it should seek to recover from gasoline. We had to consider the situation of our refinery and also the increase in prices paid to several inland refineries for gasoline bought from them to supply part of our market.

We estimated that the average price of the crude oil used at our refinery increased about 35 cents a barrel. The output of products from a barrel of crude oil is about 40 gallons after allowing for refinery use and losses. In order for the company to realize in its refining operations the higher price of the crude oil used, whether from its own production or from purchases, it was necessary to realize nearly 1 cent a gallon more on all refined products. Therefore, we decided to raise prices at which we sell gasoline to service stations by 1 cent a gallon. The inland refineries from which we buy gasoline to supply more than 30 percent of our gasoline market raised their prices to us by an average of 1 cent a gallon, with a range from 0.875 to 1.25 cents. The amount of our increase was therefore the minimum amount that would cover the higher prices for crude oil used to make gasoline at our refinery and for gasoline purchased from other refineries.

Humble's tankwagon price for regular gasoline was increased generally in Texas from about 15.5 cents a gallon to 16.5 cents, excluding taxes. This increase was 6.5 percent. With a normal dealer margin of 5.5 cents a gallon, the delivered price of Humble's regular gasoline to customers, excluding 8 cents

in Texas and Federal gasoline taxes, is about 22 cents a gallon. In terms of performance, the quality of Humble's regular gasoline now is about equal to that of premium gasoline 3 years ago, although its price is 1 cent less than premium gasoline was in 1954.

The American Petroleum Institute reports that the average retail price of gasoline, excluding taxes, in 50 cities was 21.61 cents a gallon in 1956. If this price were to advance generally by 1 cent a gallon to 22.61 cents, it would still be only 1.33 cents, or 6 percent, above the average price in 1953. Even with such an increase, gasoline continues to be a better buy than in the past. The average hourly earnings in all manufacturing were reported to be $2.05 at the end of 1956, compared with $1.77 in June 1953, an increase of over 15 percent. With the pay from an hour's work, the average employee in manufacturing can buy 9 gallons of gasoline, excluding taxes, compared with 8.3 gallons in 1953. Even taking into account taxes, which have increased from an average of 7.4 cents a gallon in 1953 to 8.9 cents a gallon currently, the pay for an hour's work in manufacturing will still buy 6.6 gallons of gasoline now compared with 6.2 in 1953. In fact, the pay for an hour's work buys more gasoline than in any prior year, as shown by exhibit 3. Furthermore, the quality of gasoline today is far superior to that in earlier years.

The question has been raised why gasoline prices should increase at all in view of a current level of inventories considerably higher than a year ago. The level of inventories is only one factor affecting prices. Costs and the current relation of demand and new production, taking into account seasonal factors, are far more important influences on price than inventories.

The seasonal nature of the demand for gasoline and heating oil means that gasoline stocks normally increase substantially in winter and decrease in summer, while heating-oil stocks decrease in winter and increase in summer. Industry operations geared to this fact, including the accumulation of seasonal inventories, allow the industry to meet consumer requirements at the lowest possible cost. Furthermore, as demand increases it is necessary to carry larger total inventories to fill additional lines and tanks in order to avoid any risk of shortages. Surveys by the National Petroleum Council at the request of the Government have shown that about 36.5 percent of inventories of gasoline and other clean products are required as pipeline fill and in tank bottoms. A substantial part of the available inventory is required for normal operations, with the result that only a relatively small part of the total inventory is available for market.

The figures on inventories of gasoline in relation to demand will provide a perspective on the situation in recent years.

Relation of United States gasoline demand and inventories

	1941	1946	1951	1954	1955	1956	1957
Inventories, Jan. 1, million barrels	84.4	97.7	116.8	157.9	155.4	165.4	[1] 185.8
Rate of demand for year, thousand barrels daily	1,903	2,139	3,102	3,466	3,750	3,873	[2] 4,060
Days' supply related to demand during year	44.4	45.7	37.7	45.6	41.4	42.7	45.8

[1] Preliminary. Inventories as of Dec. 28, 1956.
[2] Forecast.

Source: Bureau of Mines (demand and inventories) and American Petroleum Institute.

The tabulation shows that in terms of days' supply gasoline inventories are quite close to what they have been in many previous years, such as 1941, 1946, and 1954. Only in a short-term perspective of selected recent years do gasoline inventories appear high in terms of demand, and that may be the result of seeking to meet the rapidly increasing demand for distillate which is concentrated largely in the winter months.

Gasoline inventories at the beginning of 1957 were about 20 million barrels, or 12 percent higher than a year ago. In our judgment they were higher than necessary for this time of year, but probably by not more than 3 to 5 days' supply in terms of the average rate of consumption estimated by the Bureau of Mines for 1957. In this light, the level of gasoline inventories at the beginning of 1957 was not such a burden on the market as to preclude the prospect of reflecting the higher price of raw materials in the price of gasoline. Furthermore, the seasonal addition to gasoline inventories in January was smaller than in any of the 4 preceding years. In other words, the current relation of demand to supply was stronger than normal at this time of year. Consequently, gasoline inventories of 196,400,000 on February 1 were only 13,700,000 barrels higher than a year ago, a considerable improvement from a month earlier. With recent adjustments being announced in refinery runs and yields in an effort to supply more oil for Europe, there should be a decline in the level of inventories relative to demand.

CONCLUSION

The preceding information can be summarized by the statement that prices of crude oil, gasoline, and petroleum products generally are relatively low. They are low considering the increases in costs of labor and materials used by the petroleum industry. They are low in terms of the earnings and purchasing power of consumers. They are low in that the rate of return on domestic petroleum investments has been declining and is now less than in manufacturing industries generally. Finally, and most important, they are low in that they have not encouraged enough exploration to maintain the ratio of proved reserves to domestic demand.

In the light of these facts, we concluded early in January that an increase in prices was long delayed and that as a buyer and seller of crude oil and gasoline we should seek to adjust our prices upward. On the basis of our knowledge of conditions in the domestic petroleum industry, we believed that this action was a step in the right direction, both in an immediate effort to supply the present extraordinary demand and for the long run, and that it would prove to be in the national interest. We are still of this same view.

EXHIBIT 1

Net income and net assets [1] of 8 important oil companies with relatively large production and without substantial income from foreign operations

	1947	1948	1949	1950	1951	1952	1953	1954	1955	Estimate, 1956
Net income:	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*
Humble	$124.1	$186.1	$120.5	$129.4	$169.5	$145.3	$164.3	$146.3	$175.0	$178.9
Standard (Indiana)	94.9	140.1	102.7	123.6	148.7	120.0	124.8	117.2	157.1	167.8
Phillips	40.9	72.6	44.5	51.6	73.7	75.3	76.8	76.2	95.2	95.2
Continental	31.4	54.2	36.1	42.4	41.3	38.1	40.9	41.7	46.4	51.8
Ohio	29.2	49.3	33.7	37.3	41.7	39.4	43.5	38.2	41.3	41.2
Skelly	21.1	39.8	26.2	28.5	31.1	28.0	31.3	29.5	32.2	33.0
Shell	61.4	113.8	80.4	94.2	97.0	90.9	115.4	121.1	125.5	135.8
Amerada	14.9	22.6	14.4	15.4	16.3	15.9	18.4	19.8	25.4	28.7
Total	417.9	678.5	458.5	522.4	619.3	552.9	615.4	590.0	698.1	732.4
Net assets [1] (end of period):										
Humble	559.4	673.5	722.1	779.6	865.2	928.5	1,008.6	1,072.9	1,163.9	1,257.5
Standard (Indiana)	924.9	1,018.7	1,083.3	1,165.7	1,271.6	1,356.8	1,436.9	1,574.2	1,701.1	1,822.6
Phillips	332.7	388.1	416.0	448.5	568.6	613.5	653.7	693.2	901.1	941.4
Continental	168.6	210.0	266.8	246.7	263.7	277.9	293.5	310.1	329.2	351.2
Ohio	139.6	173.8	192.4	212.0	234.0	253.7	275.9	294.4	315.3	335.5
Skelly	92.6	127.8	147.8	169.9	192.5	211.4	233.4	253.1	275.0	297.7
Shell	306.9	377.9	413.9	489.4	546.0	596.5	671.3	740.9	814.9	890.1
Amerada	42.6	55.8	62.3	68.2	75.1	81.5	90.5	100.8	115.1	131.2
8 companies	2,567.3	3,025.6	3,264.6	3,580.0	4,016.7	4,319.8	4,664.8	5,039.6	5,615.6	6,027.2
Rate of return on average net assets: [1]										
8 companies	*Percent* 17.39	*Percent* 24.26	*Percent* 14.58	*Percent* 15.26	*Percent* 16.30	*Percent* 13.26	*Percent* 13.70	*Percent* 12.16	*Percent* 13.10	*Percent* 12.60

[1] Shareholders' investment.

Source: Annual reports and preliminary statements for 1956.

EXHIBIT 2

Percent return on net assets of leading corporations in selected industrial groups

Industrial group	Number of companies	1947	1948	1949	1950	1951	1952	1953	1954	1955
Tires, rubber products	26	16.0	13.4	8.7	15.9	16.4	13.4	14.0	11.9	15.1
Lumber	27	33.1	23.1	10.7	17.0	16.0	11.4	10.3	9.7	14.2
Paper and allied products	76	23.7	19.6	12.8	17.1	16.1	12.0	12.2	12.4	13.8
Chemical products	61	17.2	16.9	17.1	21.4	16.3	13.5	13.2	14.4	17.7
Drugs and medicines	24	20.7	21.3	16.2	21.9	19.9	14.6	13.8	14.8	18.3
Petroleum production and refining	92	19.9	27.9	15.7	15.2	16.6	14.5	14.7	13.8	14.2
Cement	32	11.5	17.0	18.8	17.8	14.5	14.3	15.0	18.6	20.3
Iron and steel	56	11.3	13.9	11.6	15.3	12.3	8.8	11.6	9.4	15.2
Agricultural implements	11	11.0	13.6	15.8	15.7	11.9	10.9	8.1	6.9	8.8
Building, heating, plumbing equipment	75	19.6	20.1	12.6	17.8	13.8	10.9	10.2	9.8	11.5
Electrical equipment, radio and TV	87	19.9	20.3	17.3	22.5	16.0	14.8	14.9	13.9	12.8
Machinery	157	17.0	18.6	12.4	14.2	14.9	14.1	12.9	11.7	11.6
Office equipment	29		24.3	18.4	19.3	16.9	14.3	13.2	14.7	16.9
Nonferrous metals	41	14.8	15.3	8.0	14.5	13.5	11.5	11.0	10.8	16.7
Instruments, photo goods	49							13.5	16.9	17.7
Autos and trucks	15	20.7	25.4	30.2	32.5	17.6	18.7	19.4	18.0	29.1
Aircraft and parts	41	−6.0	2.9	8.2	14.3	9.1	17.9	20.1	27.1	24.7
Total manufacturing	1,765	17.1	18.2	13.9	17.1	14.4	12.3	12.7	12.3	15.0
Coal mining	21	11.4	16.1	7.2	8.7	9.0	6.6	3.5	1.7	5.6
Metal mining	36	13.0	11.4	7.2	14.7	14.3	10.4	8.8	10.0	13.7
Other mining, quarrying	11	24.3	24.9	29.4	29.8	25.8	24.2	24.4	26.8	26.2
Total mining, quarrying	68	16.0	20.5	12.0	13.2	13.0	10.1	7.9	8.2	11.9

Source: First National City Bank of New York Monthly Letter

EXHIBIT 3

Gasoline prices related to hourly earnings, United States

	Average retail price of regular gasoline at 50 cities (per gallon)		Hourly earnings in manufacturing	Gallons of gasoline purchased with an hour's pay in manufacturing			Average retail price of regular gasoline at 50 cities (per gallon)		Hourly earnings in manufacturing	Gallons of gasoline purchased with an hour's pay in manufacturing	
	Excluding tax	Including tax		Excluding tax	Including tax		Excluding tax	Including tax		Excluding tax	Including tax
1919	$0.2541	$0.2547	$0.477	1.88	1.87	1938	.1407	.1951	.627	4.46	3.21
1920	.2974	.2983	.555	1.87	1.86	1939	.1331	.1875	.633	4.76	3.38
1921	.2611	.2631	.515	1.97	1.96	1940	.1275	.1841	.661	5.18	3.59
1922	.2482	.2520	.487	1.96	1.93	1941	.1330	.1923	.729	5.48	3.79
1923	.2106	.2197	.522	2.48	2.38	1942	.1446	.2043	.853	5.90	4.18
1924	.1946	.2094	.547	2.81	2.61	1943	.1456	.2053	.961	6.60	4.68
1925	.2009	.2220	.547	2.72	2.46	1944	.1462	.2059	1.019	6.97	4.95
1926	.2097	.2338	.548	2.61	2.34	1945	.1448	.2050	1.023	7.06	4.99
1927	.1828	.2109	.550	3.01	2.61	1946	.1469	.2077	1.086	7.39	5.23
1928	.1790	.2094	.562	3.14	2.68	1947	.1693	.2311	1.237	7.31	5.35
1929	.1792	.2142	.566	3.16	2.64	1948	.1954	.2588	1.350	6.91	5.22
1930	.1616	.1995	.552	3.42	2.77	1949	.2027	.2679	1.401	6.91	5.23
1931	.1298	.1698	.515	3.97	3.03	1950	.2008	.2676	1.465	7.30	5.47
1932	.1330	.1793	.446	3.35	2.49	1951	.2031	.2715	1.594	7.85	5.87
1933	.1241	.1782	.442	3.56	2.48	1952	.2024	.2756	1.673	8.27	6.07
1934	.1364	.1885	.532	3.90	2.82	1953	.2128	.2869	1.765	8.29	6.15
1935	.1355	.1884	.550	4.06	2.92	1954	.2156	.2904	1.81	8.40	6.23
1936	.1410	.1945	.556	3.94	2.86	1955	.2142	.2907	1.81	8.45	6.23
1937	.1459	.1999	.624	4.28	3.12	1956 (estimate)	.2161	.2989	1.98	9.16	6.62

Source: American Petroleum Institute (gasoline prices) and Bureau of Labor Statistics (hourly earnings).

NEGOTIATIONS IN THE MIDDLE EAST CRISIS

Mr. JAVITS. Mr. President, the gravity of the situation in the Middle East was forcefully emphasized by the President in his address to the Nation last night. This is the time to continue, not to stop, negotiating in the Mid-East crisis. The President himself has said:

> When I talked to you last October, I pointed out that the United States fully realized that military action against Egypt resulted from grave and repeated provocations.

Yet, not by a single act or deed has Egypt given any assurances to the United States, to the United Nations or to anybody else that these grave and repeated provocations will not be renewed. Our country undertakes important moral responsibility, too, in our suggestions for a solution; do we ourselves not need some declaration on Egypt's position?

Israel's forces have evacuated the whole land mass of the Sinai Peninsula, into which its military forces penetrated on the stated ground of self-defense, and its forces are now only in the narrow littoral of Sharem-el-Sheikh. Other than that they are in the Gaza Strip, which is administered under an armistice and is not Egyptian territory.

What is their purpose? Are they holding Sharem-el-Sheikh under any color of permanency or desire to acquire territory? Of course not. They are there, according to Israel's Prime Minister, awaiting guaranties that the grave and repeated provocations will not again be repeated. In short, Israel is seeking to attain peace, which is the United Nations' mission, and not to hang on to territory not its own. Prime Minister Ben-Gurion, in his reply to President Eisenhower's letter of November 8 urging withdrawal, said:

> In view of the United Nations resolutions regarding the withdrawal of foreign troops from Egypt and the creation of an international force, we will, upon conclusion of satisfactory arrangements with the United Nations in connection with this international force entering the Suez Canal area, willingly withdraw our forces.

The real problem is, however, that the United Nations has accepted Egypt's authority to bring about the removal of the United Nations emergency force whenever it wants to and, therefore, to end its mission. On this basis, and in the absence of any assurance by Egypt as to its future conduct in the Gulf of Aqaba or elsewhere, have we any right to demand of Israel full performance of the U. N. resolutions while we fail to make a simultaneous demand upon Egypt for compliance with U. N. resolutions?

In fact, the problem is one of self-preservation and national safety and survival for Israel, and of this the tone of the President's address shows he has a deep understanding. The President has just stated:

> The United States as a member of the United Nations would seek such disposition of the United Nations emergency force as would assure that the Gaza Strip would no longer be a source of armed infiltration and reprisals.

But can this be done so long as this force is subject to being ousted on Egypt's demand, according to the U. N. interpretation of its authority, and while

Egypt has not renounced belligerency against Israel or, indeed, taken any other position along the lines of the President's address. The President also said that "Egypt has in the past violated the armistice agreement and international law" and also "that Egypt ignored the United Nations in exercising belligerent rights in relation to Israeli shipping in the Suez Canal and in the Gulf of Aqaba."

Under these circumstances, we face a moral as well as a political determination, and there should be no such thing as sanctions or an end to negotiations, but rather a continued effort to find a solution. It is highly doubtful that sanctions would be voted in the United Nations at this time with the United States opposing them, as it should under these circumstances. The moral position seems to me to require demands on both Egypt and Israel, and not on Israel only. In a court of law, Israel would have the right to counterclaim and have all rights determined in one decree.

The New York Times said, in a leading editorial on February 11, what is even more true today:

> The friendship of the Arab States, if that is what we are working for, is not worth while if it has to be brought by subterfuges and injustices.

FEDERAL FOREST EXPERIMENTAL STATION IN SOUTHWESTERN WISCONSIN

Mr. WILEY. Mr. President, I am pleased to bring to the attention of my colleagues a meritorious project for conservation of our natural resources in a three-State area.

The project would establish a much-needed Federal forest experimental station in southwestern Wisconsin, to remedy a serious condition of soil erosion, flood damage, and forest depletion in an area of over 7 million acres, including portions of Wisconsin, Iowa, and Minnesota.

Especially, I would urge my colleagues on the Senate Appropriations Committee to give this project sympathetic consideration when the forest appropriations come before that committee.

I should like to emphasize that, in this case, the State has not waited for Federal sponsorship, but has gone ahead with work on the local level. However, because the project is of a major nature, and includes an interstate area, I believe that Federal participation is not only warranted, but a real necessity.

Today, I received a fine statement from Mr. L. P. Voigt, director of the Conservation Department of Wisconsin, which stresses the very urgent need of this forest station.

I send to the desk the text of this statement, along with comments by myself, and request unanimous consent that they be printed at this point in the body of the RECORD.

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

STATEMENT BY MR. L. P. VOIGHT, DIRECTOR OF CONSERVATION FOR THE STATE OF WISCONSIN

I welcome this opportunity to present for your consideration a request to provide for the establishment of a forest watershed research program in southern Wisconsin the next fiscal year.

Southern Wisconsin once supported fine hardwood forests which helped open up and develop the area. Although this area is now primarily devoted to agriculture, there are many timber and water values which should be developed to enrich the local and State economy.

The importance of the proper watershed management of our forest land is well established. The mismanagement of our land is so disastrous to our economy that we can no longer tolerate it. Floods, erosion, and insufficient supplies of good-quality water usually results. Local agencies are spending large sums of money in activities relating to the water resource; yet there is little on-the-ground research to guide the expenditure of funds and to develop sound techniques and practices for protecting the water resource.

The same is true of timber values. There are about 7 million acres of forest land in the area. The value of the forest crop is estimated at about $43 million. Although the woodlands are producing only a fraction of their potential, they are maintaining about 400 sawmills and other wood-using industries in a 20-county area of southwestern Wisconsin and Minnesota. With the expanding use of hardwood pulp, this area can contribute even more to the local economy if techniques for growing and harvesting the forest crop economically are developed.

FOREST AND WATERSHED CONDITIONS ARE DETERIORATED

In few places in the United States has the forest resource been so heavily depleted as in southern Wisconsin and adjoining counties in Iowa and Minnesota. The impact of this depletion in accelerated erosion, low-timber yield, and poor composition of woodlands is obvious. This area was untouched by the glacial action which affected the rest of the Lake States. The slopes are steep, the soil is erosive, and the problems of land management are greatly different from those elsewhere in the region. The 20 percent of the land area covered by forest includes the steeper slopes and other areas unsuited to cultivation or intensive pasturage.

Many of the woodlots are so badly understocked that they have less than half the timber volume that they could carry. One-third of the volume is in small trees—less than 9 inches in diameter. Generally, the woodlots have received little or no care. They have been deteriorated by continuous pasturing, overcutting, and burning.

Such conditions have resulted in spectacular sheet and gully erosion with its attendant floods followed by periods of low water flows. In the forest the effect has been equally damaging. Many potentially productive timber stands have been reduced to scattered overmature cull trees with a grass sod below that prevents reproduction of the stands. Low-quality species are taking over. The solution of these timber and water problems concerns everyone in the area. These deteriorated woodlands are producing only a fraction of their potential for industrial or farm use. It is doubtful that they can sustain the local wood-using industries. They are not effectively helping to regulate streamflow. The rivers are too unstable to furnish a reliable source of water for manufacturing plants, for recreation, or for generation of hydroelectric power.

Thus, the forest is only half performing its two major roles—(1) in watershed protection, and (2) as a source of income. Timber and watershed management is no longer only a matter of esthetics. It's good dollars-and-cents business.

RESEARCH NEEDS

To rebuild the forest land to greater productivity and to improve the capacity of the land to protect soil and water values will require a careful research program. The present research effort is not adequate to meet the needs of the area. The University of Wisconsin is carrying out a limited program of forest research. The State conservation department is contributing to this effort at a cost of over $100,000 annually. However, studies in watershed management and forest management—two of the major lines of research needed—are lacking. The multiplicity of problems cannot be solved by the present local effort alone. The Federal Government's responsibility is to at least match the local effort and bring our knowledge of forest and watershed management up to the level of other fields in agriculture.

To carry out the type of research program needed will require the establishment of an experimental forest where methods of cutting can be developed which will produce a forest crop and at the same time protect soil and water values.

Studies on how to insure reproduction in oak stands and on how to establish forest cover on open hillsides that have not revegetated naturally are urgently needed. Standard forest planting methods are not fully effective on these different sites. Yet, the soil-bank legislation passed by Congress indicates the tremendous interest in tree planting as a means of diverting acres from surplus crop production.

The study areas will also serve as a demonstration to timberland owners and farmers on the steps needed to rehabilitate and manage the existing depleted stands. The proposed watershed-research program will serve as a field center where timber owners can bring their special forest problems concerning the effects of grazing and timber cutting on water yield and soil erosion, the effects of different management systems on quality and quantity of streamflow, and the development of logging road systems that are adapted to the hilly topography and erodible soils. The water, timber, soil, recreation, and wildlife resources are all dependent parts of an integrated research program.

For these reasons I request that $100,000 be appropriated specifically to the United States Forest Service to establish a forest watershed-research program in southern Wisconsin. The staff for such a research program would work in close cooperation with the State Agricultural Experiment Station, industry, and other groups interested in the forestry problems. This would permit coordination and integration of research programs and make efficient use of research funds. Findings from this region will have wide application in the north-central region.

Local agencies have long recognized the need for a research program. They have not sat idly by and waited for the Federal Government to do the job—but have made a start. It is the declared policy of the Wisconsin Conservation Commission to cooperate with the United States Forest Service in every way possible in this effort. Should the Congress see fit to provide the funds requested, the commission will provide lands on which to conduct these investigations. This is the sort of States-Federal cooperation that deserves wholehearted support.

STATEMENT BY SENATOR WILEY

I am happy to urge favorable consideration by my colleagues of the establishment of a Federal forest research station in southwestern Wisconsin. Not a single-State project, this would carry forward a badly needed program in a three-State area of Iowa, Minnesota, and Wisconsin.

HISTORY OF CRITICAL SITUATION

Historically, the area was untouched and consequently unlevelled by the continental glacier. As a result, the steep slopes and gorges allow runoffs which cause serious erosion, flooding, and general depletion of the land and timber. For example, the streams flowing through the area erode about 40,000 to 42,000 tons of silt annually, or about 12½ tons per day per square mile. The effect on the forests has been equally damaging, with a loss of timber for local farms and wood-using industries—hence, a loss of a source of income. Moreover, under present circumstances, the flow of water in the streams is too unstable to be utilized for either recreation or for generating electricity for manufacturing plants.

The establishment of a Government research station in southwestern Wisconsin would provide the research necessary for a program to revitalize the area and make use of its valuable resources—now rapidly deteriorating.

Under present law, the Department of Agriculture is authorized to carry out such a proposed project. The Department has indicated that this particular project is sound and needed to cope with the problem of conserving our natural resources.

USE OF PUBLIC LANDS IN NORTH DAKOTA, SOUTH DAKOTA, AND WASHINGTON

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 92, H. R. 348.

The PRESIDENT pro tempore. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 348) to amend sec. 12 of the act approved February 22, 1889 (25 Stat. 676) relating to the admission into the Union of the States of North Dakota, South Dakota, Montana, and Washington, by providing for the use of public lands granted to the States therein for the purpose of construction, reconstruction, repair, renovation, furnishings, equipment, or other permanent improvement of public buildings at the capital of said States.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

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

The PRESIDENT pro tempore. The bill is open to amendment.

Mr. GOLDWATER. Mr. President, I have submitted an amendment to the bill. However, when I submitted it I did not realize the emergency situation that lay behind the bill. Therefore I ask unanimous consent that my amendment be changed to the form of a bill and referred to the appropriate committee.

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

Mr. MURRAY. Mr. President, in support of the pending bill I wish to present a statement, which I ask unanimous consent to have incorporated in the RECORD at this point.

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

STATEMENT BY SENATOR MURRAY

When the States of North Dakota, South Dakota, Montana, and Washington were admitted into the Union, the Federal Government retained title to most of the lands within those States, thus greatly limiting the sources of revenue available to those States for the financing of State governments. In recognition of this fact, the enabling act of 1869 provided for various land grants to aid those States in financing their schools, asylums, and penal institutions, public buildings at the State capitals, and other purposes.

One of these land grants set aside 50 sections of land in the States of North Dakota, South Dakota, Montana, and Washington, the income from which was to be used for the erection of buildings at the State capitals for legislative, executive, and judicial purposes. Over the years, the State of Montana has authorized bond issues, the principal and interest of which were payable from the income of the State capital buildings land grant. A bond issue was authorized in 1955 to reconstruct and renovate the State capitol building and to install voting machines in the legislative chambers; the issue was payable from the income of the State capital buildings land grant.

By its decision in the case of *Bryant* v. *The Board of Examiners of the State of Montana*, the Supreme Court of Montana held that funds from the capital buildings land grant could be used for no other purposes than "* * * to erect a building * * *." This decision operates to preclude the proposed bond issue referred to and to block urgently needed reconstruction and repair of the Montana State capitol building, a portion of which has been condemned and vacated.

I contend that by providing land grants in the enabling act for the erection of buildings at the State capital, it was the intent of Congress that such lands be used to aid the several States in bringing such facilities into useful being and in continuing such buildings in useful being. It naturally follows that expenditures for building sites, construction, equipment, and furnishings, repairs, and renovation, and interest on money borrowed for these purposes are necessary to provide for such accomplishments.

The House of Representatives and the Senate Committee on Interior and Insular Affairs believe that to restrict the use of the income from the capital buildings land grants for erecting buildings only, as the word is used in its narrowest sense, is wasteful and uneconomic, falls short of the objectives sought, and precludes the most effective and efficient use of such income.

The PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be offered, the question is on the third reading of the bill.

The bill (H. R. 348) was ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

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

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nominations of Ellis Verne Widney, and John David Vanderveer, for promotion in the Regular Air Force, which nominating messages were referred to the appropriate committees.

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

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

Joseph A. Jenkins, of Texas, to be a member of the National Labor Relations Board;

Jerome D. Fenton, of Connecticut, to be General Counsel of the National Labor Relations Board; and

Dr. Michael Ellis De Bakey, of Texas, and sundry other persons, to be members of the Board of Regents of the National Library of Medicine, Public Health Service.

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Christian A. Herter, of Massachusetts, to be Under Secretary of State.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF DEFENSE

The legislative clerk read the nomination of Mansfield D. Sprague, of Connecticut, to be an Assistant Secretary of Defense.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of E. Perkins McGuire, of Ohio, to be an Assistant Secretary of Defense.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Robert Dechert, of Pennsylvania, to be General Counsel of the Department of defense.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

BOARD OF PAROLE

The legislative clerk read the nomination of Eva Kelly Bowring, of Nebraska, to be a member.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEYS

The legislative clerk proceeded to read sundry nominations of United States attorneys.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations of United States attorneys be considered and confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

UNITED STATES MARSHAL

The legislative clerk read the nomination of Antonio C. Basa, to be United States marshal for the District of Guam.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

SUBVERSIVE ACTIVITIES CONTROL BOARD

The legislative clerk proceeded to read sundry nominations in the Subversive Activities Control Board.

Mr. JOHNSON of Texas. I ask unanimous consent that these nominations be considered and confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

DEPARTMENT OF THE NAVY

The legislative clerk read the nomination of Vice Adm. James L. Holloway, Jr., to be Chief of Naval Personnel and Chief of the Bureau of Naval Personnel.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations in the Army be considered and confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

UNITED STATES AIR FORCE

The legislative clerk read the nomination of Brig. Gen. Marvin Edward Kennebeck for temporary appointment as major general in the United States Air Force.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED NATIONS

The legislative clerk read the nomination of Mrs. Oswald B. Lord to be representative of the United States of America on the Human Rights Commission of the Economic and Social Council of the United Nations.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of John M. Allison to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Indonesia.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES INFORMATION AGENCY

The legislative clerk read the nomination of Arthur Larson to be Director of the United States Information Agency.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

The legislative clerk read the nomination of Laird Bell to be a member.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

NOMINATIONS IN THE ARMED SERVICES LYING ON THE VICE PRESIDENT'S DESK

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations lying on the Vice President's desk be considered and confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the sundry nominations in the armed services are considered and confirmed en bloc. That completes the Executive Calendar.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be notified of all nominations confirmed today.

The PRESIDENT pro tempore. Without objection, the President will be so notified.

CONFIRMATION OF CHRISTIAN A. HERTER, OF MASSACHUSETTS, TO BE UNDER SECRETARY OF STATE

Mr. KENNEDY subsequently said: Mr. President, I ask unanimous consent that the statement which I have prepared in support of Mr. Herter's nomination be placed in the RECORD at the point where discussion concerning his nomination took place.

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

I take this opportunity to say a word on behalf of an outstanding son of Massachusetts, Chris Herter. Although former Governor Herter and I have not always agreed politically and otherwise, and though I have no doubt that we may well differ from time to time on his decisions in the post to which he is now being named, I thought it important to let my colleagues in the Senate, on the Democratic side of the aisle, know of the high esteem all of us in Massachusetts have for him.

Mr. Herter is regarded by all citizens of our State, I believe, as a man of the highest character, integrity, and ability. It was my privilege to serve with him in the House of Representatives; and to work with him from the Senate while he served two terms as Governor; and I am looking forward to working with him further in his new post.

I did not, of course, consult with him about my statement today, and trust that the endorsement of a good Democrat does not embarrass him. But I want to assure my fellow Democrats, and any others who may have questions about this nomination, that the President has selected an outstanding Republican and an outstanding citizen for this high post, one whose word is always good and whose decisions, we can be sure, are always motivated by the highest interests.

CONFIRMATION OF NOMINATION OF DOROTHY McCULLOUGH LEE TO BE CHAIRMAN OF THE SUBVERSIVE ACTIVITIES CONTROL BOARD

Mr. NEUBERGER subsequently said: Mr. President, the Senate today confirmed the nomination of Dorothy McCullough Lee, of Portland, Oreg., to be Chairman of the Subversive Activities Control Board. I wish the RECORD to show that I urged the Judiciary Committee to report favorably upon Mrs. Lee's nomination by the President, and I am pleased that the Senate has ratified her appointment.

Dorothy McCullough Lee was an outstanding State legislator in Oregon and one of the best mayors Portland ever has had. She stood firm against racketeering and corruption.

As Portland's chief executive, Mrs. Lee showed great tolerance for minority views and for the civil liberties of those charged with alleged subversion and similar offenses. I have every hope and faith that she will serve her country with distinction as Chairman of the Subversive Activities Control Board. She is a woman who has made many notable attainments in the public life of America.

Women now comprise more than 50 percent of our national population. It is heartening to see them recognized at high levels in government.

LEGISLATIVE SESSION

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

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

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

Mr. MANSFIELD. Mr. President, has the Senate concluded its morning business?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there further morning business? If not, morning business is closed; and the Chair lays before the Senate the unfinished business, which is Senate Joint Resolution 19.

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. MANSFIELD. Mr. President, before proceeding to the remarks I intend to make on the pending resolution, I should like to comment briefly on the events of yesterday involving our policy on the Middle East.

In the morning Members of both parties conferred with the President at the White House. It was a serious conference on matters which affect the vital interests of all the people of the United States. There was a free and frank exchange of ideas. It was an example of the kind of responsible cooperation which places the Nation's welfare above party welfare. The meeting was conspicuously free of the practices which surrounded the handling of the pending resolution by the executive branch some weeks ago.

Last night we had evidence of the value of this type of responsible cooperation under the leadership of the President. In his address to the Nation, Mr. Eisenhower made clear for the first time

the scope and the gravity of the situation in the Middle East. It is not necessary to agree fully with all the reasoning of the President in order to see in his address the beginnings at least of the emergence of an intelligible policy directed at the real issues in the Middle East.

The clarity of the events of yesterday are in such sharp contrast to the obscurity of the pending resolution that it seems to me all the more essential that the Senate act to bring this resolution into harmony with the spirit of the President's address last night.

Mr. President, in line with the above remarks I should like to read into the RECORD a statement I made last night at the conclusion of the address of the President of the United States.

The President seems to have made his extremely difficult decision and we will do our best to uphold him. I believe, however, that if sanction is the ultimate answer against Israel that the doctrine of equality will have become a mockery. It is to be hoped that if the General Assembly vote sanctions, the Security Council will reconsider such action in the hope that a settlement will have been reached through a simultaneous complete withdrawal of Israel from Gaza and the Gulf of Aqaba areas and an immediate replacement at once by United Nations forces. These forces should stay in these areas until an agreement is reached between Israel and the Arab States. Nothing will be gained by going back to the status quo ante bellum, and negotiations should and must be continued without letup at the present time to the end that a truce guaranteed by a United Nations police force can be achieved and maintained. In my opinion, I believe the President of the United States was not only talking to the people of this Nation, but to the Government of Israel as well. He was doing so, again in my opinion, with the hope that a settlement will be reached in the meantime and the issue to be before the United Nations on Friday avoided.

That, Mr. President, is the end of my comment on the President's speech of last night.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I shall be glad to yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. I should like to study in detail the entire statement which the Senator has made before expressing a final comment on it because I believe that it contains certain aspects with which I do not concur, but I wish to commend him highly for his remarks concerning the meeting at the White House yesterday, where real bipartisanship was evidenced. I think the Senator will agree to that statement.

Mr. MANSFIELD. To me it was a striking example of how two parties and an administration of one party can work together and, in the words of the leader of the Democratic Party in the Senate [Mr. JOHNSON], work on a responsible and a cooperative basis. I hope that many more meetings of the kind held yesterday morning will be held in the future. I think the country will be the gainer in the results that ensue.

Mr. SMITH of New Jersey. I agree with the Senator's statement, and I congratulate him on his previous remarks.

Mr. SALTONSTALL. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. SALTONSTALL. I also wish to commend the Senator from Montana for his statement, again reserving a possible difference of opinion concerning a few of the premises on which he based some of his remarks.

But I should like to ask the Senator a question. Does he differ from what the President said last night in his statement with reference to the withdrawal of the troops of Israel, and placing at the Straits of Tiran and in the Gaza strip United Nations troops? I was not quite sure from listening to the Senator whether he differed with the President in any way on that point.

Mr. MANSFIELD. I may say to my distinguished colleague from Massachusetts, with whom I disagree very seldom, that I think the Secretary of State, in his efforts on behalf of the President to assure passage through the Gulf of Aqaba, was offering to go just about as far as this Nation should go.

I recall to the Senator, however, the fact that, under a United Nations resolution dated February 2, a proposal was made—I am not at all sure as to whether it was agreed to—to the effect that United Nations troops would occupy the Gaza Strip and the area along the Gulf of Aqaba after Israel withdrew its troops from those areas.

The Senator will recall that some of us have felt that the word "after" should have been deleted and the term "at the same time" substituted, so that there would be no doubt of any intervening force coming in. There would be no doubt that if Israel withdrew from those areas, the United Nations police force would take over and remain there until the matter was settled.

I may say further that I not only believe that should be done but I believe this Government should take the lead now in trying to make permanent the United Nations police force, which is in being at the present time, so that there may be a "fire fighting" outfit on hand at all times, and we can get away from the idea of unilateral action on the part of our own country.

Mr. SALTONSTALL. I thank the Senator for his exposition. It was my understanding of the President's statement last night, which perhaps elaborated on some of the things he said at our conference with him yesterday morning, that the United States would do everything it could, in good faith, as a friend of Israel, to try to solve these problems as soon as the Israel troops withdrew and the United Nations troops came in.

The Senator agrees with that, does he not?

Mr. MANSFIELD. I certainly agree with the Senator's statement.

It is my hope, and I know it is the hope of all the Members of this body and of this administration, that something can be arrived at before this matter is brought before the United Nations tomorrow, so that the issue can be avoided and that further steps can be taken to solve the difficulties inherent in that situation at the present time.

Mr. SALTONSTALL. I thank the Senator for his elaboration of the one question which arose in my mind.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Montana yield further?

Mr. MANSFIELD. I shall be happy to yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, there just appeared on the ticker the following statement:

JERUSALEM.—Eban was told to leave tonight or early tomorrow, informants said. Ben-Gurion is reported to be sending a personal cable to President Eisenhower outlining Israel's hopes for further negotiations. The reports said the cable will stress that these negotiations should aim at withdrawal of Israeli troops from the Gaza strip and Aqaba areas while safeguarding Israeli security and freedom of shipping.

The Prime Minister met with his Cabinet for 3 hours this afternoon. A second Cabinet meeting is scheduled for later in the day.

This news is of interest to me, and I am sure that it is to everyone else.

Mr. MANSFIELD. The news is encouraging. Let us hope that some agreement can be reached in time, to the end that we shall not be forced to make a decision which may well make a mockery of the doctrine of equality.

Mr. SMITH of New Jersey. I agree with the Senator in that statement.

Mr. MANSFIELD. Mr. President, President Eisenhower's original proposal on the Middle East, in my opinion, had two basic weakness. In the first place, the proposal distorted the constitutional principle of separation of powers. In the second place, the manner in which it was presented was such as to suggest a bold new policy, a new doctrine for dealing with the grave problems of the Middle East. In fact, the approach is not new, and the most critical problems of the Middle East are touched hardly at all by the resolution.

The actions of the members of the combined Committees on Armed Services and Foreign Relations and the initiative of the able and distinguished Senator from Minnesota [Mr. HUMPHREY] have helped to correct the first weakness in the President's proposal, namely, the constitutional weakness.

The amended resolution, Senate Joint Resolution 19, the version which has come from the committees, is similar to the President's in one respect. It states at least as clearly that this country regards as vital to our national interests and world peace the preservation of the independence and integrity of the nations of the Middle East. It states at least as clearly the determination of the United States to use whatever legitimate means may be necessary to prevent armed aggression from destroying the independence and integrity of those nations.

Yet there is a difference. It is a difference in words, but it is an enormous difference. It does not affect the principal purpose of the resolution which is to forestall Communist aggression in the Middle East. On the contrary, it strengthens that purpose. It does affect, however, and it affects most profoundly, the constitutional processes by which this purpose shall be pursued.

Under the original version, Congress was asked to authorize the President to use Armed Forces in the Middle East.

"Authorize" was the key word. The committee version strikes that dangerous constitutional concept from the resolution. By so doing, it places responsibility for the use of Armed Forces, short of a declaration of war, more definitely where it belongs under the Constitution—on the President alone.

Is this a mere quibbling over words, Mr. President? I do not believe it is. I do not believe the Senate will so regard it. We shall not so regard it if we stop to consider that in almost 170 years of constitutional practice, the Formosa Resolution and this resolution are, so far as I am aware—and I have done some research on this matter—the only cases in which a President has asked Congress in this fashion for authority to employ the Armed Forces prior to a declaration of war. Yet the Armed Forces have been used to protect American interests abroad many times throughout our history without a declaration of war.

Mr. President, if in almost 170 years of constitutional practice there are only two cases of this kind, both under the same President and both in the last few years, then it ought to be clear that this change which the committees have made involves far more than a mere quibbling over words. What is involved is perhaps more fundamental than the action we may or may not take in the Middle East crisis. It is a matter which goes to the heart of our system of government.

I realize, Mr. President, that in trying to remove the constitutional weakness in the resolution, the committees were dealing with a very difficult question. It may not be possible ever to draw with words that precise point at which the President's responsibilities as Commander in Chief of the Armed Forces divides from the congressional authority to declare war. It is a distinction that lies in a twilight zone of constitutional power between the executive and legislative branches of the Government.

The committees' effort, however, has the merit of reversing the possibly dangerous precedent set by the Formosa Resolution several years ago, a precedent which would have been reinforced by the acceptance of the President's version of the pending resolution. Carried to a logical extreme, an accumulation of precedents in which Congress authorizes the President "to use the Armed Forces," could have only two possible outcomes.

I speak now not of what would be likely today or tomorrow or next year but of the decades which lie ahead. It is the responsibility of each Senator individually and of the Senate as a whole to measure actions taken by this body not only against the needs of the hour but for the long future when others will have to live with the consequences of our acts.

Carried to a logical conclusion, precedents of authorizing the President to use the Armed Forces could lead on the one hand to this result: They could eventually convert a fundamental power of the Presidency—the power to command the Armed Forces—into a congressional function.

If the President comes to us now for permission to order the Armed Forces to fire if necessary in the Middle East, how long will it be before other Presidents will feel impelled to come to Congress for permission to move the Armed Forces to the firing line? Where would this trend leave the country in a nuclear age when instant decisions by the President may be necessary?

Reduced to their logical extreme, these precedents, authorizing the President to use the Armed Forces, could bring about slowly, almost imperceptibly, fundamental changes in our system of government. We could be moving it on the one hand in the direction of a parliamentary form of government, with the President reduced either to a figurehead or to a mere agent of Congress.

As the able majority leader, the distinguished senior Senator from Texas [Mr. JOHNSON], has said in discussing the word "authorize" in the original resolution, it would "create a precedence for a weaker Presidency." The resolution as amended strengthens, reaffirms, and reasserts the constitutional authority of the President as Commander in Chief of the Armed Forces of the United States.

The new wording reasserts that Presidential power, moreover, at the same time that it shuts off still another avenue of distortion of our constitutional system which was possible under the original resolution. In authorizing, Congress would accept responsibility for the actions which will be taken pursuant to the authorization. It would assume responsibility for actions which have not yet taken place and whose nature we cannot anticipate. It would endorse, in effect, whatever employment the President sees fit to make of the Armed Forces. Under a system of separate powers, however, Congress does not control that employment. Congress would approve in advance whatever uses are made of the authorization, whether they are wise uses or foolish uses, whether they are cautious uses or reckless uses. Congress, in short, would impair its right of independent criticism and correction. That course invites the irresponsible use of executive power by sharing responsibility in matters over which Congress has no control and little specific knowledge. At the end of that road lies executive tyranny.

It may be contended, I suppose, that the original language of the resolution could not have worked both ways, that it could not have provided precedence both for a parliamentary system of government and arbitrary executive power. Mr. President, that is precisely what I believe to be the case. In its original phraseology, the resolution was a significant step away from the system of checks and balances. That much is certain, even though the direction of the step might not be clearly visible except in retrospect.

I do not suggest that if we had accepted the "initial" version, we would reach under the Presidency of Mr. Eisenhower the extreme of executive tyranny any more than we would find ourselves suddenly functioning under a parliamentary system of government. I do say, however, that both possibilities were implicit in the language of the original resolution.

I know that the Senate shares my conviction that the form of government under which we live is worth preserving beyond the lifetime of the President or any of us in the Senate. That is why I believe the committees of the Senate were not quibbling when they altered the language in the pending resolution. They were performing a distinguished service to the Nation.

The President came to Congress for authority to use the Armed Forces prior to a declaration of war. By this change, the committees have reminded the President that only the Constitution can give him that authority.

The President came to Congress with a request that it assume responsibility for actions which may involve the use of Armed Forces short of a declaration of war. The committees have reminded the President that under the Constitution only that he can assume that responsibility.

At the outset of my remarks, I noted that the original version of the resolution had not one, but two weaknesses. Amendment by the committee has corrected the constitutional weakness. As for the second, the hearings and the report of the committees reveal its presence but I believe it remains uncorrected in the present version. It was for that reason that I voted against reporting this measure. I wished to reserve unimpaired my right to bring to the attention of the entire Senate what I believe to be this second basic weakness.

Mr. President, only two major provisions are involved in the pending resolution, as the distinguished Senator from New Jersey [Mr. SMITH] so ably pointed out in his analysis the other day. The first emphasizes our determination, in the defense of vital national interests, to act to prevent Communist aggression in the Middle East. The second gives the executive branch greater flexibility in dispensing $200 million in public funds already appropriated for military and other assistance to the nations of that region. In connection with the latter provision, the executive branch originally sought total flexibility; but again the work of the two committees has served to retain at least some restraints. The distinguished majority leader [Mr. JOHNSON], the senior Senator from Virginia [Mr. BYRD], the senior Senator from New Hampshire [Mr. BRIDGES], and the senior Senator from Massachusetts [Mr. SALTONSTALL] were instrumental in securing in committee adoption of amendments to that effect.

If I may reiterate, then, the joint resolution, as reported, has only two principal elements: First, it emphasizes the national determination to take whatever measures may be necessary to defend our vital interests against Communist aggression in the Middle East. Second, it gives the executive branch greater flexibility in spending $200 million already appropriated. That is all the resolution does in law.

Is that all it does in fact? Is that the impression the resolution has created at home and abroad? Was that the actual intent of the resolution?

If the President believed it was essential merely to emphasize what is already known—namely, our determination to oppose Communist aggression—then a

resolution confined to that purpose would have sufficed. The distinguished senior Senator from Georgia [Mr. RUSSELL] repeatedly noted that point during committee consideration of the measure.

However, the executive branch was adamant in its insistence that the expression of opposition to Communist aggression must not be separated from the aid provisions of the resolution. But as I have already noted, these provisions involve merely the granting of greater flexibility to the President in the use of $200 million in funds already appropriated. In itself, Mr. President, that is not an inordinate demand. If that was all that was desired, a simple request from Mr. Eisenhower, I believe, would have brought prompt changes in existing legislation.

That was not the way, however, in which the matter was handled by the executive branch. On the contrary, the manner of presentation gave the proposed resolution a tremendous and worldwide significance. I recall, as do other Members, I am sure, the personal appearance of the President at a joint meeting of both Houses of Congress. I recall the sense of urgency and crisis which was injected into the proceedings.

We found ourselves dealing with more than a simple reiteration of opposition to Communist aggression. We found ourselves dealing with more than minor changes in appropriations legislation. We were confronted with what was promptly labeled in this country and throughout the world as a new policy for the Middle East—or, even more, a new doctrine. A change to a new policy, Mr. President, is always a matter of great importance to the people of the United States. A new doctrine is of even greater moment. It implies a course of action with which we shall have to live for decades to come.

That is the impression which this resolution created, both at home and abroad. If the executive branch did not deliberately create the impression, that branch certainly did nothing to allay it. The committee's hearings and report have attempted to correct it, but I am afraid that the distortion is now too widespread. Even here in the Senate, during the present debate, we have heard repeated reference to the "Eisenhower doctrine."

Mr. President, I do not know whether a new doctrine is required for the Middle East. I do know that we need, and need urgently, a new policy. The manner in which this resolution has been handled by the executive branch has created the illusion of one, but in my opinion it does not even begin to provide the basis for one.

What it does do is to restate in more emphatic tones, as the result of the committees' amendment, our determination, in our national interests, to oppose Communist aggression in the Middle East. I would have thought that repeated statements by former President Truman and President Eisenhower and the Secretary of State had made clear that opposition. Nevertheless, if the President wishes a reaffirmation in which Congress joins, I can seen no objection to the resolution as now phrased. But neither can I see a new policy.

The resolution also promises to continue military and economic aid to the Middle East in the same pattern into which it has fallen of late. If anything, with the removal of legislative restraints at the request of the President, the pattern may now become more aimless and more questionable.

What the resolution does not promise, but what it ought to promise, is action directed at the basic causes of the present tensions in the Middle East. It ignores the Suez difficulties. It ignores the Arab-Israeli dispute. It touches hardly at all on the real economic instability in the region. It ignores Soviet and other arms traffic in the Middle East which has intensified all the problems in that area.

Mr. President, if the Senate is going to join with the President in a national statement of policy, then I believe that statement ought to be more worthy of the United States than is this resolution. I believe the statement ought to illuminate our long-range purposes in the Middle East. It ought to express our deep concern over threats of aggression in that region, from whatever direction they may stem. It ought to make clear our opposition to the indiscriminate pouring of arms into that region from Soviet and other sources. It ought to emphasize our support of the efforts of the United Nations emergency forces which have performed a major service to mankind in preventing, to date, a renewal of the bloodbath between Israel and Egypt. It ought to make clear that this country is not going to subsidize endlessly with aid-funds the prejudices and oppressions which for years have kept the Middle East on the brink of turmoil. It ought to make clear that if we are going to ask the citizens of the United States to appropriate hundreds of millions of dollars for activities in the Middle East, then the expenditure of those funds by the executive branch must be linked, as was the Marshall plan in Europe, to constructive programs of specific nature, amount, and duration.

Mr. President, the work on the constitutional question by the Senate's committees has already made this resolution a far better measure than it was when it reached us. I hope the Senate, before it completes action, will act to bring about additional improvement. I hope we shall set forth the guidelines of a policy in the Middle East, a constructive policy which the people of the United States can accept in good conscience, a policy which will evoke the support of decent people in the Middle East and elsewhere in the world.

In the committee, I submitted three amendments to the resolution. These amendments were defeated, as the Members know, by virtually a straight party vote. I regret that division. There was nothing partisan in the intent of the proffered amendments, and I cannot believe that the Senators on the other side of the aisle are united in opposition to their purposes. For, what are those purposes, Mr. President?

One amendment was designed to encourage the President to seek international control over the flow of armaments into the Middle East from Soviet and other sources. As the Secretary of State made perfectly clear in his testimony before the committees, this traffic is a major source of tension. It was this traffic which set the groundwork for the recent conflict in the Suez region. Unless it is controlled in the interests of peace, it may well set off another explosion, perhaps this time with the involvement of American forces. I cannot believe the Senators on the other side of the aisle are united in their determination to prevent the inclusion in a national statement of policy on the Middle East, a clear expression of our desire to control the dangerous flow of arms into that area.

The second amendment which I proposed, Mr. President, reaffirms our moral and material support of the United Nations emergency force which is maintaining the truce in the delicate situation surrounding Suez. The acceptance of this amendment will emphasize that this country stands with the United Nations whenever that organization is really contributing to the preservation of peace. The United States, the entire world, owes a debt of gratitude to the smaller nations whose armed forces make up the United Nations emergency force in the Middle East. Without that force, it is not impossible that the great powers, including ourselves, might now be locked in combat in that area. In these circumstances, I cannot believe that the Senators on the other side of the aisle are united in opposing an expression of support for the United Nations forces in the Middle East in a statement of the policy of this Government.

The third amendment, Mr. President, represents an attempt to clarify a matter which I know has troubled members of both parties. It is the uncertainty as to where our aid policies respecting the Middle East are headed. It is the fear that in granting flexibility in the use of $200 million for several months we shall be setting the stage for programs which will run on for years and into many times that amount, without bringing any closer the elusive goal of peace in the Middle East.

This amendment, if it is adopted, Mr. President, will not foreclose assistance to the Middle East. It will emphasize, however, that before we go much further in this respect, the Senate expects to know how much is involved, what kind of aid is involved, and how long it will be involved. Most of all, it will make clear that the Senate expects aid to be related to a specific program that facilitates a settlement of the Suez dispute and the Arab-Israeli conflict, and otherwise promotes lasting stability in the Middle East. That kind of aid program, Mr. President, and only that kind, promises to serve our long-range interests in the Middle East. I cannot believe, Mr. President, that the Senators on the other side of the aisle are united in their opposition to this effort to make clear that aid programs, if they are to be a part of our policy at all, must hold rational promise of dealing with the real problems of peace and stability in the Middle East.

I believe, Mr. President, that the adoption of the amendments which I have been discussing, when added to the excellent changes already made in committee, will make this resolution something which it is now widely presumed throughout the Nation and the world to be. It will make this resolution a better guide to the kind of action in the Middle East which holds hope of coping with the key difficulties confronting us in that area. It will make this resolution a better instrumentality for serving the interests of all the people of the United States and for the preservation of world peace.

Mr. President, I should like at this time to submit three amendments, ask that they be printed and lie on the table, and express the hope that the State Department will consider the amendments and come up with some reasons as to why they should or should not be adopted. I am certain they will give them serious consideration.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The amendments will be received, printed, and will lie on the table.

Mr. FLANDERS obtained the floor.

Mr. COOPER. Mr. President, will the Senator yield, with the understanding that he will not lose the floor?

Mr. FLANDERS. I yield with that understanding.

Mr. COOPER. Mr. President, last evening the President of the United States stated his position respecting the refusal of Israel to withdraw its troops in conformity with the resolution of the General Assembly of the United Nations. It was a forthright statement and, I think, consistent with the position that the administration has followed since hostilities began in the Mideast, and it is consistent with the enunciated principle of the United States that disputes must not be settled by force.

I do not think there is any Member of this body who does not have sympathy with the problems that Israel faces. Egypt and the Arab States have refused to recognize the fact that Israel is a state. In violation of international law and, I believe, of the spirit of the Egyptian-Israeli Armistice Agreement of 1949, Egypt has refused to permit the passage of Israeli traffic through the Suez Canal and in the Gulf of Aqaba. While it is admitted that both Egypt and Israel have broken the terms of the armistice by raids on the territory mentioned, it is true that Israel has been under great provocation because of the efforts of Egypt to deny its survival as an independent and sovereign nation.

The solutions to these questions, which would assure Israel's security and the opportunity of development, are not at this moment before the United Nations. These questions are certainly connected with the consideration of the issues before the United Nations, but they are not presently before the United Nations.

Nevertheless, I think it is clear that by every diplomatic means, the President is attempting to make progress toward the realization of these aims. Our willingness to establish the character of the Gulf of Aqaba as an international waterway by the passage of our own ships, and the sponsorship of the resolution of November 2 in the General Assembly recommending an extension of the use of the UNEF between Egypt and Israel, are proof of the positive efforts of the United States to assure the security and international rights of Israel.

No one can yet say that these aims will be immediately or wholly successful. It can be said that the Government of the United States has made it clear in the United Nations, to the conflicting parties and to the world community, that they are our aims and that the President and the Secretary of State will work to achieve them by every peaceful means.

I pause at this point to pay tribute, although it is hardly necessary, to the devoted efforts of our Ambassador to the United Nations, a former Member of this body, Henry Cabot Lodge, to achieve a resolution of those issues. I think he has worked diligently and has been a faithful servant, not only of our country, but also of all democratic countries who join us in desiring world peace.

Unfortunately, the President is dealing with a situation in the General Assembly of the United Nations about which it may be required to make an immediate decision. It may be required to decide whether it will support sterner recommendations or actions to secure the withdrawal of the Israeli force. All of us hope that stronger methods, including sanctions, will not be necessary and that the issues of the free use of the Gulf of Aqaba and the interposition of the UNEF between Israel and the Gaza Strip may be worked out by negotiations in the U. N. or with the help of free countries like the United States.

It is clear that the United States holds the greatest influence toward the settlement of these questions. Certainly, Russia does not want them to be settled, and, unhappily, Great Britain and France have lost their ability, for the time, to have influence in the area. The world looks to our country. In this crisis I believe the President of the United States, the Secretary of State, and Ambassador Lodge should have the greatest flexibility in any negotiations. That is one of the reasons that led me to make a short statement on Tuesday, at the time the distinguished majority leader, the Senator from Texas [Mr. JOHNSON] placed in the RECORD a copy of his letter to the Secretary of State announcing the opposition of the leadership of the Democratic Party in the Senate to the use of economic sanctions against Israel.

I did not question the sentiment and the sympathy which were the basis of his letter. I did say that I thought it was unwise for the Congress or the majority or minority, speaking as a party, to take such a position at this time. I believe that it would serve to make both Israel and Egypt more adamant in their positions and thus make it more difficult for the President to secure some basis for agreement and avoid use of sanctions.

All of us hope with the President that the impasse caused by the refusal of Israel to withdraw its troops may be resolved and that sanctions or any drastic steps by the General Assembly may not be required.

It was very encouraging to hear the Senator from New Jersey [Mr. SMITH] state on the floor a while ago that news had been received that the Cabinet of Israel was continuing its negotiations.

Nevertheless, if the issue arises I support the President in his views because I think he is right both in principle and in the practical aspects of the problem. At the beginning of hostilities in Egypt when Great Britain, France, and Israel had chosen to use military force the United States took a very clear position. It was that our country is opposed to the use of force as a means of settling disputes and by whatever country force may be used. I believe that the United States must maintain its position. If Israel in this instance fails to comply with the resolutions, there is the possibility that fighting may break out again; and the very problems which Israel and the democratic countries of the world want settled will be made infinitely more difficult, and their solution postponed. Further, after the great efforts that have been made to stop the war and to prevent its extension into other countries, and perhaps to a worldwide war, I do not believe that one country, even a friendly country such as Israel, should risk these consequences.

I believe strongly that the position of the United States in opposition to the settlement of disputes by force must be maintained. We embarked upon a clear course of principle at the beginning of the invasion, and we applied it to Great Britain and France. It would be wholly inconsistent if we should now weaken or change that principle.

This means logically that, however desirable Israel's aspirations may be, and despite our sympathy with those aspirations, we cannot agree that they shall be attained by force. The consistent position that the Government of the United States has taken has made it clear to other countries and people throughout the world that it does support international law and international order, and this has raised the moral stature of our country. It has enlarged the capability of the United States to influence the settlement of the problems in the Mideast which caused the unfortunate military action with which the world continues to deal.

It is my own view that the action of the United States, based upon principle, in opposing the invasion by Great Britain, France, and Israel, or the use of force, from whatever quarter it might come, did more to raise the position of the United States in the eyes of the people of the world, and to secure the confidence of the great mass of the people of the world, particularly the people of the newly independent countries, than all the information services, all the speeches, and many of the actions our country has taken to prove that it stands against the use of force, and that it stands for independence and sovereignty among the newly independent countries of the world.

Whatever may be the result of negotiations in the United Nations or outside

the United Nations to avert the imposition of sanctions, if the negotiations fail, we must adhere to the principle that force shall not be used, and we must continue in our efforts and belief that solutions can be found by peaceful means. It is this principle which underlies the objectives of the Mideast doctrine which the President has enunciated, and which the Senate is now debating, without the prior condition of peace, or a consistent absence of hostilities in this section, the success of the objectives of the Mideast doctrine would be very doubtful.

It has been argued that the United States should not support sanctions if they become necessary because sanctions have not been imposed against Russia, Egypt, and other countries who may have used force. Last night the President said we were dealing with this issue, and that if in the future certain countries—notably Egypt—should fail to follow the recommendations of the United Nations, the United States would maintain its position that such countries should be required to obey those resolutions.

The principle of equality which the great Senator from Montana [Mr. MANSFIELD] has mentioned is a sound one, but I do not think it can be used to avoid the issue at hand. I support the President when he says that that principle cannot be strengthened by saying that we will not act in the case at hand. We are now—the General Assembly of the United Nations and thus the United States—seized with the question of whether sanctions should be imposed against the use of force if a solution cannot be reached. I hope it will not be necessary, but in principle, and in reality, the United States must act with the issue at hand.

I hope, together with every other Member of Congress, and the people of our country, that we shall not be forced to make such a decision, but we cannot avoid consideration of the issue. That is the reason the President spoke last night.

Our position in the world is one of influence. To maintain such influence, and retain the ability to settle these questions, the United States must maintain a position of principle; namely, that it will not support the use of force to obtain the settlement of disputes.

Mr. FLANDERS. Mr. President, in the days since the Committees on Foreign Relations and Armed Services, acting jointly, reported the Middle East resolution, I have been increasingly concerned with the action which we took in eliminating from that resolution any authorization for the President to act in this matter. In consequence, I have found it necessary to prepare an amendment reinstating the grant of authority by the Congress, instead of sliding over that grant in the vague words of the amended resolution. This amendment I shall send to the desk at the conclusion of these very brief remarks, and ask that it lie on the table, to be called up later.

Whatever our confidence in the President of the moment—and it is great—the Senate cannot give up its constitutional duty to give consent to the waging of war. I conceive that this is not a narrow duty to be exercised only as the President appears before us and asks for a declaration of war. We have had the experience of getting into a full-fledged war without a declaration.

The occasion was, of course, our beginning of what seemed a simple police action in Korea, and which afterward developed into years of bloody stalemate in which for the first time in our history our Armed Forces were directed to fight but were refused the privilege and crown of victory.

The right of the President as Commander in Chief of the Armed Forces of the United States to act in an emergency is undoubted. Should, for instance, our country be bombed without previous notice by a foreign power, our own Air Force would at once go into action, not merely in defense, but also in reprisal. It would not be necessary to ask for a declaration of war to bring that about. The action must be instant.

In a sense, the Korean situation was an emergency, but not an emergency of minutes or even of days. The bringing of our forces to bear on the North Korean attack required a few weeks of preparation which the President would have been justified in ordering without congressional assent.

As I remember the temper of those days, that support of military action would have been quickly given and with practical unanimity. The President could have had and should have had the authority of Congress for the action which he had to take. That authority was not asked for nor granted. The responsibility of Congress was not involved, and this body not only was permitted to duck the responsibility, but the President was thereby handicapped by criticism which might otherwise have been avoided.

A second somewhat similar occasion was the threatened invasion of Formosa by the Red Chinese forces. On that occasion we authorized the President, using that actual word, "to employ the Armed Forces of the United States as he deems necessary for the specific purpose of securing and protecting Formosa and the Pescadores against armed attack." There was more to the resolution, but these are the pertinent clauses.

This was not a declaration of war, but it was an authorization to proceed in actions which might well be a prelude to war. In giving its authority to these limited operations, the Senate accepted its responsibility in a way which unfortunately it was not asked to do in the Korean situation. The precedent established was a wise one. That precedent we have now thrown overboard.

When, in committee, we refused the President's request for a limited authorization we were asked to take an action similar to that which we did take in the Formosan case. The request for authorization we have denied. We have replaced it by the vaguest kind of language which seems to deny our responsibility, but leaves us free to criticize. We say "that the United States is prepared to use armed force."

Mr. President, it seems to me that this body is in the process of diluting its responsibilities. None of us can say at this moment whether the military and political crisis in the Middle East is as serious as has been represented to us. Yet we can view this crisis in the responsibilities of the Senate as being very real, and as presenting an instant problem which we should face with courage and responsibility.

We have confidence in President Eisenhower. That should not lead us to relax our muscles and let our hands hang idly when a future President, following precedents we are establishing today, involves us intentionally in a war about the wisdom of which the Congress may not be convinced but which by such precedent as we are establishing today it is powerless to prevent.

Mr. President, I now send to the desk an amendment which reads as follows:

On page 4, line 8, strike out "the United States is prepared" and insert in lieu thereof "he is authorized."

I ask unanimous consent that this amendment lie on the desk until it is called up.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, it is so ordered.

TURNING POINT OF THE COLD WAR

Mr. CASE of South Dakota. Mr. President, in his address last night, President Eisenhower said:

The basic pledge of all the members of the United Nations is that they will settle their international disputes by peaceful means and will not use force against the territorial integrity of another state.

If the United Nations once admits that international disputes can be settled by using force, then we will have destroyed the very foundation of the organization, and our best hope of establishing a real world order.

In these two sentences, the President summed up the basic issue that is at stake in the Israeli question today. Personally, I think the President is right. If the nations who profess adherence to law and morality in making international agreements abandon their commitments and resort to force, the world returns to the law of the jungle.

There is that phase of the matter, and I recognize it, but I wish primarily to mention another aspect of the situation. This other phase is the effect of the whole situation on the so-called cold war—the struggle for the minds and feelings of men in the great area that comprises the 400 million people of Moslem religious faith.

If those state leaders who deny the existence of God can say to the Moslem world "Look at your nations that talk of morality; they take what they want by force"—the cause of freedom loses its greatest weapon, the example of respect for law and pledged word.

It does not answer this point to say that the masters of the Kremlin themselves do not respect their own commitments. It merely puts everyone on the low plane that anything is all right if you get by with it.

On the other hand, if Israel will now join France and England and observe its agreement to withdraw its troops from the Gaza Strip and the entry to the port of Aqaba, as she had agreed to do, then the Communist propagandists will lose their argument.

Indeed, Mr. President, it might well be that this could be the turning point in the whole cold war. If the nations that believe in the fatherhood of God, meaning the Christian, the Jewish, and the Moslem faiths—if these unite on a basic matter of principle, then the Red tide of conquest by atheistic politicians will not engulf the Moslem world.

Mr. President, everyone has seen the maps which have shown the gradual sweep of Communist influence over the countries that border the Russian Soviet. Today, that Red tide is lapping against the countries that lie in the Middle East, the nations that make up the Moslem world which runs like a belt at the center of the globe from Morocco to Pakistan.

If, as the result of the wise intuition and profound conviction of President Eisenhower, the realization comes that God-respecting nations keep their word, a mighty spirit could sweep from Casablanca to Cairo and through the Middle East and into Pakistan with ripples carrying into India and possibly China.

If that happens, atheistic communism will be dealt a blow from which it can never recover. Against the backdrop of the bloody, dripping fist of force beating down the heroic men and women and children of Hungary will be drawn the picture of people who worship God saying in actual practice that they do not covet their neighbors' lands and will not take them by force.

Against the example of a resort to lawlessness, there will be etched a reliance upon the machinery which the nations of the world created to deal with just such questions of boundary adjustment and sea control as now threaten the peace of the world.

Mr. President, the courageous, conscientious position taken by the President of the United States in this grave hour may well be the turning point in the cold war.

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

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

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

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

PROPOSED TAX RELIEF FOR SMALL-BUSINESS CORPORATIONS—AMENDMENT

Mr. FULBRIGHT. Mr. President, on behalf of myself and Senators BARRETT, BIBLE, BLAKLEY, CAPEHART, CARROLL, CASE of South Dakota, CHAVEZ, CHURCH, CLARK, DOUGLAS, ERVIN, GOLDWATER, GREEN, HENNINGS, HILL, HUMPHREY, JACKSON, JOHNSTON, KENNEDY, MAGNUSON, MANSFIELD, MONRONEY, MORSE, NEUBERGER, O'MAHONEY, PASTORE, POTTER, SCHOEPPEL, SMATHERS, SMITH of New Jersey, SMITH of Maine, SPARKMAN, SYMINGTON, THURMOND, and WILEY, I submit an amendment which I propose to offer to H. R. 4090, the bill which would extend the present Federal tax rates on corporate income. This amendment is the same as my bill (S. 150), which I introduced on January 7, 1957—the first day upon which the introduction of bills was in order in this session of the Senate.

I ask unanimous consent that my amendment may be printed and lie on the desk until February 27 for the purpose of allowing other Senators who may wish to do so to become cosponsors.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table as requested by the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, my amendment would do two things. First, it would reduce the Federal tax burden on all corporations which have less than $225,000 in taxable income. Second, it would increase total Federal revenue in an estimated amount of approximately $20 million. These effects would be achieved as follows: the normal tax rate on all taxable corporate income would be lowered from 30 percent to 22 percent, and the surtax rate on taxable income in excess of $25,000 would be raised from 22 percent to 31 percent. This adjustment imposes the lower tax rate upon the lower amounts of income and imposes the higher tax rate upon the higher amounts of income.

I ask unanimous consent to have printed in the RECORD at this point in my remarks a table showing the effects of my proposal.

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

Effects of a normal tax rate of 22 percent and a surtax rate of 31 percent

Income subject to normal tax and surtax	Present tax liability (normal rate 30 percent, surtax rate 22 percent)	Proposed tax liability (normal rate 22 percent, surtax rate 31 percent)	Change	
			Amount	Percent
$5,000	$1,500	$1,100	−$400	−26.7
$10,000	3,000	2,200	−800	−26.7
$15,000	4,500	3,300	−1,200	−26.7
$20,000	6,000	4,400	−1,600	−26.7
$25,000	7,500	5,500	−2,000	−26.7
$50,000	20,500	18,750	−1,750	−8.5
$100,000	46,500	45,250	−1,250	−2.7
$225,000	111,500	111,500	(1)	(1)
$500,000	254,500	257,250	+2,750	+1.1
$1,000,000	514,500	522,250	+7,750	+1.5
$10,000,000	5,194,500	5,292,250	+97,750	+1.9
$100,000,000	51,994,500	52,992,250	+997,750	+1.9

[1] No change.

Mr. FULBRIGHT. Mr. President, I am greatly encouraged that 35 Members of the Senate have joined me in offering this amendment. These Senators are from all parts of the Nation and from both sides of the aisle. Because of this bipartisan support, I will not include in this statement what may be my own personal views regarding the program of the President in the field of corporate taxation. Instead, I will limit my remarks to the basic evidence which should compel the passage of this, or a similar, proposal without delay.

Mr. President, a healthy community of small businesses is essential to national growth, national prosperity, and political health. We must prevent the development of an economic no-man's land in the business world. This means that some form of encouragement must be devised for the modest-sized enterprise to enable it to grow and to remain strong. The Senate must be reminded again that a healthy community of small businesses can be maintained only to the extent that reasonable quantities of capital are available for normal growth and normal fluctuations in earned income. Capital is needed to replace wornout machinery and other equipment, to convert to new production techniques, to redesign or otherwise improve the product of the business, to weather periods of low income caused by necessary changes in product or in techniques of production, to launch new products and services, and to compete with the superior resources of giant corporations.

Businesses have three principal sources for funds with which to maintain and expand production: First, new capital investment; second, borrowing; and, third, business earnings. Small business has difficulty in obtaining equity capital because it does not have the large financial resources which will guarantee stockholders against severe loss on their investment. A small-business man who needs equity capital usually is told that the expense of raising up to $300,000 in the securities market averages almost 20 percent and may reach 25 or 30 percent. He must face the uncomfortable fact that it will cost him many times as much to tap the capital markets as it costs the larger corporations.

Because of the difficulty in obtaining equity financing, the small-business man usually must borrow money for a short term from a bank or other lender to realize his capital needs. Long-term borrowings in the securities markets are subject to the same difficulties as equity financing. Interest rates are commonly established at 6 percent or even higher for the small-business man. The large corporation may either float a debt issue of securities or borrow money at lower interest rates for long terms. What may be even more significant is that, under present conditions in the money markets, funds are not available to small businesses on any terms.

But even the supply of short-term high-interest loans is insufficient. The Federal Government has for many years recognized this problem, and the Congress has provided lending programs under the RFC, the Small Defense Plants Administration, and the Small Business Administration. In fact, one of the first actions of the 85th Congress increased by $80 million the business-loan fund of the Small Business Administration. And this was stopgap legislation, intended to last the agency only through July 1957. This assistance has been but a token solution to the problem, and I, for one, do not look to Government loans as the long-term answer.

This leaves for consideration the third source of capital—business earnings. If the flotation of securities is largely fruitless, if long-term loans at low interest rates are not available, the small business must depend upon earnings for its capital requirements. Hence, unless its profits are greater, or its tax burden is less, the small company finds itself in a

position of relative weakness compared with larger companies. It is a demonstrated fact that earnings as a percentage of sales or as a percentage of assets are much smaller for small firms than they are for larger firms.

Therefore, the only hope for improving the competitive position of small businesses is through tax adjustments. If some tax relief is not given to small businesses soon, we may find our economy even more tightly controlled by giant corporations than it is today. Mr. T. M. Evans, president of the H. K. Porter Co., of Pittsburgh, as reported by the Senate Select Committee on Small Business, recently made the following observation:

> I think that if our economic system is to continue we must have smaller businesses developing; otherwise competition will be eliminated in the next 5 to 10 years, and we will end up with 1, or possibly 2, large companies in each of the major fields * * *. Smaller businesses * * * are * * * gradually being forced out of business by the giant corporations and by some of the unfair advantages which those corporations have under our present economy.

Mr. President, I believe that many of the advantages mentioned by Mr. Evans exist in our Federal tax laws, and there are many others in this country who believe that the corporate-tax structure favors the growth of large businesses as against small businesses. For instance, Mr. Dexter M. Keezer, vice president and director of the economic department of the McGraw-Hill Publishing Co., has made the following statement:

> I think we have at the present time a high and satisfactory level of business investment * * *. But simply in terms of maintaining an adequate level of investment, I would not say that the present is an occasion to reduce the corporate tax rate. Except, may I give this qualification? Maintaining this rate means that you are going to have larger and larger corporate units at the expense of smaller units. This seems to be a matter of great social, political, and economic significance. Over a period with which we are concerned, the smaller corporations, as you well know, have not had the same rate of growth and capital acquisition.

Now, Mr. President, I want to point out some specific and significant advantages which large corporations have under our present Federal tax laws. One example of existing big-business bias in our corporate tax laws involves the accelerated depreciation of new machinery, while similar treatment is not available for used machinery. It is well known that small businesses are the principal purchasers of used machinery. Thus, the very significant benefit of the accelerated depreciation tax provisions are not available to many smaller corporations. Some people advocate including secondhand machinery under the accelerated depreciation provisions, but I think that this action alone would merely accentuate the problem. For example, under present law a large corporation can, in a relatively short time, depreciate new machinery to a figure below its market value. The large corporation can then sell this machinery for more than its depreciated value and treat the income as a capital gain. If secondhand machinery had the benefit of accelerated depreciation, small businesses would be more eager to buy secondhand equipment. Then the giant corporations would realize even greater profits from the sales and greater capital-gain windfalls.

The way to treat small businesses fairly would be to permit accelerated depreciation of both old and new machinery, and to tax income derived from the sale of depreciated machinery at the regular rates for corporate income. But until such changes are made, this is one more factor contributing to the financial dilemma of small businesses.

I have noticed recently in the press that many corporations, in their statements, now separate their income from regular operations and their income from capital gains growing out of, particularly, the sale of assets. I have observed that this is especially true in the case of air-transport companies, because they are able to realize a substantial capital gain on the resale of used airplanes. But that is merely an illustration. I have noticed that many statements will show so much income made from regular operations and so much income from capital gains.

Another advantage for large corporations is their ability to attract and hold highly skilled management and technical personnel by deferred compensation plans. These plans reduce the impact of individual income-tax rates and give a higher real income to such employees. For instances, a special bonus is given large corporations by those provisions of the tax laws which deal with stock options. All salaried employees must pay taxes upon their incomes at the regular income-tax rates. The fortunate recipient of a stock option, however, pays no tax, in most instances, when he receives the option; pays no tax when he exercises the option; and pays only a capital-gains tax upon any profit he makes when he sells the stock.

To qualify for this preferred treatment, the corporation must be able to value its stock by some acceptable reference to market value at the time when the option is granted. The small corporation, which is closely held, has great difficulty in meeting this requirement. As a result, it is the large publicly held corporations which benefit. Almost half the corporations listed on the New York Stock Exchange have such plans. The revenue loss to the Government cannot be estimated, but it is very substantial.

By this and similar devices, big business is able to attract and to hold the most able technical and executive talent. A small corporation must pay much higher salaries, if its employees who do not have stock options, are to be able to keep, after taxes, as much as the employees of the large corporation which does have a stock option plan in force. Naturally, in a competitive labor market, the most valuable employees will tend to enter the employ of the corporations paying them the highest net salaries, after taxes.

Even the owner of the small corporation may believe that he himself can find refuge against business risk, attain relative security, and provide a fund for his retirement by giving up his small business and going to work for a large corporation. The tax laws foster this trend by such provisions as restricted stock options.

Still another advantage of the large corporations is their ability to adjust to tax rates with little effect upon their rates of earnings after taxes. This is possible because large corporations can, to a considerable extent, shift a large portion of their taxes to consumers, in the form of higher prices. This is especially the case in industries which are dominated by one or a few corporate giants, and where competition does not operate to hold prices down. An official of the General Motors Corp., when discussing his company's pricing and production policies with the Senate Subcommittee on Antitrust and Monopoly, in 1955, said that "we have come pretty close to earning what we expected over the years."

Small corporations can rarely set prices to absorb taxes. There are too many of them, and generally no single one is in a position to exert substantial control over prices in its industry.

Actually, the small corporation gets hit from both sides under the present corporate tax structure. Its raw materials tend to be produced by giant concerns which can pass on a large share of their taxes to it. Thus, corporate taxes, for the small corporation, will generally result in higher costs. At the same time, it does not have the economic power to set prices to absorb its own taxes.

Finally, some very wise provisions in the tax law, designed to encourage research and experimental programs by industry, operate to the primary benefit of big business. These provisions offer favorable tax treatment of expenditures made for research. While these provisions have considerable merit, I think we should frankly admit that the benefits inure almost exclusively to big businesses.

Furthermore, the defense needs of the Nation require direct Federal expenditures for research for weapons and other items of military necessity. The size of these Federal expenditures amounts to over a billion dollars every year, and the contracts go primarily to our huge industrial corporations. It would seem that the law has compounded the advantage of big business in the field of research.

Mr. President, I cite these other features of Federal tax laws to illustrate that rates alone do not measure the relative burden of corporate taxation. The rate adjustment which I propose may partially offset the big business bias existing in the tax structure as a whole.

To emphasize the urgency of this tax problem, I call the Senate's attention to two significant indicators of the dilemma of small businesses. First, there is the appalling number of business failures. For the 5 years beginning in 1952, the number of failures reported by Dun & Bradstreet, Inc., is as follows:

1952	7,611
1953	8,862
1954	11,086
1955	10,969
1956	12,686

The 1956 figure is the highest since 1940. Furthermore, failures reached 320

in the week ending January 31, 1957, a figure reported to be the highest for any postwar week, and exceeding the prewar figure of 318 for the comparable week in 1939.

Second, there is the matter of growth in the business population. One indicator of trends in the business world is the relationship between the gross national product and the number of operating business firms. A noticeable deterioration in this relationship has occurred in the last 4 years. During the 13-year period from 1940 through 1952, the gross national product, expressed in constant dollars, rose in a ratio of 3 to 1 over growth in business population. During the 4 years from 1953 through 1956, however, this ratio has increased to 4 to 1. The meaning of this change is crystal clear: the fruits of our expanding economy are flowing in ever increasing amounts into the hands of fewer and fewer business units.

Mr. President, I am fearful that our tax laws may be leading us down the road to a corporate state. The present corporate rate structure seems to have contributed to the decline in the relative importance of small business in recent years. To the extent that our tax laws foster larger and larger business units, our political democracy is weakened. I am sure that we all recognize the relationship between the survival of many thriving business units and the survival of our political democracy. This tax adjustment is one way to help relieve the pressure. The headlong rush toward economic concentration must be slowed before it can be stopped. I believe that this tax change is an essential first step in the right direction.

Mr. President, I have asked and obtained unanimous consent that this amendment may be permitted to remain on the desk until February 27, 1957, so that other Senators may join me in sponsoring the amendment if they desire to do so. I had thought that the list of sponsors would be complete at this time. However, only this morning I received word of 3 or 4 additional sponsors, and I believe it is quite evident that there may be other Senators who will wish to be associated in sponsoring the amendment.

Mr. President, I should like to say a further word: Of course I have already introduced the substance of this amendment as Senate bill 150, and it has been referred to the Finance Committee. I wish to state that I shall ask the chairman of the Finance Committee to hold hearings on the measure at the earliest possible moment. It is my hope that we may be able to attach the amendment to H. R. 4090 when it comes to the Senate from the House of Representatives.

STUDIES AND RECOMMENDATIONS OF THE SECURITIES AND EXCHANGE COMMISSION

Mr. BUSH. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an address entitled "Current Developments in Federal Regulation of the Securities Markets," delivered by J. Sinclair Armstrong, Chairman of the Securities and Exchange Commission, before the New York Society of Security Analysts yesterday, February 20, 1957.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit A.)

Mr. BUSH. Mr. President, the Securities and Exchange Commission is the independent regulatory agency established by the Congress to enforce the fair disclosure, antimanipulation, and antifraud provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, and the other Federal securities laws, including the Public Utility Holding Company Act of 1935, which were enacted by the Congress for the purpose of protecting the investing public.

I have been deeply interested in the work of the Securities and Exchange Commission in protecting the public interest. The Commission is under the surveillance of the Committee on Banking and Currency, and particularly under that Committee's Subcommittee on Securities, of which I was chairman during the 83d Congress, and on which I served during the 84th Congress, and am presently serving. I have been extremely interested in the proper, vigorous, and effective enforcement of the Federal securities laws, particularly during the recent years of great economic activity in this country, during which the need for the successful functioning of the capital markets has been very great. The work of the Securities and Exchange Commission in enforcing the fair disclosure, antimanipulation, and antifraud provisions of the acts is vitally important in assuring the basic integrity of the securities markets, so that the confidence of the investing public may justiably be maintained.

Chairman Armstrong's address yesterday, as well as the 22d Annual Report of the Securities and Exchange Commission which was submitted to the Congress on January 3, 1957, describes many of the pressing enforcement problems of the Commission. The Commission has been tremendously active and vigorous in mounting its enforcement program over the past several years. Abuses which have developed recently in the securities markets are being actively and vigorously dealt with by the Commission. I commend a reading of this discussion to all who are interested in the continued progress and success of the Commission's enforcement program.

I understand that the Commission is coming forward with a number of suggested amendments of the securities laws which are intended to strengthen its hand in dealing with many current enforcement problems. This proposed legislation follows legislation, unanimously approved by the Congress in 1954, which eliminated certain unnecessary restrictions and clarified a number of problems which had developed over the 20 years of the Commission's history—Public Law 577, 83d Congress. The particularly vital contribution made by the 1954 legislation was in providing for much broader dissemination of information about new issues of securities being offered to the public than had ever been possible before. This was accomplished by expanding the Commission's rulemaking powers so as to provide for more informative advertisements with respect to new issues, broader dissemination to the public of preliminary prospectuses, and the use of summary prospectuses which are shorter and less complex than the full statutory prospectus, but nevertheless provide investors with vital information before they make up their minds whether to purchase the new securities being offered. The implementation of this statutory amendment by the Commission, by rules recently adopted, has been one of the major steps forward in the history of the administration of the Securities Act to provide for better dissemination of information to the public.

Also, in the address delivered by the Chairman of the Commission is a discussion of recent studies made by the Commission in regard to the desirability of extending the financial reporting, proxy soliciting, and insider-trading provisions of the Securities Exchange Act of 1934 to approximately 1,200 industrial companies and 170 insurance companies in which there is broad investor interest, but which are not presently subject to these requirements because their securities are not listed and traded on national securities exchanges. Reference is made to the report of the Securities and Exchange Commission, committee print, May 25, 1956, and supplementary report, committee print, February 11, 1957, on S. 2054, 84th Congress, to the Committee on Banking and Currency, United States Senate. The aggregate assets of the industrials are about $34 billion and of the insurance companies about $24 billion.

It is to be noted that, in the recommendations of the Securities and Exchange Commission in regard to the insurance companies covered by the studies, the Commission has limited itself to a consideration of the congressional purposes expressed in the Federal securities laws, and the Commission does not express views as to any other areas of Federal or State regulation of the insurance industry. The recommendations of the Commission, in recognition of the policy expressed in the McCarran Act (59 Stat. 33, 15 U. S. C., secs. 1011–1015), do not suggest any Federal regulation of the business of insurance companies. They flow only from the Securities Exchange Act of 1934, one of the purposes of which is to assure appropriate financial reports, and disclosures in connection with proxy soliciting, to public security holders.

I do not mean, by calling these studies and recommendations to the attention of the Senate, to take a personal position on them as yet, but I do believe that the Commission is to be commended for making the first full, complete factual study of the financial reporting and proxy soliciting practices of companies having large assets and large numbers of public security holders, and I commend these studies to the consideration of the Senate.

The importance of the broker-dealer inspections, the fraud investigations, the market surveillance work, and the public information program of the Securities and Exchange Commission cannot

be overestimated at the present time. In passing, I should like to observe that the proper staffing of the Commission, which has been discussed in the 22d annual report and recommended in the present President's budget for the fiscal year 1958, is of vital importance to assure that the vigorous enforcement program the Commission has been carrying on in recent years shall continue with full force.

EXHIBIT A

CURRENT DEVELOPMENTS IN FEDERAL REGULATION OF THE SECURITIES MARKETS

(Address by J. Sinclair Armstrong, Chairman, Securities and Exchange Commission, Washington, D. C., before the New York Society of Security Analysts, New York, N. Y., February 20, 1957)

It is a great pleasure for me to have an opportunity to address the New York Society of Security Analysts. The members of this society represent probably the largest aggregate buying power, so far as investment is concerned, of any nongovernmental group in the world.

You are the customers of the Nation's capital markets. You are advisers to, and fiduciaries for, millions of individuals, whose savings are placed at the disposal of industry on your advice or by your decisions. You, more than any other organization in the capital markets, are disposed toward the well-being of investors. Without the confidence of investors, which means without the confidence of security analysts, our capital markets could not possibly succeed in their function of channeling the savings of the American people into industry to meet the enormous capital requirements of our free enterprise system.

The Securities and Exchange Commission is also interested in investors. Our business, assigned to us by the Congress, is investor protection. We are concerned with fair disclosures to security holders and prospective security holders of basic business and financial facts on which informed investment decisions can be made. We are concerned with the integrity of the securities markets—that they be free and kept free of abuses, such as manipulation of securities prices, misrepresentation in the purchase and sale of securities and fraud. The successful performance of our tasks is vitally important to you.

I am particularly pleased to be here at this time, February 1957, because there are a number of matters of vital importance to the securities markets which are beginning to come to a head. Some of these are within the existing regulatory authority of the Securities and Exchange Commission to deal with. I am referring to a number of abuses in the securities markets which have arisen in the past several years and with which we have been vigorously coping. Others involve matters which are not within the present statutory powers of the Securities and Exchange Commission, but are pending for legislative decisions by the Congress as to whether they should be. Legislation, some to be introduced at our request and some introduced as a result of the hearings of the Senate Committee on Banking and Currency on the stock market in the spring of 1955, will have to be acted upon by the Congress or passed over at the present session.

In addition to these major subjects, I will also touch briefly on several problems which the Commission has been considering under the Public Utility Holding Company Act of 1935 which should be of particular interest to you as investors. I am referring here to our study of capital ratios and to our present policy in regard to optional redemption provisions for preferred stocks and bonds issued by companies under our Holding Company Act jurisdiction.

As a matter of orientation, first let me state briefly the objectives of the Congress expressed in the statutes administered by the Securities and Exchange Commission. The Federal securities laws, enacted in the years 1933 through 1940, were intended to provide to public investors in new issues of corporate securities offered and sold in interstate commerce and in issues listed and traded on national securities exchanges certain basic business and financial information about the corporations issuing them; to provide regulation of the exchange markets so as to assure free, fair, open, and orderly markets; to provide a limited regulation of the over-the-counter markets; to provide corporate simplification and physical integration and continued regulation of the financial structures of public utility holding company systems; to provide regulation of investment companies to assure adherence to standards protective of public investors, and to provide against manipulation, "pools," rigging of prices, insider advantages, and misrepresentation and fraud in the purchase and sale of securities. These are the statutory objectives.

Capital formation is tremendously important to the economy of our country. There is nothing in the Federal securities laws designed to impede the raising of capital. These laws if well administered should help, not hurt, the capital formation process.

Capital is formed only by the voluntary cooperation of the public, and the work of the Commission is one of the factors giving the public confidence in the integrity of the capital markets. You cannot have capital formation without willing investors.

In approaching problems, naturally differences of opinion occur between the Commission and the securities industry, and between different segments of the industry, as to administrative methods and procedures or business practices and conduct. But we all share one common interest, the investor. If the Commission or the securities industry fails to serve the investor, or serves him badly, the Nation is the loser.

At no time in the Commission's experience have activities and prices in the securities markets reached such highs. The upsurge has taken place in a relatively short period of time. For example, the dollar amount of securities registered under the Securities Act of 1933 increased by 75 percent from $7.5 billion in the comparatively recent fiscal year 1953 to $13.1 billion in fiscal 1956. During the 1930's the average dollar amount of securities registered was about $2.5 billion, and in some years was below $1 billion. In the postwar years from 1945 to 1950 it was $4.5 billion a year on the average.

Of the $400 billion gross national product annual rate figure, over $60 billion is applied for capital purposes of industry, that is to say, to provide plant facilities, tools and working capital needed by American industry. Much of the $60 billion amount is supplied from internal sources, such as depreciation accruals and retained earnings. The capital formation process supplies the balance estimated at $7 to $8 billion annually through investments in the capital markets by the American people.

The aggregate market value of all stock on all stock exchanges, which never exceeded $100 billion before 1946, except briefly in 1929, increased from $111 billion at December 31, 1950, to over $250 billion at June 30, 1956. The Dow-Jones industrial average of stock prices on the New York Stock Exchange reached an alltime high of 521.05 on April 6, 1956, and yesterday's close of 466.84 is considerable when you remember that during the years 1933 to 1949 it never exceeded 220. The value of the gross national product broke through the $400 billion annual rate figure in 1956 as compared with $340 billion in 1952.

The dollar value of securities which changed hands on the New York Stock Exchange rose to $32 billion in fiscal 1956, more than double the comparable figures of fiscal 1953, and like increases were registered on the regional exchanges and are believed to have also occurred in the over-the-counter market.

The work of the Commission in sustaining the investors' confidence in the integrity of the capital markets must take into account conditions which if permitted to exist can only result, ultimately, in the destruction of investor confidence and the thwarting of the congressional objectives set forth in the Federal securities laws. Our free enterprise system will be damaged if these conditions grow and are not stamped out. A few of these problems with which the Commission has been faced and our efforts to cope with them are deserving of your consideration.

First, the activity in the capital markets has attracted many new brokers and dealers to the securities business, some of whom are inexperienced and unfamiliar with the obligations owed to their customers, some of whom have been drawn into the business in the hope of a quick profit rather than the establishment of a sound business reputation built painstakingly upon just and equitable principles of trade, and some of whom are downright dishonest. A number of new brokers and dealers have lacked adequate financial resources or speculated unwisely, thus getting into financial difficulties which threaten the safety of customers' funds or securities entrusted to them.

In order to meet this problem, the Commission has expanded its broker-dealer inspection program. We are making more frequent broker-dealer inspections and investigations of irregularities by brokers discovered in inspections or as a result of complaints received from the public, and we are presently instituting more disciplinary proceedings for broker-dealer revocation and injunctive actions in the Federal courts and are referring more cases in which violations have been willful to the Department of Justice for criminal prosecution than at any time in the Commission's history.

Second, as an outgrowth of the dishonest broker-dealer problem, there has been a resurgence of the old-fashioned "boilerroom." Investment analysts might ask why it is appropriate for a member of a Federal law-enforcement agency to "lecture" to them about "boilerrooms." Obviously, a skilled financial analyst should have sufficient commonsense and prudence to avoid the purchase of speculative securities on the basis of a long-distance telephone call from a broker whom the analyst has never met, and this is undoubtedly true, except occasionally. The fact of the matter is that not only has the general investing public been gullible and foolish when the high-pressure salesman calls up on the long-distance telephone purporting to represent a reputable house on Wall Street or from Canada and holds out promises of speculative profit, but we have had occasional instances in which men of skill and experience in finance have become the unwitting victim of these boilerroom high-pressure selling techniques.

An investment counselor of a western city recently called up my office and expressed great criticism of the Commission that a particular stock, in which he had purchased $65,000 worth, had by action of the Commission been temporarily suspended from trading on the American Stock Exchange pursuant to section 19 (a) (4) of the Securities Exchange Act. When we asked him how he happened to buy it, he stated that a man he had never heard of or met before called him up from a brokerage firm in New York City, of which he had never heard and in whose offices he had never been, and gave him a wonderful story about what a fine investment it was. Of the $65,000 of stock he pur-

chased, he placed $40,000 worth in teachers' pension funds. The next day he arrived in my office in Washington and apoligized for his criticism, because he realized that the action taken by the Commission in the case had one, and only one, objective, namely the best possible protection pending the development of the facts as to the company's actual financial condition in proceedings under section 19 (a) (2) of the act that could be afforded present and prospective investors in the particular stock. This was an unusual case, and I cite it only to highlight the danger to unsophisticated investors of these high-pressure selling techniques used by boiler-rooms in New York City and in Canada. I am happy to say that as a result of the Commission's stepped up enforcement program of the past several years, some of these firms have been enjoined.

Another problem which has been acute is the sale of securities without registration under the Securities Act of 1933 based upon claimed exemptions which, in fact, are not available. The number of securities which have been sold in violation of the registration, prospectus, and antifraud provisions of the act, pursuant to such claimed but not available exemptions, is substantial, but the exact amount cannot be determined because there is no requirement in the law or our rules that the Commission be notified of transactions made in reliance on exemptions. But we find, months after they have taken place, large offerings, which purported to be nonpublic and hence exempt, in which promptly or shortly after the initial distribution of the securities, usually to an inside group, large public distribution to hundreds of investors has been made.

We find similar conditions with respect to the intrastate exemption. We believe it is time that issuers, underwriters, brokers and dealers, and lawyers interested in the financial markets reexamine the policy of the Congress expressed in the registration and prospectus requirements of the Securities Act. The Securities Act provides for registration of new issues of securities and the delivery of prospectuses so that the prospective investor may receive adequate information on which to base an informed investment judgment whether or not to buy the securities being offered. These are the well-known disclosure provisions. The Congress, giving the public the protection of the disclosure and antifraud provisions, then, very wisely in my opinion, provided against any action of the Commission which would involve passing on the merits of the securities and left to investors responsibility for their own investment judgments.

The registration provision is broad, but the Congress provided certain exemptions. The nonpublic offering exemption was made available by the Congress because it seemed that an offering to a small group of people would be likely to be made under circumstances in which all of the offerees would already have available or be able to obtain the basic financial data and hence would not need the protection of the registration requirements. The Committee on Interstate and Foreign Commerce of the House of Representatives, in a report in 1954, referred to the nonpublic exemption as an avenue for "the making of an offering to a limited number of persons who presumably may be expected to possess some familiarity with the business involved" and stated: "There is no limit to the amount which thus may be offered, provided it is not publicly but privately offered, which the Commisison by rule of thumb construes as being to no more than some 25 offerees."[1] But we have recently seen some offerings which were unregistered in reliance on the nonpublic offering exemption. If these securities had been registered and the information which would have been required in the registration statement made available to the offerees a successful offering of them could never have been made because of the financial condition of the issuer. In other words, the private offering has been used as a means of concealment of the basic business facts which Congress specified in the Securities Act should be given to the prospective investor.

The intrastate exemption provided by the act was intended by the Congress to make possible an offering of securities to persons residing within a single State. The Congress left to the States their traditional blue-sky regulation. But we have seen many securities which purport to be made to residents of a single State—for example, some of the western uranium issues—which appear in the channels of trade here on Wall Street within weeks after their original distribution.

We are also deeply concerned by cases of evasion of the registration requirements in reliance upon the Commission's so-called no-sale rule. This is a technical interpretive rule, which has been in effect during the history of the Commission, under which certain types of corporate mergers, consolidations, reclassifications of securities, and acquisitions of assets have been deemed not to constitute a sale of securities for purposes of the registration provisions of the Securities Act. Under this rule, many merger transactions, ostensibly exempted, have in fact been consummated in order to free up large blocks of stock of the surviving corporation for distribution to the public without registration. Again, because these transactions have occurred without notification to the Commission, we are not able to estimate their dollar amount, but on the basis of figures compiled in known cases of this kind by our New York regional office, we estimate amounts approaching $100 million of securities sold to the public in which great losses to the investing public have later occurred. These are situations in which, had adequate disclosure been made of the financial facts pertaining to the issuer, a fair-minded financial analyst would have been hard put to it to justify the purchase of the securities. We have proposed changes of our no-sale rule, and are presently considering including a statutory amendment to deal with the problem for inclusion in our forthcoming recommendations for legislation.

Our program at the Commission to cope with these problems has again been in the strengthening of our enforcement activity. We are conducting more intensive investigations and more disciplinary proceedings within the Commission and legal proceedings in the Federal courts than at any time in the Commission's history. We are limited, of course, by the number of hours in the day and the number and strength of the members of our professional staff. We have a total staff of 800 persons, nationwide, in the present fiscal year, and in the President's budget is included a request for an appropriation for 950 persons in fiscal 1958. We must depend, too, upon the public to use good judgment and good sense, and, if they have been victimized, to report the facts to the Commission.

Also, we proposed to the Congress in the last session, and will again soon propose to the new Congress, amendments of the basic statutes designed to strengthen the jurisdictional provisions, correct certain inadequacies, facilitate criminal prosecutions, and generally strengthen the Commission's enforcement capabilities. These proposals, if enacted, would prohibit embezzlement of money or securities of, or entrusted to the care of, a registered broker-dealer; extend criminal liability to false statements in documents filed with the Commission in connection with small exempted securities offerings; enact the antifraud provisions of the Commission's rules under the Securities Exchange Act in statutory form as an aid to criminal prosecutions; make it clear that a showing of past violations is a sufficient basis for injunctive relief; make it clear that a registration statement under the Securities Act may be withdrawn only with the consent of the Commission; clarify and strengthen the statutory provisions relating to financial responsibility of brokers and dealers; and authorize the Commission, by rule, to regulate the borrowing, holding, or lending of customers' securities by a broker or dealer. Many other minor amendments were also proposed and some additional amendments will be proposed.

In order to facilitate the work of the congressional committees, with their approval the Commission will hold conferences on these proposals with various industry groups and members of the public on February 25 and 26, after which the proposals will be promptly submitted to the Congress.

We believe that our enforcement program, including the legislative recommendations which we have made and will make, is of vital importance to the successful performance of the economic function of the capital markets of the country.

We are appreciative of, and believe eminently sound, the request contained in the President's Economic Report to the Congress, January 23, 1957, that the Congress "give favorable consideration to proposals that will be made for strengthening the Securities and Exchange Commission's authority to prevent certain remaining types of abuses in the distribution and sale of securities."

Now let me turn to proposed legislation which was not originally sponsored by the Commission but the broad principles of which we have endorsed on the basis of studies made in the past year and a half. This legislation, it seems to us, should be of particular interest to financial analysts.

In May 1955, at the conclusion of the stock-market study of the Senate Committee on Banking and Currency, Senator J. W. FULBRIGHT, chairman of the committee, introduced a bill to extend the reporting, proxy and insider-trading provisions of the Securities Exchange Act to additional corporations not presently subject to the act. In the final report of the committee, a majority had expressed the view that as a general policy, it is in the public interest that companies whose stocks are traded over the counter be required to comply with the same statutory provisions and the same rules and regulations as companies whose stocks are listed in national securities exchanges. A minority of the committee recommended further study of the over-the-counter markets, with the objective of developing specific legislation if needed.[2]

In August 1955, the Subcommittee on Securities reported a revised committee print adopting some changes suggested by the Commission and certain other changes, including a provision exempting securities of regulated insurance companies from the coverage of the bill. As revised, the bill would apply to corporations having 750 or more stockholders, or debt securities of $1 million or more outstanding in the hands of the public, and $2 million of assets.

During the following winter and spring, the Commission made a complete factual study of the financial reporting and proxy soliciting practices of the corporations which would be subject to the bill which number about 1,200 and have estimated assets of more than $35 billion. Review of proxy soliciting materials of these corporations showed that in very few instances were stockholders furnished with information comparable to that required by the Commission's proxy rules. Examination of the

[1] P. 19, House of Representatives, 83d Cong., 2d sess., Rept. No. 1542 to accompany S. 2846, a bill to amend certain portions of the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, and the Investment Company Act of 1940.

[2] S. Rept. 376, 84th Cong.

financial statements contained in the stockholders' reports indicated that approximately 21 percent were deficient by Commission reporting standards. These findings were made available to the Committee in May 1956, together with our endorsement of the enactment of the financial reporting, proxy and insider reporting provisions of the bill, but our recommendation of deferral of action on the provision for recovery of profits from short-swing trading by insiders until a further study of this could be made.

The committee did not take final action on the bill in the 84th Congress, but Senator FULBRIGHT requested the Commission to extend the study we had made so as to obtain information about the financial reporting and proxy practices of insurance companies which we had not previously done because of the exemption for such companies contained in the subcommittee's August 1955, print of the bill. We have recently completed that study, estimating that 169 insurance companies with assets of approximately $24 billion would be subject to the bill if the exemption for insurance companies were deleted. We found that both the proxy soliciting material and the financial reports to stockholders of these companies to be significantly deficient by Commission proxy and accounting regulation standards and, accordingly, expressed the opinion to the committee that it would be consistent with the provisions of the Federal securities laws and of the Fulbright bill that the exemption for insurance companies be deleted and the bill passed, subject to certain other technical suggestions for amendment.

In expressing this view, we limited ourselves to a consideration of the congressional purposes expressed in the Federal securities laws and refrained from expressing views as to any other areas of Federal or State regulation of the insurance industry.

I am happy to observe that Senator FULBRIGHT has again introduced the bill (S. 1168, 85th Cong., 1st sess.) omitting the insurance company exemption, and I sincerely hope that the 85th Congress will give it favorable consideration.

Finally, let me turn for a few minutes to our jurisdiction under the Public Utility Holding Company Act of 1935. Our Division of Corporate Regulation is currently making a study of capitalization ratios of companies subject to the act. So much attention has been directed toward those sections of the Holding Company Act which caused the simplification and integration of the huge holding company systems of the early 1930's that the act's other provisions often tend to be overlooked. In fact, the act permits the survival of holding company systems which meet certain standards and provides for continuing regulation of such companies by the Securities and Exchange Commission as to corporate and financial maters. In particular, a registered holding company or a subsidiary of such a company cannot issue securities without Commission approval.

As an indication of the magnitude of this regulatory activity, during fiscal 1956 the Commission approved the issue and sale by registered holding companies and their subsidiaries to the public and institutional investors of $565 million of securities, all to raise new capital, or 22 percent of all the external financing of all electric and gas utility companies during that period. The aggregate assets, less valuation reserves, at December 21, 1955, of the 23 registered holding-company systems was $10.4 billion.

The Commission's responsibility in this field is great and it naturally gives us a strong interest in the financial stability of registered companies. The ordinary occasion for our expressing such interest arises when we are asked to approve a financing, and the specific provisions lie in sections 1 (b), 6 (b), and 7 (d) of the act.

That the achievement and preservation of sound capitalization ratios are essential to the financial health of the public-utility industry has been recognized not only by the Commission and some other regulatory bodies, but also by informed writers on the subject. Most of these authorities are generally agreed on the necessity for an adequate "cushion" of common-stock equity to withstand the shock of a severe decline in earnings, and for not too excessive an amount of debt, notwithstanding the apparent cheapness of bond money versus common-stock money and the deductibility for tax purposes of interest expense.

The improvement in the financial health of the utility industry since 1935 is little short of remarkable. The utility industry today is in a strong economic and financial position, and we are anxious that it stay that way. At the end of 1955, on the basis of the aggregate of the balance sheets of all class A and class B privately owned electric utility companies in the United States, the composite capital structure was as follows: long-term debt 50.7 percent; preferred stock 12.3 percent; and common stock and surplus 37.0 percent.

In the Eastern Utilities Associates case (Holding Company Act, release No. 11625, p. 55, December 18, 1952), the Commission prescribed, in connection with its approval of collateral trust bonds, that the system's funded debt ratio should not exceed 60 percent and that the common stock equity ratio should not be less than 30 percent. Since the remaining component of capital in a system with this maximum debt and minimum common stock equity would ordinarily be preferred stock, this prescription is sometimes characterized as expressing a 60–10–30 policy. Although the Commission has not attempted to prescribe optimum or ideal capitalization ratios, nor assumed that the 60–10–30 policy of the Eastern Utilities Associates case sets a fixed or permanent standard to be applied to all systems, these ratios have been generally regarded as embodying the present working policy of the Commission.

On September 5, 1956, the Commission announced that its Division of Corporate Regulation was undertaking a study for the purpose of determining the advisability of recommending that the Commission issue for comment by interested persons a proposed statement of policy relative to appropriate capitalization ratios in connection with security issues by registered holding companies and their subsidiary operating companies subject to the Holding Company Act. Any state of policy issued on this subject would have as its purpose the apprising of issuers subject to the act and investors and consumers of the standards respecting capitalization ratios which the Commission would generally apply in determining whether to impose terms and conditions or make adverse findings.

In order to obtain the benefit of the views of as large a number of interested and informed persons as possible, the Division of Corporate Regulation sent a letter questionnaire directly to over a thousand Federal and State regulatory agencies, utility companies, insurance companies, investment companies, banks, underwriters, textbook writers, educators in finance, security, analysts, and other interested persons. In addition, the Commission made general distribution of the letter questionnaire to 1,000 other persons on the Commission's mailing lists. The response has been gratifying. To date, 220 letters comprising approximately 700 pages have been received. The views and comments contained in these letters are quite varied in their scope and detail and are being very carefully studied by our staff.

Essentially what the study seeks to determine are the maximum debt and minimum common stock equity ratios which the Commission should permit under the standards of the Holding Company Act; what the optimum or ideal capitalization ratios, if there be such things, should be; and whether or not the Commission should promulgate a statement of policy on the subject of capitalization ratios.

In this connection, I wish to thank your society for taking the trouble to establish a temporary utility committee, under the chairmanship of Mr. Cecil E. Trefthen, to study our letter questionnaire. As you know, the position taken by your society is, in summary, that the setting up of specific capitalization ratio standards can lead to harmful inflexibility and that the question as to appropriate ratios should be considered on a case-by-case basis which takes account of the many variations existing among the various utility companies as well as the economic climate at any given time when securities are issued.

We at the Commission hope that the views and comments which we have received will be examined and studied not only by the Commission and its staff, but by many others, including your society, and that they will prove of benefit to other regulatory agencies, to utility company managements, and to security analysts.

I would also like to say a few words about call prices on public utility preferred stocks and bonds and the problems we face in dealing with this question under the Holding Company Act. The rates charged by electric and gas utility companies for the services which they render to consumers are closely regulated by the States in which they operate. The rates charged for services across State lines are also regulated by the Federal Power Commission. The interest paid by a public utility company on its bonds and the dividends which it pays on its preferred and common stocks are generally regarded by most rate regulatory authorities as an important element in the rate-making formula. We do not regulate rates under the Holding Company Act. This statute is designed to supplement and strengthen State regulation and not to duplicate it. However, we are concerned with the costs of capital to the public utilities under our jurisdiction by the mandate of the Congress.

As you probably know, the policy guidelines laid down by the Congress, which we and the courts are required to follow in interpreting the act, require that we concern ourselves with the prices at which bonds, debentures or preferred stock may be redeemed for refunding purposes.

During the periods of wide variations in interest and preferred dividend rates which we have witnessed since the Treasury-Federal Reserve accord of March 1951, the problem has assumed added significance. The Commission's standards in respect of the call prices on bonds and preferred stocks issued by holding companies registered under the act and by their public utility subsidiaries have evolved on a case-by-case basis through the years. Our policy became pretty well settled that the price at which bonds or debentures could be redeemed by the issuer for refunding and general purposes should not exceed the sum of the initial public offering price plus the coupon rate. In the case of preferred stock the policy was the same, i. e., the initial redemption price could not exceed the sum of the public offering price plus the dividend rate per share.

However, the Commission has recognized that strict adherence to rigid formulas might prove to be an unreasonable burden upon the issuers under certain circumstances. In February 1956, the Commission adopted statements of policy in which it attempted to codify its standards concerning protective provisions for the bonds and preferred stocks of public utility companies subject to the act. In these statements the Commission prescribed a broader standard for call prices than the formula I have just described, i. e., that the first mortgage bonds and preferred

stocks of public utility companies subject to the act be redeemable "* * * * at any time upon reasonable notice and with reasonable redemption premiums, if any." In no case presented for decision since these statements of policy were adopted has the Commission had occasion to determine that the formula of the public offering price plus the coupon or annual dividend rate is unreasonable. However, the Commission intends to consider each case as it comes before it for approval, in the light of all the pertinent circumstances of the case at the time and under the market conditions when it must be passed upon.

Because of the great importance of this question of redemption prices for refunding purposes in periods of high interest rates like the present, we were glad to learn that the Life Insurance Association is sponsoring a comprehensive study of redemption provisions and their effect on the offering prices of securities by the Wharton School of Business Administration of the University of Pennsylvania. A member of our staff has been invited to serve as a member of the committee which has been formed to direct this study. The report of this committee should provide a most valuable addition to our present limited store of knowledge on the subject.

The success of our free enterprise system depends on the proper functioning of the capital markets. The statutory objectives expressed in the Federal securities laws which we administer and our operating policies and programs, some of which I have just described, are vitally important to the proper functioning of the markets. The work of the Securities and Exchange Commission should help to justify and maintain public investor confidence in the integrity of the securities markets, and thus contribute to the success of our free enterprise system and the welfare of all our people.

THE DEFENSE BUDGET

Mr. SYMINGTON. Mr. President, knowing the interest the Senate has in the proposed defense budget, I bring up a curious exercise in arithmetic that Secretary of the Air Force Quarles used in a speech last Friday.

A number of the Members of the Senate and House were present at the time of this address. Some were bewildered, as was I, because they felt that in effect Mr. Quarles was implying that the fiscal year 1958 budget was $2.5 billion more than the fiscal year 1957 budget. Therefore I looked into the details, and here is the story.

Mr. Quarles spoke of a "substantial increase" in the Air Force budget request for the fiscal year 1958. He referred to this increase as "roughly $2.5 billion." Actually the increase was $66 million.

The Air Force budget for the fiscal year 1957 was $17.7 billion. The current 1958 budget request is also $17.7 billion. The $66 million, an increase of three-tenths of 1 percent, is so small it does not even show up when the figures are rounded out.

Apparently this is the way Mr. Quarles arrived at this misleading $2.5 billion increase.

The initial request of the President for the 1957 budget was $16.5 billion. Then, under congressional pressure, the President asked for a $376.6 million supplemental for B–52 production.

Later, after listening to Defense Department testimony, the Congress added another $900 million.

As a result, $17.7 billion was the figure available to the Air Force last July 1 for the fiscal year 1957.

This year the fiscal 1958 Air Force budget request is almost exactly the same as last year's budget, namely, $17.7 billion.

First Mr. Quarles implies that last year's original budget of $16½ billion was the budget; and then, because this year's budget is some $1.276 billion more than last year's original budget as requested in January 1956, he usese that theoretical figure a second time in order to come up with a $2.5 billion increase, that turns out actually to be only $66 million.

There are other details which arouse interest and will be dwelt on later. For example, the Defense Department is, and has been giving the "qualitative superiority" of our defenses as the excuse for our now having passed over to the Russians such a large quantitative lead in production of modern jet combat planes. Therefore, I was surprised to note the heavy reduction in research and development funds—a reduction that took place in all three services. In the Air Force it was 6½ percent.

This research and development fund reduction is in direct conflict with all testimony presented by everybody who appeared under oath in the subcommittee airpower hearings of last spring and summer.

Later I intend to ask how, based on the now known tremendous progress of the Soviets in airpower, and our apparent planned reliance on such new weapons systems as missiles, this reduction can be justified.

Again, however, the important point today is that despite any implications that there is a $2½ billion improvement in the fiscal year 1958 Air Force budget over fiscal year 1957, the fact is that the budget requested for 1958 is only three-tenths of 1 percent larger than that requested for 1957.

This is verified by the President's budget message to the Congress last month. In that message he said the new obligational authority for the Air Force was $17.7 billion in 1957—and would be $17.7 billion in 1958.

The President is right, and his aides should do their best to clarify the facts, rather than confuse them.

NET FARM INCOME STATISTICS

Mr. SYMINGTON. Mr. President, I wish to apologize to the Senate for making a misstatement the other day. At that time I said the President's Economic Report stated that net farm income, after sound accounting practice inventory adjustment, was the same in 1956 as in 1955; and therefore the Secretary of Agriculture was wrong when he said, "realized net farm income in 1956 was 5 percent above 1955."

That was the best information then available.

Now, however, I find from the February issue of Economic Indicators, as prepared by the President's Council of Economic Advisers from the Department of Agriculture data, that farm income for 1956, both before and after adjustment for inventory, is lower than previously reported.

The revised figures show that farm net income, properly adjusted for inventory changes, was $11.7 billion in 1955, and dropped to $11.6 billion in 1956.

In spite of the additional punishment caused the farmer by inflation since 1942, these new figures released by the President show that net farm income in 1956 contained the lowest number of dollars the farmer has received in the past 14 years.

Therefore, Mr. President, I am sorry to have told the Senate that net farm income in 1956 equaled that of 1955—and I trust Mr. Benson is even sorrier to have told the public, in repeated speeches he has made during recent weeks, in effort to justify his programs, that 1956 net farm income was greater than in 1955.

The facts are that it was lower.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

The PRESIDING OFFICER (Mr. CHURCH in the chair). The question is on agreeing to the committee amendment in the nature of a substitute for Senate Joint Resolution 19.

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

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

THE HUNGARIAN REFUGEE PROBLEM

Mr. WATKINS. Mr. President, yesterday afternoon two young gentlemen from the Society of Friends called upon me at my office, where we discussed for over an hour the Hungarian refugee situation as it now exists. One of these gentlemen was Edward H. Meyerding, chief of the Quaker refugee mission in Austria. The other was Mr. Ed Snyder with whom I had previously discussed Friends programs affecting Indians.

Having spent time discussing the refugee situation with Mr. Meyerding, I was particularly interested in the article which appeared in this morning's Washington Post under the byline of Warren Unna.

Since Mr. Meyerding has returned within the past 2 weeks from Austria, and since Mr. Unna's article relates quite factually the basic matters which Mr. Meyerding discussed with me yesterday, I shall ask unanimous consent that the Washington Post article be printed in

the RECORD for the information of the entire membership of both Houses and for the information of the general public as well.

This man's personal experiences over a 2-year period in Austria in connection with this program and the events that led up to the Hungarian revolt point up the necessity for prompt consideration by Congress of the legislation now pending before the Immigration Subcommittees of both Houses on this very subject.

It is my hope that those of my colleagues who share with me a real concern for finding a speedy solution to this and other immigration problems, will read Mr. Meyerding's experiences and join me in the effort to obtain enactment of the President's program on immigration.

I ask unanimous consent that the article be printed at this point in the RECORD as a part of my remarks.

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

REFUGEES LOADS SEEN ON AUSTRIA

(By Warren Unna)

The chief of the Quaker refugee mission in Austria was in Washington yesterday warning that resettling Hungarians is still very much of a problem particularly for the Austrians.

"At least 70,000 Hungarians are still in Austria and the Hungarian food crisis may well bring another 100,000 or 200,000 by spring or early summer. It is a tremendous expense with the main burden still on the Austrian Government. And there are signs of rapid deterioration of morale among the refugees, particularly those in the camps," Edward H. Meyerding declared.

Meyerding, 37, former director of the American Civil Liberties Union chapter in Chicago, has just returned from 2 years of supervising the clothing and feeding of Iron Curtain refugees seeking asylum in Austria.

He declared the United States effort for the Hungarians not only has not been enough so far, it also suffers from great confusion.

This country first agreed to take in 5,000 Hungarian refugees, then 21,300. More recently, the administration decided to continue taking in refugees under temporary parole certificates. As of Monday a total of 26,593 Hungarians have now come to this country, 6,356 of them under permanent immigration visas.

Said Meyerding: "In Vienna the officials are given quotas from time to time but they are never sure what the quotas are or if they are going to continue tomorrow. There have been reports that a quota of 5,000 a month would be admissible into the United States but the officials have never really been informed of that.

"There are more than enough refugees amongst those who have relatives in the United States to fill the quotas. And those who don't have relatives are out of luck," he added.

PICKING AND CHOOSING

Meyerding noted that many countries, but particularly the United States, have been picking and choosing the refugees. He said Austria is likely to be saddled with what is left: "the aged, the sick, and the undesirable."

Refugee workers in Austria were "very optimistic that Congress would do something quickly" several months ago, the Quaker leader reported, "but now they all seem to be extremely pessimistic."

Meyerding minimized charges by Chairman FRANCIS E. WALTER (Democrat, Pennsylvania) of the House Immigration Subcommittee that the first 6,356 refugees to arrive here, all with permanent resident visas, were the hard-core Communists who were first to flee Hungary.

Meyerding said some Communist officials did flee—but mainly to the East and closer to Russia. He added that Austria's "Inner Ministerium" (Ministry of the Interior), which long ago began investigating refugees as a basic national security problem, has effectively been weeding out what hard-core Communists there are among the refugees.

"THEY KNOW THE RUSSIANS"

As for the bulk of refugees, Meyerding declared: "Nobody has to give them any lessons about the evils of communism and the glories of being free. These people will be good anti-Communist agents. They know the Russians. They have lived with them. They can teach us more than we can teach them."

Meyerding also noted that there was a definite relation between the large numbers of students and highly trained technicians among the refugees and the fact that the Government, out of necessity had granted both groups access to western literature.

The Quaker leader also confirmed reports of anti-Semitism among the refugees themselves. He said part of this was caused by the fact that some of the ruthless Hungarian Communist leaders were Jewish.

He said anti-Semitism also had arisen in envy over the special dietary treatment and other services Jewish refugee officials had been able to render their own people.

PROPOSED CIVIL-RIGHTS LEGISLATION

Mr. HENNINGS. Mr. President, on Monday, February 4, 1957, I announced on the floor of the Senate—as shown in the CONGRESSIONAL RECORD, page 1445—that Senate public hearings on proposed civil-rights legislation would be conducted by the Senate Judiciary Subcommittee on Constitutional Rights, of which I am chairman, commencing at 10 a. m. on February 14, 1957. We have continued to hold such hearings since that date.

At an executive session of the Constitutional Rights Subcommittee, meeting Monday morning, February 18, 1957, it was decided to terminate these hearings on Tuesday, March 5, 1957, and to meet every day in the meantime to be sure that witnesses representing the various points of view would have ample opportunity to be heard, especially those opposing enactment of civil-rights legislation. Time is available—an abundance of time is available—for such witnesses, but they have not come forward and expressed preference dates for their appearances during this period.

Mr. President, I am mentioning this situation for the RECORD to put everyone on notice once more that time is available on nearly every day next week—Monday, February 25, through Saturday, March 2, 1957—to hear witnesses opposed to civil-rights measures. I do not know what more I can say for the RECORD to show the adequacy of time for the subcommittee to receive the different views on this important legislation. There appears to be no necessity for any more hearings, but I intend to abide by the subcommittee decision not to terminate hearings until Tuesday, March 5, 1957.

ANNOUNCEMENT OF HEARINGS ON EXTENSION OF COVERAGE OF FAIR LABOR STANDARDS ACT

Mr. KENNEDY. Mr. President, as chairman of the Subcommittee on Labor of the Committee on Labor and Public Welfare, I wish to announce that beginning at 10 a. m., next Monday, February 25, the subcommittee will hold hearings on proposals to extend coverage of minimum-wage protection under the Fair Labor Standards Act. The Honorable James Mitchell, Secretary of Labor, will be the first witness at these hearings, which will be held in the Old Supreme Court Chamber, room P-63 in the Capitol. The purpose of the hearings is to complete testimony on this subject taken by the subcommittee during the 84th Congress.

Because exhaustive hearings on this matter were held in the first session of the 84th Congress, and supplementary hearings were held in the second session of the 84th Congress, the Subcommittee on Labor has agreed to confine public hearings this year to not more than 10 sessions, extending over several weeks with approximately 3 sessions each week and to restrict testimony solely to the question of coverage under the act.

Since the views of most parties interested in this proposed legislation have already been presented to the subcommittee and published in four volumes of testimony received during the 84th Congress, it is hoped that witnesses in the current series of hearings will furnish the committee brief statements supplementing with new information the material they have previously submitted and will limit their oral presentations to not more than 15 minutes. The subcommittee, of course, will be happy to receive statements from all interested persons and organizations for the record and will give the same careful consideration to facts and views expressed in writing as it gives to testimony presented orally.

VISIT TO THE SENATE BY A GROUP OF STATE FINALISTS IN VOICE OF DEMOCRACY ESSAY CONTEST

Mr. JOHNSTON of South Carolina. Mr. President, there is at this time in the gallery a group of young people from each of the 48 States, and Alaska, Hawaii, Puerto Rico, and the District of Columbia. They are the finalists in the Voice of Democracy Essay Contest. I ask them to stand so that the Senators may see them.

(The visitors rose in their places in the gallery, and were greeted with applause.)

Mr. HENNINGS. Mr. President, I should like to associate myself with the welcome so graciously given to the young ladies and gentlemen in the gallery representing the 48 States, Territories, and island possessions of the United States, and the District of Columbia.

Mr. JOHNSTON of South Carolina. Mr. President, I think it would be appropriate for me to say that the Senator from Missouri [Mr. HENNINGS] is on the

committee with me studying the subject of subversive activities and matters of that kind, and these young people are writing essays which I think will do a great deal of good throughout the United States.

Mr. HENNINGS. I thank the Senator for his observation and for the opportunity of seeing these fine young people today.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. HENNINGS. Mr. President, yesterday, along with about 20 other Members of the Congress, I was invited to attend a meeting at the White House to discuss the Middle East crisis. I must confess that a great part of the time I am somewhat obtuse as to the more refined and difficult aspects of our foreign policy, but when I left, at almost the hour of noon, I, in common with several of my colleagues with whom I talked, had no clear idea of what course of action the President of the United States proposed to follow.

I wish to say, in full justice to the President, the Secretary of State, and others who were present, that every opportunity was afforded for all present to make such observations and ask such questions as they desired. But, after listening to the President's television speech last night, I again confess—admitting once more some lack of comprehension, perhaps—that I still have no clear idea of just what the President of the United States means or intends to do.

However, I did gather from the President's speech last night that he would support some sort of sanctions against Israel if the United Nations voted in favor thereof. No mention was made whether we would work for or against a vote to impose sanctions. I think it would be improper for me to state what our distinguished Ambassador to the United Nations, former Senator Lodge, had to say in the Cabinet room, but I believe I have a basis for saying that I, at least, came away with no clear idea as to whether we were going to work for or against sanctions against Israel, or whether we were going to abstain from voting.

An administration spokesman has said that the United Nations will probably vote for sanctions, whether or not the United States opposes them. This seems to me, Mr. President, very hard to believe, unless the United States influence and prestige have sunk even lower indeed than some of us have believed. After all, sanctions would require a two-thirds vote in the General Assembly of the United Nations. If the United States and its friends cannot muster one-third of the members against sanctions, we have reached an alltime new low.

In justification of sanctions, Mr. Eisenhower used the proverb, "Two wrongs do not make a right."

In essence, it seems to me, the President admitted that it is wrong for the United Nations not to invoke sanctions against Russia for defying the United Nations by not removing its troops from Hungary. If the President is going to base policy upon proverbs, I wonder—and I say with with all respect—if the President has forgotten or overlooked the Biblical injunction to have one law for both the strong and the weak, one justice for the large and the small alike.

If it is correct to call Israel's demands for firm guaranties before withdrawal a defiance of the United Nations, it is necessary to recall that the other party to this very dispute—Egypt—has defied the United Nations for 5 long years by not opening the Suez Canal to the ships of all nations. No one, least of all our President, has given serious thought, apparently, to applying sanctions against Egypt for its defiance.

I agreed thoroughly with the distinguished Senator from California [Mr. KNOWLAND] when he said yesterday that it would be immoral and insupportable to apply sanctions against Israel alone.

Last night the President spoke of moral pressures and of moral sanctions. For a moment, as I listened, I could not help thinking of a former President of the United States, Mr. Herbert Hoover. You will recall, Mr. President, that Mr. Hoover was President when we applied what we were pleased to call moral sanctions—whatever they may be—against Imperial Japan in the early 1930's, in an utterly vain and fruitless attempt to dissuade Imperial Japan, which was then bent upon conquest, from its brutal and ruthless invasion of the Chinese mainland and from setting up a puppet government in Manchukuo.

I think firm guaranties should be given to Israel on the following points: First, that the Gaza Strip will not be used again as a base for guerrilla raids. Second, that the Gulf of Aqaba will be opened to Israeli shipping as required by international law. Third, that ships bound to and from the ports of Israel will be permitted to use the Suez Canal. If such guaranties are made and then Israel refuses to withdraw its troops, then, and only then, I believe the time will have come for us to consider sanctions of any kind against Israel alone.

I might say, parenthetically, that Canada has been urging very practical measures to solve this crisis. I shall not go into them at this time, but I think we might be very well advised to give serious consideration to these measures which our neighbor to the north has undertaken to put into effect.

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. MARTIN of Iowa. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

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

NATIONAL FOOD RESERVES

Mr. MARTIN of Iowa. Mr. President, it is a great pleasure for me to congratulate my colleague, the distinguished junior Senator from Minnesota [Mr. HUMPHREY], who sits on the other side of the aisle, for his statesmanship as a member of the United States delegation to the 11th session of the United Nations General Assembly.

For many years one of my chief concerns has been how to solve the problem of reducing the price-depressing effects of our huge agricultural surpluses without at the same time accepting unsound economic panaceas. I cannot support any measures which may give relief to any group, if their enactment may destroy our free economy. On many occasions I have opposed international commodity agreements which would tend to destroy free markets.

Secretary Dulles has skillfuly executed a complete reversal of the position we originally took in the United Nations, based on the concepts of chapter VI of the Havana Charter, which some believed provided a useful device to stabilize the prices and the volume of commodity production on a worldwide basis.

Because of my basic opposition to intergovernmental commodity agreements, I was obviously disturbed when the Senate Foreign Relations Committee last May considered Senate Resolutions 85 and 86, 84th Congress, which would have directed the President of the United States to explore with other nations the establishment of an International Food and Raw Materials Reserve under the auspices of the United Nations. The substance of Senate Resolution 86 was actually incorporated in the foreign-aid bill as it passed the Senate last year. It was removed in conference.

After the conference report was filed, the distinguished junior Senator from Minnesota sponsored Senate Resolution 316, 84th Congress, which was similar to Senate Resolution 86. On July 23, I addressed the Senate, and voiced my strong opposition to the consideration of that resolution. I said that if we adopted it, we would completely discredit the United States representative to the United Nations Economic and Social Council, Dr. John C. Baker, the president of Ohio University. Only a few days before he advised the United Nations Economic and Social Council that our Government could not support an International Food and Raw Materials Reserve.

Mr. President, I inserted in the CONGRESSIONAL RECORD Dr. Baker's statement in which he commented favorably on a recent study of this problem which had been made by the World Food and Agriculture Organization, in accordance with a resolution adopted by the United Nations General Assembly at its ninth session, in 1954.

Let me read an excerpt from Dr. Baker's statement:

Among the proposals which have been closely examined during the last 10 years,

either in the United Nations or the FAO, have been the plan for a World Food Board to hold and manage stocks of food and other commodities; a plan for an international commodity clearing house to facilitate the international movement of food and other agricultural products through various currency arrangements; and suggestions regarding various types of nationally or internationally held reserves to meet emergency famines and other similar contingencies.

While differing in scope and in their specific objectives, and in details of financing and management, all of these schemes have certain elements in common. All of them involve, to some degree, the international management of food and other commodity stocks. All of them contemplate, in some measure, the substitution of international administrative controls for national programs and for the normal functioning of market forces. None of them was designed to attack the basic causes of hunger and malnutrition—poverty and general lack of economic development.

The FAO report relates how, over the past few years, governments acting in various international bodies have considered, analyzed and found impracticable, certainly for the time being, further international action of this kind. There is nothing in the report to indicate that any different conclusions with regard to such proposals would now be warranted. On the contrary, the study brings out the great difficulties involved in attempting to pursue the objectives suggested in General Assembly Resolution 827 through the establishment of an international food reserve or buffer stocks.

Mr. President, my principal objection to the concept of a world food reserve is based on the fact that all the proposals which had been before the United Nations Economic and Social Council contemplated a single reserve which would combine the functions of stabilizing prices, improving nutrition, relieving famine, and aiding in the development of underdeveloped countries, while assisting our own farmers. All of these aims cannot be combined into a single international fund without complete regimentation of the world economy. Of course, I am as anxious as any other Senator to assist in achieving all the worthy objectives sought by the supporters of these proposals.

The report of the Food and Agriculture Organization to which Dr. Baker referred said:

It is natural somehow to think of an international pool of foodstuffs serving several different functions at the same time. When it comes to thinking of an international pool of money, or credit, the differences in initial financing, modes of operation, terms of repayment, replenishment, and control required for different purposes are much more widely understood. It is generally accepted, for instance, that the financial resources and modes of operation of the International Monetary Fund (which mainly serves the function of lessening temporary disequilibria) could not automatically be combined with the use of the same funds for the different financial requirements and criteria of loan issues for long-term development purposes by the International Bank. It would be even more difficult to combine the operations of the International Monetary Fund with those of a special development fund such as SUNFED which would have to specialize on much less self-liquidating long-term loan operations than the International Bank. And the idea of a world food reserve serving simultaneously the functions of fighting chronic malnutrition (or development), international price stabilization, and emergency relief, might be compared, in this rough example, with that of an agency combining the functions of the World Bank or SUNFED, of the International Monetary Fund, and of the administration of the International Red Cross as well. Such a combination of functions, whilst it might not be outside the realm of administrative possibilities, would certainly not be an easy thing to achieve and in any case would require separate types of financial provisions and modes of operation for each of the three main functions (though, as will be shown later, the intermittent relief of emergency shortages might on certain conditions be established as a subsidiary function of a world food capital fund).

Mr. President, the distinguished junior Senator from Minnesota, as a United States delegate to the 11th session of the United Nations General Assembly, has presented a solution to meet this problem, a solution which was supported by the State Department and our entire delegation to the United Nations.

He urged the establishment of national food reserves in those countries which are going through the process of rapid economic development. Our own surpluses will be used to stock these national food reserves. The counterpart funds generated by selling our surpluses for local currency will be used to assist in the economic development of these countries. In a sense our surpluses will be used as a capital development fund. The presence of these reserves will prevent excessive price increases arising either as a result of failure in local food supplies or from the increased demand due to economic development programs.

The dedication of our surplus agricultural products to the establishment of national reserves is a further advantage in that the sale of these products will not affect world markets adversely. This is of importance not only to American agricultural producers, but to the producers in other countries who have been fearful that the liquidation of American surplus foods would deprive them of their normal markets.

This proposal does not establish new international machinery which would regiment our free enterprise economic system or attempt to stabilize prices on an international basis.

Our colleague, in his capacity as a United States delegate, referred to the statements made last summer in the Economic and Social Council by Dr. Baker, which I placed in the CONGRESSIONAL RECORD on July 23. This is what the distinguished junior Senator from Minnesota said:

The United States delegate in the Council made it plain, however, that the discussions had resulted in useful agreements among delegations on several important questions.

We certainly agree that a world food reserve could not at one and the same time help to relieve emergencies when and where they arise, and systematically counteract excessive price fluctuations.

We also agree that rapid and balanced economic development would cure many of the ills for which we now seem to seek special treatment; and we further agree that food surpluses can be used partially to finance economic development programs.

My colleague in the Council also emphasized, and I wish to reemphasize it here before this Assembly, that we have the fullest sympathy with the laudable objectives that the Assembly's initiative in this matter contemplates.

Mr. President, the statement by our distinguished colleague repudiates more or less radical schemes of international regimentation. He said:

FAO's report has shown conclusively that, in any advance planning of international relief action, "the main problem is not one of having to ensure the physical availability of stocks by advance storage." Establishment of a physical central reserve involves practical problems that remain unresolved.

True, there is also another concept, that of an international financial relief fund—a pool of money or credit for the purchase of relief supplies anywhere in case of emergency (perhaps including pledges for contributions in kind), which the FAO studies found a more workable concept.

But there is no indication that governments and parliaments in general (including my own) would at this time be prepared to act and to pledge contributions to such a fund.

As FAO said of the earlier proposals, because of insufficient support (by governments). * * * no action was taken. This is where the matter still rests.

It is our honest view that the indicated techniques of approaching the problem at issue are not feasible at this time; the fact that our doubts are shared by other governments reinforces this belief.

Similarly, on the question of price stabilization, my Government is wary of more or less radical schemes of international regimentation, though fully aware of the dilemma presented by the need for flexibility to assure adjustments to long-run economic trends, and the need for sufficient stability to avoid unnecessary short-term economic changes—both in the interest of economic growth. My delegation had occasion to refer to the problem of commodity price fluctuations in a statement presented a few days ago with reference to economic development in underdeveloped countries; I shall, therefore, not fully restate my Government's position at this time.

These statements completely support my position.

The junior Senator from Minnesota, in his address to the General Assembly, referred to a statement made by another member of our delegation, dealing with economic development, which also referred to the question of stabilizing the prices of international commodities. The statement in question was made by the Honorable Paul G. Hoffman.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the portion of Mr. Hoffman's statement dealing with the question of stabilizing commodity prices.

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

In recent statements, both to the Economic and Social Council and to the General Assembly, the Secretary General has emphasized the problem of reducing fluctuations in commodity markets on which many of the underdeveloped countries are so heavily dependent. The problem of excessive price instability in primary commodity markets is one with which all governments must be greatly concerned. As to the desirability of reducing this instability, there can be no disagreement. The problem is how can this be accomplished without endangering other desirable economic objectives. In this connection, we agree with the view of the Secretary General that no new

international machinery is needed for this purpose.

Devices designed to reduce price fluctuations must be judged in the light of their effect on healthy economic growth. They may retard rather than promote such growth, if they interfere with long-term price trends and introduce rigidities and restraints which make difficult the economic adjustments which are so fundamental to economic progress. In this connection, it is well to recall the warning sounded some 3 years ago by the United Nations experts in their report on Comomdity Trade and Economic Development when they cautioned against excessive concern with international measures and emphasized the need for the pursuit by national governments of policies which would contribute to stability in this field.

Mr. MARTIN of Iowa. Mr. President, it gives me great pleasure to be able to completely endorse this position taken by Hon. Paul G. Hoffman.

The United States resolution proposing support for National Food Reserves was accepted in the Committee of the United Nations General Assembly without any opposition. Bipartisanship has motivated our delegation to the United Nations.

Since I was forced to oppose Senate Resolution 316, which my colleague sponsored in the last Congress, my approval of his statement which provided a solution to this difficult problem shows that all of us can work together to meet our Nation's problems in a bipartisan spirit.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the statement made in Committee II of the United Nations General Assembly by our colleague the Senator from Minnesota [Mr. HUMPHREY] on January 11, 1957, to be followed by the text of the United States resolution urging the establishment of National Food Reserves.

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

STATEMENT BY HON. HUBERT H. HUMPHREY, UNITED STATES REPRESENTATIVE IN COMMITTEE II, ON THE QUESTION OF A WORLD FOOD RESERVE

Mr. Chairman, we are convinced that our first task here in the United Nations is to be realistic.

If we aim at the possible, we will advance further than if we get stuck half way toward the best of all worlds. It is not enough to want to do a good thing; it is equally important to do it well so that the highmindedness that we cherish does not fall into disrepute with consequent damage to the very purpose that we wish to advance.

It is in that spirit I want to discuss the item on our agenda, and offer what we think is a practical and constructive suggestion. Before doing so, I would like to review the present situation and our attitude toward it.

Resolution 621, passed by ECOSOC at its 22d session last July called upon the Secretary General to report on the general subject of food reserves in order that the Council may once more consider this subject, and thereafter transmit its recommendations to the General Assembly at its 12th session. This resolution of the Council was in the nature of an interim response to Resolution 827 (IX) in which the Assembly had asked that FAO be invited to make a comprehensive report on past and present explorations of the feasibility of a world food reserve to contribute to relief emergencies and, at the same time, to counteract excessive price fluctuations. The Assembly desired that this study furnish the factual basis for the Council itself to report on the subject, with its conclusions, to the Assembly.

I termed Council Resolution 621 an interim response to this request by the Assembly because, essentially, it calls for a further report, and reserves the Council's own recommendations for transmittal to the General Assembly at its session 10 months from now.

The United States abstained from the vote on this resolution of the Council last July because, in our judgment, the subject of a world food reserve had already been adequately studied several times, both by FAO and by independent experts.

FAO's comprehensive report to the Secretary General, of November 26, 1955, made it quite obvious that further study could not at this time shed any additional or different light on the issue.

The United States delegate in the Council made it plain, however, that the discussions had resulted in useful agreements among delegations on several important questions.

We certainly agree that a world food reserve could not at one and the same time help to relieve emergencies when and where they arise, and systematically counteract excessive price fluctuations.

We also agree that rapid and balanced economic development would cure many of the ills for which we now seem to seek special treatment; and we further agree that food surpluses can be used partially to finance economic development programs.

My colleague in the Council also emphasized, and I wish to reemphasize it here before this Assembly, that we have the fullest sympathy with the laudable objectives that the Assembly's initiative in this matter contemplates.

In abstaining from voting in the Council, despite so much agreement, our conviction that the matter had been sufficiently studied was supported by the belief that the time had come for some basic decisions.

It was our belief that the time has come for governments to decide whether all that seems possible, in the present state of our development of international cooperation is already being done to relieve acute distress due to shortages of food. Is it being done in such a way as to speed progress toward economic and cultural growth, and to steady that progress? Could more be done? And, if so, how it could be best done? Which are the most practical means to an end that we all desire?

These, Mr. Chairman, are the questions that we must sooner or later answer. And this is the type of answer that Assembly Resolution 827 (IX) contemplates.

There are many programs and authorizations now in existence that empower the United Nations and the FAO to assure effective international cooperation and action in the case of emergencies. The many programs under which the United States has extended and still extends aid and assistance to other peoples are too well known to mention here in detail.

As those of other countries, the Government and people of the United States throughout their history have given proof of a genuine desire to help other peoples in distress or misfortune.

I feel somewhat embarrassed in saying this, because I know that most countries have generously acknowledged this fact.

I nevertheless mention it because it shows that our negative attitude toward establishment of world food reserves has been concerned with means, rather than end.

FAO's report has shown conclusively that, in any advance planning of international relief action, "the main problem is not one of having to insure the physical availability of stocks by advance storage." Establishment of a physical central reserve involves practical problems that remain unresolved.

True, there is also another concept, that of an international financial relief fund—a pool of money or credit for the purchase of relief supplies anywhere in case of emergency (perhaps including pledges for contributions in kind), which the FAO studies found a more workable concept.

But there is no indication that governments and parliaments in general (including my own) would at this time be prepared to act and to pledge contributions to such a fund.

As FAO said of the earlier proposals, because of insufficient support (by governments) * * * no action was taken. This is where the matter still rests.

It is our honest view that the indicated techniques of approaching the problem at issue are not feasible at this time; the fact that our doubts are shared by other governments reinforces his belief.

Similarly, on the question of price stabilization, my Government is wary of more or less radical schemes of international regimentation, though fully aware of the dilemma presented by the need for flexibility to assure adjustments to long-run economic trends, and the need for sufficient stability to avoid unnecessary short-term economic changes—both in the interest of economic growth. My delegation had occasion to refer to the problem of commodity price fluctuations in a statement presented a few days ago with reference to economic development in underdeveloped countries; I shall, therefore, not fully restate by Government's position at this time.

As I said before, resolution 621 of the Economic and Social Council, passed at its 22d session last July, now stands as an interim response to the Assembly request. We must therefore await the final judgment and evaluation by the Council at its 24th session.

However, in order to draw attention to approaches that might add realism to the further studies and evaluations now in progress, I would like to suggest a specific topic to be included in the Secretary General's report to the Council as requested in resolution 621. This suggestion, Mr. Chairman, is being submitted by my delegation to this committee in the form of a draft resolution.

Feeling as we do about these matters of practical approach to a purpose on which there is no disagreement, it is only natural that we would want to explore a number of avenues that might, in our view, contribute to a speedier and more adequate attainment of our common objectives.

The establishment and maintenance of more adequate national food reserves, especially in crop-cycle and famine areas, would go a long way toward accomplishing most, if not all, of the purposes that some of us had hoped a world food reserve or a world food capital fund could meet. The construction of storage facilities and the accumulation of reserve stocks in crop-cycle or famine areas would seem to be an essential step toward general economic development. Surplus foods from abroad not only could in part finance the cost of the construction of strategically situated storage space but could also make an important direct contribution to providing the stocks that should be held as an emergency reserve. Moreover, if storage space were available, the local governments task of dealing with domestic surpluses in years of good crops would be vastly facilitated, and years of abundance would become the blessing they should be, instead of the embarrassment they now are sometimes even in countries normally plagued by shortages.

Somehow it would seem only logical if some of the world's surplus holdings were used to bolster stocks in areas where the failure of a crop means famine and where people live on the brink of disaster from one

harvest to the next. What an impediment this condition is to progressive change in production methods has been vividly described by students of the problem. Farmers in these areas are not after the highest, but after the safest returns, and they fear that any change in their production methods may bring hunger and distress. The elimination of this fear through the provision of reserve stocks and the creation of facilities for storing them would also have significance for economic development.

FAO's report eloquently describes the desirability of adequate national reserves in countries living near the margin of subsistence. Such reserves could be brought into action at an early stage of an emergency, before panic and hoarding aggravate the plight. They would also afford some elbow room for projects of economic development; they could be drawn upon to help finance such projects—mitigating inflationary pressures of increased consumer demand resulting from intensified economic development. Unfortunately, the need for such reserves is greatest in the countries least able to afford diversion of output from current consumption to the building of stocks.

It is in the light of considerations such as these that my Government has authorized me to say that, in accordance with our traditions, the United States stands ready to make grants of agricultural commodities to countries facing famine or other emergencies. Furthermore, the United States is prepared to make available to needy countries, under existing legislation and subject to further congressional authorization, surplus agricultural commodities for the establishment of reserve stocks to meet extraordinary needs due to crop failures or other emergencies, or to mitigate excessive price effects of increased demand due to economic development programs. Assistance of this kind is predicated on the development by the countries concerned of reasonable and realistic programs, and of safeguards that insure the observance of the FAO principle of avoiding harmful interferences with the normal patterns of production and international trade. United States assistance in the above sense would be fashioned after previous arrangements entered into with several individual countries under which large parts of the local currencies received in payment for agricultural commodities supplied for building up national reserves were made available for financing economic development.

The United States Government is prepared to consult with governments of both importing and exporting countries through FAO's consultative subcommittee on surplus disposal and its working party on national reserves with a view to facilitating realization of programs of this kind. The United States will cooperate with other countries in the further development of programs for the establishment of national food reserves.

Mr. Chairman, it is in order to stimulate a more rapid exploration of such possibilities for national action, with international assistance, for purposes covered by Council Resolution 621 that we are submitting the draft resolution that is now being circulated. We should be happy if it would contribute to uncover additional realistic possibilities for action that serves the worthy purpose of improving the lot of the common man.

ESTABLISHMENT OF A WORLD FOOD RESERVE—REPORT OF THE ECONOMIC AND SOCIAL COUNCIL—UNITED STATES OF AMERICA REVISED DRAFT RESOLUTION—INTERNATIONAL COOPERATION IN THE ESTABLISHMENT OF NATIONAL FOOD RESERVES

The General Assembly, having in mind the desirability of achieving the objectives set forth in Resolution 827 (IX), considering that one of these objectives is the possible use of food reserves for meeting unforeseeable food shortages, considering further that many countries may need to establish or increase national reserves for this purpose, and recognizing that many countries which are in the early stages of economic development are faced with special difficulties in establishing adequate reserves, such as the fact that levels of consumption in the less developed countries are generally relatively low, noting that Resolution 621 (XXII) of the Economic and Social Council requests the Secretary General in consultation with the Food and Agriculture Organization of the United Nations to report to the 24th session of the Council inter alia on the feasibility, and, if feasible, the manner of using food reserves for meeting unforeseeable food shortages, noting further that the Food and Agriculture Organization of the United Nations is engaged at the present time in a special study of the question of establishment of national reserves against emergencies—

1. Requests the Secretary General in preparing his report pursuant to Resolution 621 (XXII) of the Economic and Social Council to include, on the basis of his consultations with the FAO, an analysis of the possibilities and desirability of promoting, by way of consultations between importing and exporting member countries, the use of surplus foodstuffs in building up national reserves to be used in accordance with internationally agreed principles:

(a) to meet emergency situations; (b) to prevent excessive price increases arising as a result of a failure in local food supplies; (c) to prevent excessive price increases resulting from increased demand due to economic development programs, thus facilitating the economic development of less developed countries;

2. Further requests the Secretary General, in his analysis of the possibilities and desirability of the use of surplus foodstuffs for this purpose, to examine whether such use of surplus foodstuffs may lead to displacement of markets for those commodities and what effects it may have on the economic and financial position of those countries which depend primarily on the export of similar commodities.

3. Requests the Economic and Social Council to consider the possibility of postponing until its 25th session its examination of the report of the Secretary General in order to be in a position to take fully into account the discussions and the expert technical studies being undertaken in the FAO concerning the establishment of national food reserves.

4. Invites both importing and exporting member countries to continue to consult through the appropriate bodies established by the FAO with a view to facilitating the establishment of national food reserves, with due regard for the FAO principles of surplus disposal, particularly the need to avoid harmful interference with normal patterns of production and international trade and to ensure that the use of surplus reserves will result in genuine additional consumption as defined in the FAO principles.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Maurer, its reading clerk, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 348) to amend section 12 of the act approved February 22, 1889 (25 Stat. 676) relating to the admission into the Union of the States of North Dakota, South Dakota, Montana, and Washington, by providing for the use of public lands granted to the States therein for the purpose of construction, reconstruction, repair, renovation, furnishings, equipment, or other permanent improvement of public buildings at the capital of said States, and it was signed by the President pro tempore.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

The PRESIDING OFFICER (Mr. CURTIS in the chair). The question is on agreeing to the amedment in the nature of a substitute for Senate joint resolution 19.

Mr. FULBRIGHT. 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. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

THE POLL TAX

Mr. HOLLAND. Mr. President, I believe it is well known to the Members of the Senate that I have long been interested in the poll-tax question. As far back as 1937, as a member of the Florida State Senate, I participated in the successful fight to remove the poll tax as a requirement for voting in Florida. The constitution of Florida permits the legislature, in its discretion, to impose a poll tax of not exceeding $1 a year and to prescribe it as a prerequisite for voting.

The action which we took in 1937 has, in my considered opinion, been highly beneficial to the State of Florida and to the cause of clean politics in that State. It is a matter of record that largely increased percentages of citizens have participated in our elections since that time. It is also a matter of common knowledge that abuses which had crept in under the poll-tax system, such as the situation in certain counties where there was considerable control of local elections through the payment of poll taxes for some citizens by others—largely officeholders—have ceased to exist, so that more wholesome conditions in general prevail in Florida politics.

I should like to see the general abolition of the poll tax as a prerequisite for voting accomplished as speedily as possible in the five remaining States in which the poll-tax requirement still exists, but I would much prefer to have that result accomplished by action taken by the States themselves. However, I sincerely believe that some of the five remaining States, all of which have constitutional provisions requiring the payment of a poll tax before voting, would welcome the opportunity to remove the poll-tax requirement in presidential and congressional elections by ratifying such

an amendment to the Federal Constitution as has been proposed this year by Senate Joint Resolution 33, which is now pending in the Judiciary Committee.

Mr. President, I am inclined to be somewhat amused when I hear my good friends, particularly my good ultra-liberal friends of whom I am happy to claim some in the Senate, speak with great fervor, and even with high fever sometimes, about their desire to protect people in their right to vote and to make sure that our citizens can vote. I hear them sometimes proclaiming even privately—and, of course, they do so publicly—that it would be a wonderful thing if we could enact some legislation whereby the right of all citizens to participate in our elections would be guaranteed throughout the country as it is now in all but five States.

The reason why I am amused by those frequent discussions which I hear is that for 9 years I have had pending a proposed constitutional amendment which I am going to read into the record in a moment and which I have strenuously sought to have approved by the Senate Judiciary Committee and submitted, by a vote of the Senate and the House in appropriate number as required by the Constitution, to the States for adoption. I have been very sure that if the Judiciary Committee would ever permit this particular amendment to come to the floor we would not only get a vote on it speedily, without fear of long-winded and almost perpetual speaking, which sometimes has shut off other efforts in this and other directions, but I think we would have a vote that would be almost unanimous for the submission of such an amendment to the States. Furthermore, in my opinion, there would very speedily be a ratification of the amendment by more than the 36 States required to ratify it under the provisions of the Constitution.

I have been so sure of that, Mr. President, that every time I have appeared before the judiciary subcommittee—and that is as far as I have been able to get as yet with the presentation of this matter—I have made it clear that I would be willing to accept any reasonable time limitation for ratification by the States from 2 years up, because I am confident that the action of the States would be promptly taken and would result in a speedy adoption of the amendment.

Mr. President, in order that the record may be fully clear for those who are interested in this subject, of whom I believe there are many throughout the Nation and many in the Senate and in the House of Representatives, I wish to take note of the fact that in the 81st Congress, in 1949, I submitted this proposed joint resolution with 9 cosponsors, all of whom were southern Senators and all of whose names I would be very happy to read into the record, except that I do not wish to make this presentation unduly long this afternoon.

Mr. BUTLER. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am happy to yield to the Senator from Maryland.

Mr. BUTLER. I think the distinguished Senator from Florida was incorrect when he referred to the 81st Congress and the year 1949. I came to the Senate in 1951, and I think the resolution was submitted in the 82d Congress.

Mr. HOLLAND. Mr. President, our first joint resolution on this subject was introduced on January 13, 1949. The time seems a great deal longer. But when I get through reciting the long trail which I have taken up to this time in the very sincere effort to have the proposed amendment reported to the Senate and have it passed upon as its merits may appeal to the Members of the Senate, I think the Senator from Maryland will understand why it may seem longer to me.

Mr. BUTLER. I may say to the Senator from Florida, who I think is a great statesman and one of the most able Members of this body, that in the 81st Congress I was a member of the committee before which this amendment would have come, but I do not remember it being before the committee at that time. I do not know whether it came to the subcommittee. I would have aided the Senator in his efforts. I am no longer a member of that subcommittee.

There may be one possible explanation of why no action was taken at that time. In that session the Senator from Florida will recall that we had the Bricker amendment before us, which consumed a great deal of time of the subcommittee. As a matter of fact, we sat for weeks taking testimony. Perhaps that is the reason why the Senator's amendment did not come before the committee. But I shall be glad to give the Senator support and comfort at any time he comes before the Judiciary Committee with this proposal.

Mr. HOLLAND. Mr. President, I certainly appreciate those friendly words from my distinguished friend from Maryland. I wish to say that on May 11, 1954, I appeared before the subcommittee of which the distinguished Senator was a member, though he was detained, undoubtedly by necessary business, elsewhere. However, the subcommittee thereafter reported the measure favorably to the full committee, but the full committee failed to take action. Of course, it certainly never occurred to me that any constitutional lawyer so able as is the distinguished Senator from Maryland and whose views are so well known with reference to his willingness and, in fact, desire, that all citizens shall participate in voting, could have done any other thing than was done by the subcommittee, namely, favor the reporting of the measure favorably to the full committee. As to why the full committee did not act, I hope some distinguished Senator will rise in his place in the near future and explain to us, because for years the Senator from Florida, with many other Senators—18 Senators, in all, who have been cosponsors of this measure throughout the years—has been hoping avidly that sometime we would be able to have the sympathetic cooperation of a majority of the Judiciary Committee.

So, Mr. President, I suggest to my distinguished friend from Maryland that I hope he will use his good offices and his able persuasion upon other members of the committee so that this measure may be reported to the Senate.

Mr. BUTLER. I can assure the Senator from Florida that I shall do that.

Mr. HOLLAND. I thank my distinguished friend.

I may say that since I have been advised that the present subcommittee of the Committee on the Judiciary, which is holding such noted and, I may say, even notorious, hearings on so-called civil-rights measures, cannot hear the case again on this particular amendment, because it is a constitutional amendment, I shall propose, if, as, and when the measure now pending before the so-called Civil Rights Subcommittee shall come to the floor of the Senate—and I personally hope it will not come to the floor of the Senate—as a substitute for whatever measure shall come to the floor, my amendment which has been pending some 9 years, which I think deserves some consideration on the floor of the Senate. I think other Senators who, like the distinguished Senator from Maryland, would like to submit such a constitutional amendment and have the States pass upon it, are entitled to have a chance to discuss it on the floor and have it brought to a vote, so that all our citizens may have a right to vote for President, Vice President, and for Senators and Representatives to represent them in Congress.

Mr. President, to continue my relation, I have mentioned the fact that in the 81st Congress, by Senate Joint Resolution 34, 10 of us southern Senators, as cosponsors, offered substantially the same amendment. There has been a very minor change made in the amendment since that time, which I shall mention later. The change was necessitated incidentally, by our discovery of the fact that the constitutions of several States, including mostly States outside the South, have provisions banning the participation of paupers in elections. So we had to make clear in the proposed amendment that we were not disturbing the provisions of the constitutions of States which had that particular provision. With that exception, the amendment has remained the same amendment as it was first offered in the 81st Congress, in 1949, by 10 southern Senators.

In the 82d Congress, 12 southern Senators joined as cosponsors in the introduction of Senate Joint Resolution 12.

In each instance, I may say, I was happy and proud to have the honor of being joined by groups of southern Senators who felt as I did, that it was time, since this question had been decided in all States but five, that the matter be made a question of national policy, or, at least, that it be submitted to the States, so that it could be made a part of our fundamental law—our Federal Constitution—if three-fourths of the States thought that was the wise course.

In the 83d Congress, 10 southern Senators, including myself, joined in introducing the same measure. It was then known as Senate Joint Resolution 25.

In the 84th Congress, 10 southern Senators, including myself, joined in introducing the same measure, which at that time was known as Senate Joint Resolution 29.

In this Congress, the 85th Congress, five southern Senators, including myself, joined as cosponsors in offering the same measure, which is now known as Senate Joint Resolution 33. That resolution is pending at this time.

There are further comments I wish to make about this amendment and its introduction. It is not a matter of chance, but a matter of deliberation, that in each of the five Congresses in which this measure has been offered, it has been offered in the first month of the first session—that is, in January of the first year of each Congress.

There are some Senators—and I shall not name them at this time—who are unkind enough to shout to high heaven about legislation in this field, and who are noted for showing their interest in it in the last few weeks before the adjournment of the second session of a Congress. Without protesting against the motives of any other Senator, I wish to say that there is some showing, at least, and some ground for feeling, if one will check the calendar of the hearings of some proposed civil-rights legislation, that it has been proposed too late, nearly always, to receive any adequate attention.

That is not the case with respect to this particular amendment. It has been offered in January, in the first session of each of five Congresses. It has been offered by southern Senators, who have stated—and their statements will be found to appear repeatedly in the CONGRESSIONAL RECORD—that this is a sincere and a serious effort which we are making, and that we are proposing to see it through; that we propose to vote for it on the floor of the Senate; and that we propose to do our very level best to make certain that the legislatures of our respective States shall act favorably upon the amendment when it is submitted to them for ratification. I do not see how we can do more than that.

Having in mind the fact that so many States of the South have gone much further than this by completely eliminating the poll tax as a requirement for voting in all elections, I feel reasonably certain that we shall find many Southern States completely ready to go along with States elsewhere in the Nation in the ratification of this amendment, if it be submitted to the States.

I call attention to the fact that no one need feel that he cannot find the argument upon this amendment, because at three separate hearings before subcommittees of the Senate Committee on the Judiciary I have testified at length in behalf of the amendment.

On March 18, 1949, I testified before the subcommittee which was then headed by our late friend, Senator Bert H. Miller, of Idaho. I received from him a very kindly reception. Incidentally, he told me that the subcommittee would recommend the measure favorably to the full committee. I have not been able to find as yet that that course was followed. But we know that Senator Miller passed away shortly after that date, and it is barely possible that he died without actually having made that recommendation to the full committee.

On May 11, 1954, I appeared before a subcommittee headed by the distinguished Senator from North Dakota [Mr. LANGER]. That was in the 83d Congress. Other members of the subcommittee also were present. They gave me a very courteous hearing. I made, I thought, a reasonably full presentation of the facts and the law in connection with the proposed amendment. At any rate, Mr. President, I am happy to say that that particular subcommittee reported the measure favorably to the full committee, but no action was taken by the full Senate Committee on the Judiciary.

On May 6, 1956, which would have been in the last Congress—the 84th Congress—I had the honor to appear before a subcommittee whose chairman was the distinguished senior Senator from Tennessee [Mr. KEFAUVER] who again accorded me the opportunity to make a full presentation of the facts and the law behind this particular amendment, and to support the wisdom of this particular approach to the poll-tax problem.

Various other Senators were present during that hearing. I remember in particular that the senior Senator from North Dakota [Mr. LANGER] was there and commented to the effect that he had heard the matter once before and was still of the opinion he had held previously, namely, that the measure was meritorious, that this was the only legal way to deal with the question, and that he would certainly join in reporting the measure favorably to the full committee. That course was followed, because the records of the Committee on the Judiciary, as I am told, show that that committee received a favorable report from the subcommittee, although no action was taken by the full committee.

I feel I should mention the fact that two witnesses appeared in opposition to the amendment at that particular hearing. One of them was a representative of the NAACP; the other was our good friend the former junior Senator from South Carolina, Mr. Wofford, who served in the Senate a few months last year. They were strange bedfellows, but that is the way we find things when we approach a serious question in a moderate way. We are likely to find that we are getting shot at from both directions, and that was the case that day. I have always heard it said that a middle-of-the-road position is a very hard one to maintain, because one is likely to be hit by traffic moving in both directions. I think I have never seen a better illustration of that fact than what happened at that hearing, when, as I have said, a representative for the NAACP appeared and stated why that organization did not want such an amendment submitted, and our good friend, former Senator Wofford, then a Senator from South Carolina, likewise appeared, but for greatly differing reasons, to state his opposition to the submission of the amendment.

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

Mr. HOLLAND. I yield.

Mr. BUTLER. Mr. President, will the Senator from Florida enlighten us as to the reasons advanced for the opposition by the general counsel of the NAACP?

Mr. HOLLAND. In general, I think it would be fair to state that the NAACP has always taken the position that a mere statute could solve this question. If that were the fact and if the Congress would enact such a statute, of course its passage could be accomplished more quickly than could both the submission of a constitutional amendment and its ratification by three-fourths of the States.

Of course, as my distinguished friend will fully realize, the provisions of section 2 of article I of the Constitution and all the other facts in connection with this matter, insofar as Federal law is concerned make it inescapable, I think, to any lawyer that the constitutional-amendment process is the only one by which this matter can properly be approached.

Mr. BUTLER. I could hardly agree more with any statement than with that statement by the Senator from Florida, because section 2 of article I expressly states—

> And the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

Certainly that is a matter of local concern, and it seems to me that the only way we could get at it would be through a constitutional amendment.

Mr. HOLLAND. I fully agree with my distinguished friend, the Senator from Maryland; and I have noted that Senators who are good lawyers and who very greatly decry the poll-tax requirement and who come from other sections of the Nation—such, for instance, as the late Senator Borah, of Idaho, and our distinguished friend, the Senator from Wyoming [Mr. O'MAHONEY], and many, many other distinguished Senators who are lawyers and who hail from parts of the country other than the South—nevertheless being ready to face the real questions involved in any case, have stated repeatedly that the constitutional amendment method is the only proper one through which this subject may be approached.

Mr. BUTLER. Mr. President, will the Senator from Florida yield further to me?

Mr. HOLLAND. I yield.

Mr. BUTLER. Since the Senator from Florida has mentioned the reasons advanced by the counsel for the NAACP, let me state that I recall that only 2 or 3 years ago, when we were discussing the advisability of giving the veteran the right to vote, this same question arose. At that time, it was contended on the floor of the Senate that a constitutional amendment was not necessary. I well remember that at that time the Senator from Florida disagreed with that contention, as did I.

Mr. HOLLAND. I thank my distinguished friend.

Mr. President, there was a time when the poll tax question was a very large one, and affected a great many States.

The provisions were drastic, either as to the amount of the annual tax required, or as to the number of years during which it must have been paid prior to the date of an election, or as to its coverage of all or supposedly all of the people of a State who were asking to vote in the elections in the State. But, Mr. President, through the years the question has become increasingly small; and I wish us to realize that now we are dealing, not with the whole Southland, but with only five States which themselves have in every instance greatly modified and mollified the requirements of their poll taxes, by their legislative action, which they can do. Many Southern States have entirely eliminated the poll tax as a requirement for voting, not only in presidential, vice presidential, senatorial, and elections to the House of Representatives, as this amendment would propose, but as to all their elections, from the top to the bottom, those States being, in the order of their action, the following: North Carolina, Louisiana, Florida—and I have already mentioned my own participation in that matter as a State senator in 1937—Georgia, South Carolina, and Tennessee.

I believe Tennessee is the latest of the States to take that action, by the adoption of a constitutional amendment, a process which is very, very difficult to fulfill. I shall not digress long enough to go into the difficulties of really accomplishing a constitutional amendment under the constitution of Tennessee; but they are very real and very great, and they require procedure that is sustained through several years. However, that State went through that procedure painfully in order to accomplish this particular liberalization of the voting laws of the State. That was done just a few years ago.

Mr. President, in addition, the other five States which still have some poll-tax requirement by constitutional provision, have, as I have already indicated, moderated the application of their constitutional provisions or of their earlier statutes. That has been done in various ways—such, for instance, as exempting all women from the requirement of the payment of the poll tax, as has been the case in certain States; or, as in other States, the exemption of all veterans from the payment of the poll tax; or, as in other States, the exemption of persons of mature age—persons beyond the age of 65; or in some State, I believe, the age limitation has been set lower—and by other measures which have been held to be appropriate for adoption by the State legislature, and which do not require the burdensome and longtime course of submitting amendments to their State constitutions.

So the question has become of not very great coverage insofar as area is concerned, and it has become of even smaller coverage insofar as the numbers of people who are affected disadvantageously may be concerned.

Mr. President, poll-tax provisions still exist in 5 States, and still apply to some of the citizens of each of those 5 States. Although there may be good reasons for so applying it in such matters, for instance, as the voting of bond issues or the fixing of tax millage or such questions as referendum and recall and various questions—and certainly I would want to be the last to wish to disturb the wise action of a State upon questions of that kind—it seems to me that upon such matters as the election of a President and a Vice President or Senators or Members of the House of Representatives, no longer is there any justification for allowing any difference in this particular field between the electors of one State of the Nation and the electors of other States.

It is for that reason, and because I have always felt that the poll-tax requirement is of questionable wisdom—and in my State we found it to be wise to repeal it entirely as a requirement for voting—and because I wish to see my section of the country take an affirmative position, and not always be in the attitude of defending against something, that for years I have both solely upon the equities of this amendment and also upon its wisdom from the standpoint of my State and my region, assiduously labored to get the amendment upon the floor of the Senate, where it can be voted either up or down. I think the amendment would be overwhelmingly supported by the Members of the Senate if they were ever permitted to vote upon it.

Mr. President, much more could be said about the general aspects of the question. However, since I am giving only a brief résumé of the subject today, at this time I should like to read into the record the text of the present joint resolution, which is the fifth of its kind. Others have grown gray, but this one is now before the 85th Congress. It is Senate Joint Resolution 33, which was introduced by me, for myself and my colleague [Mr. SMATHERS], and the 2 Senators from Louisiana [Mr. ELLENDER and Mr. LONG], and the senior Senator from Arkansas [Mr. MCCLELLAN].

In the event the proposed articles were submitted and were ratified, the following text would go into the Constitution:

Section 1. The right of citizens of the United States to vote in any primary or other election for electors for President or Vice President or for Senator or for Representative in Congress shall not be denied or abridged by the United States or any State by reason of failure to pay any poll tax or other tax or to meet any property qualification.

Section 2. Nothing in this article shall be construed to invalidate any provision of law denying the right to vote to paupers or persons supported at public expense or by charitable institutions.

Section 3. The Congress shall have power to enforce this article by appropriate legislation.

Mr. President, I have already mentioned briefly—and at this point I merely wish to accentuate the point—that section 2 of the proposed amendment was inserted in, let us say, the second or third of the long sequence of resolutions, at the request or upon the advise of able lawyers in the Library of Congress and on the staff of the Judiciary Committee and on the staff of the Senate legislative counsel. That was done because they found, upon research, that there were in the laws of several States—most of them outside the South—provisions which denied the right to vote to paupers or persons supported at public expense or by charitable institutions; and for that reason that provision was added.

Mr. President, this amendment, of course, goes a good deal further.

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

Mr. HOLLAND. I yield.

Mr. BUTLER. Is there another section in the Senator's resolution in connection with the time within which it must be ratified?

Mr. HOLLAND. No. I purposely have refrained from adding a time limit, because in each appearance before each subcommittee and each time I have had the chance to discuss this matter, I have said I was so sure that affirmative action would be taken speedily that I was perfectly willing to put in a time limitation which was the least any reasonable committee, or the Senate as a whole, might think would be sufficient to allow the submission of this question to the States.

My own belief has been that the interval should be a 2-year period. I believe it took less than 1 year for ratification of the 17th amendment, which was just as controversial as this proposal used to be. It is not controversial at this time. It took just over a year to ratify the women's suffrage amendment. I am perfectly willing to agree to any time limitation which will give the States a chance to pass upon the amendment.

The Senator will recall that some of the States have provided in their constitutions a time limit beyond which their legislatures cannot act upon proposed constitutional amendments. For instance, in my own State any legislature which votes upon a constitutional amendment has to be elected after the submission of the proposed amendment to the States for consideration. There are similar provisions in other State constitutions, provisions not identical with that of Florida, but which also impose a time limitation. Therefore, the time of submission would have something to do with the subject.

Some of the provisions for limitation, as I recall them, are to the effect that action may be taken only at regular sessions of the State legislatures. So the time of submission of the proposed amendment would itself give us part of the answer as to what would be a reasonable time to impose as a limitation beyond which the States, to the total number of 36 States, could not go in indicating their ratification.

I am sure the amendment would be adopted in the shortest reasonable time, and I am so sure of it that I am ready to have the time computed at the very time we are making the submission, and have it written in the amendment.

I am not unmindful, as brought out by the Senator from Maryland, that such a time limitation would be appropriate and that, unless it were included, there might be some who would not want to see any action taken in this field and who would say we were proposing to delay a decision indefinitely. That is the furthest thought from my mind. I say

again I am willing to have provided the shortest possible time within which the amendment may be ratified by the several States.

Senators present know that the amendment goes further than to ban the imposition of a poll tax as a requirement for voting for presidential electors or for Members of the Senate or the House of Representatives in a general election. In order that the full coverage of the amendment may be clear, I desire to place in the RECORD five comments showing the great scope of the proposed amendment.

First, it is applicable both to primaries and other elections in which Federal officials are nominated or elected, namely, presidential electors, Senators, and Representatives in Congress. That means primary or special elections, as well as general elections.

Second, the proposed amendment prohibits the imposition of a poll tax as a prerequisite for such voting for Federal officials only, not relating to voting for State or local officials, or on State or local issues.

I emphasize this point because cosponsors of the resolution strongly feel that election of State and local officials and the making of decisions on strictly local matters such as bond issues, tax millage, school questions, referendums, recall procedures, and the like are properly and more effectively handled on a State and local level, and we would strenuously oppose any effort to control such elections by Federal law. In other words, I believe the people of a sovereign State have the clear right to impose conditions to participation in special elections of the sort I have mentioned if in their wisdom they think it wise and proper to do so.

Third, I note that the remedial effects of the amendment would apply not only to the State laws of all the States, but also—and I especially call this to the attention of Senators—to future enactments of the Congress itself. In other words, we do not assume that the present sentiment so dominant in the Congress of the United States will continue to prevail, but prefer to endeavor to protect permanently the right of citizens to vote for Federal officials notwithstanding any possible later change in attitude by the Congress of the United States.

Fourth, the proposed amendment would prohibit any other tax that is different from the so-called poll tax from being prescribed as a prerequisite for voting.

When the time comes for a full discussion of the matter I shall show that throughout the years there have been requirements in the constitutions of the several States, both inside the South and outside the South, as to the payment of amounts of taxes wholly disproportionate to the poll tax as a prerequisite to voting.

It may be interesting to observe that one of the finest States in the Union, the State of Pennsylvania, was the last State to have such a requirement in its State constitution as late as 1933, as I recall. No one could charge that there was bad faith or any desire to impose unusual or heavy restriction upon the people of the Keystone State. That was simply the expression of the wisdom and sound judgment of their people at that particular time, having in mind State problems which may have long since been forgotten. At any rate, in their wisdom, they repealed the requirement in 1933.

The effect of the proposed amendment would be to preclude any State from imposing, by way of subterfuge or because of its own sound desire, a requirement for the payment of some other tax as a prerequisite for voting.

Fifth, the proposed amendment would prevent either the United States or any State from setting up any property qualification as a prerequisite for voting in the election of any Federal officers, with the exception of qualifications relating to those citizens who, by State law, are denied the right to vote because they are paupers or persons supported at public expense or by charitable institutions.

I have already mentioned the fact that that particular provision was inserted because a considerable number of States—and at the time of the full argument I shall be prepared to read into the record the names of those States—have, either in their constitutions or in their long-established law, provisions banning paupers or persons supported at public expense or by charitable institutions from participating in Federal elections.

Mr. President, the full presentation of this matter would require a long time. I have a speech prepared which I could very easily impose upon the few generous Members of the Senate who honor me by remaining in the Chamber while I discuss this subject, which is, of course, of vital interest to them and to everyone else, and which, I hope, will become of more active interest.

I think this is the proper way to go about getting rid of something objectionable which has been offensive to the conscience of a large part of the people of the United States, to get rid of it permanently, and in such a way that there will not be litigation or successful attack, or any other method of long refusing to comply with a provision of this kind.

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

Mr. HOLLAND. I am glad to yield to my distinguished friend from Maryland.

Mr. BUTLER. Did I correctly understand the Senator to make the point that if the desired objective is not accomplished by constitutional amendment, but by an act of the Congress, a different minded Congress in the future might reverse it, and there would be no stability in the change?

Mr. HOLLAND. The Senator is correct in the point he makes. I did not make that particular point. I was referring to litigation rather than later legislation; but the Senator's point is well made. Even if statutory handling of the subject were effective—which in my opinion it would not be—it would still be subject to the very real objection just made by the distinguished Senator, that a succeeding legislature, or even a different judgment later in the same Congress, could, of course, modify or repeal the enactment by statute in this field.

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

Mr. HOLLAND. I yield to the distinguished Senator from Tennessee.

Mr. GORE. As a citizen of the State of Tennessee I supported an amendment to the State constitution to eliminate the poll tax, or the per head tax, as a qualification for voting. As a Member of the House of Representatives I supported in the United States Congress legislation to remove, so far as legislation could do so, the poll tax as a qualification for voting for candidates for Federal office. Therefore I find myself in full sympathy with the constitutional amendment proposed by the able senior Senator from Florida, to remove from our Nation a legal requirement of a poll tax as a qualification for voting.

Being in full sympathy with the amendment, I am constrained to inquire of the Senator why, in his opinion, it has not won committee approval, and what are the chances of winning committee approval and bringing this question to the floor of the Senate for action, and submitting the amendment to the States for their action? Or am I too inquisitive?

Mr. HOLLAND. The Senator is certainly not too inquisitive. Before the Senator entered the Chamber I had said that, as we expected, in offering a moderate, throughly legal approach to this question, we have been assailed both from the right and left. There have been a few critics from those States where poll tax requirements still prevail, who still think that, although this measure does not apply to their State and local elections, they should nevertheless oppose it.

From the left we have heard from many eager friends who think that the mere passage of a statute would wind up the question. They do not want to see the time lapse which would be involved in the submission of a constitutional amendment.

As I warned those same people back in 1949 and 1950, and in every other year from that time until now, they were simply postponing the only legal way to deal with this question, and the only practical way ever to have this provision adopted, because there is certainly no real likelihood of the enactment of a statute on the subject. Not only that, but there are not many good lawyers—in fact, I know of no good lawyers—who believe that a statute covering this subject matter would stand. I hasten to say that I do not know all the good lawyers, but the good lawyers I know, without a single exception—I have mentioned two, and there are many more in the Senate from other sections of the country—agree that this subject cannot be legally handled by the passage of a mere statute.

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

Mr. HOLLAND. I yield.

Mr. GORE. However that question may be resolved—and I submit it may be a serious question—I see no reason why those who are willing to support a statutory enactment aimed at the removal of this impediment to the free franchise should not be willing to support a constitutional amendment which

would unquestionably remove the impediment.

Mr. HOLLAND. Like the distinguished Senator from Tennessee, I see no real justification for such a position, but I am simply reporting to him that that position has been taken by a good many of my ultra-liberal friends, and that they prefer to attempt again a course which has always been a futile course heretofore, and which I predict would again be a futile course, namely, that of enacting a statute.

Mr. President, it is more than an academic question as to whether a statute or a constitutional amendment would suffice. Of course, the question is a real one, because many lawyers—I think most lawyers—do not believe a statute would stand. They do not believe we would be doing anything but making an empty gesture if we were to enact a statute. Those who have studied the question know perfectly well that if we enact a statute on this subject, and it is limited to the payment of the poll tax alone, it will invite efforts by the Federal Government to coerce States through other similar statutes—for example, in connection with such matters as the time of residence required before a voter may register, the time of residence required in a second county before a change in registration from one county to another can be made; and the age of the voter. The distinguished Senator from Tennessee knows that such a proposal has been put behind us by the Congress several times, even though suggested by a very distinguished President of the United States. It has been left to the States. My understanding is that although several States have considered the question, only two States have thus far reduced the age limit for voting.

There are such questions as the control of the absentee voting process, control of the methods of voting, the setting up of precincts, and the appointment of officials, among other things, which have to do with the exercise of the sound judgment of the State in which the election is being held. However, the situation has been left undisturbed, as a matter of State and local jurisdiction, constantly since the foundation of our Nation.

We think that to bow to the passage of a statute which we believe to be hopelessly unconstitutional, affecting only a single subject matter, would be to invite a general assault upon the plenary control by the States of their own election machinery and the practices and requirements which have been drafted heretofore, always in the history of our Nation, depending upon the decisions of the people themselves in the State affected, as to what was wise, and as to what best fitted into their particular life as the people of a sovereign State.

We do not wish to establish any precedent, even if it could be upheld by the courts—which we think it could not be—for a general, all-out assault upon the control by the States of the many important matters which have to do with the right to vote, and with the exercise of the right to vote by the people of the States.

Mr. President, I appreciate the interest which the distinguished Senators have given to the matters I have sought to present. I shall be prepared at a later time to go into this matter in some detail. However, before I take my seat, I think I should state in the RECORD, very briefly, the various constitutional provisions which are at issue here.

The first is section 2 of article I of the Constitution, which was one of the most debated provisions in the Constitutional Convention. I would be happy to go into the debates in that Convention, but time does not permit, nor does the occasion require that I do that at this time.

Section 2, article I, reads as follows:

> The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

Mr. President, that seems to me to be very clear language. I have not found anyone to differ on that point, except a few persons who think that we are not talking about qualifications when we talk about the payment of poll taxes, but, instead, are talking about something else. I shall dwell on that mater in a moment. Certain it is that the framers of the Constitution regarded the payment of poll taxes as a qualification, as we may clearly show, and as I will briefly demonstrate in a moment.

The second provision upon this point is the 17th amendment to the Constitution, having to do with the election of United States Senators.

It is interesting, in passing, to note that the only wording that appears in two different places in the Constitution is the wording relative to the qualifications of the electors.

It was placed in section 2, article I, by the Framing Fathers in 1787.

In 1912, when the 17th amendment relating to the election of Senators, and changing the method of the election of Senators from election by the legislatures to election by the people was submitted, the same provision of article I, which appeared in the original Constitution, and which I have already quoted, was written into the amendment to proscribe the qualifications of electors who might vote for Senators. I read only the first paragraph of the 17th amendment, as follows:

> The Senate of the United States shall be composed of 2 Senators from each State, elected by the people thereof, for 6 years; and each Senator shall have 1 vote. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislatures.

In other words, the experience of our people had determined that the judgment of the Founding Fathers in 1787 in inserting certain words for the qualifications of voters to elect Members of the House of Representatives was so sound that they reached back to the same words and restated them in the 17th amendment to the Constitution.

Mr. President, without laboring the question, I merely wish to state—and this will come out much more fully in subsequent arguments—that there is not a shadow of reason behind the claim that the word "qualifications" used in both places in the Constitution had no reference to the poll-tax requirement.

To the contrary, the State of New Hampshire, in its early constitution, which existed at the time of the framing of the Federal Constitution, had a poll tax requirement, described in the very descriptive words "poll tax" and "qualifications." That poll tax requirement was referred to as a qualification for voters by the use of the word "qualifications."

Similarly, the constitutions of 8 of the 13 Original States, contained other tax-paying requirements—most of them much broader than the poll tax, such as property-owning requirements—and sometimes both poll tax and property owning requirement—and they appeared in conjunction with the use of the word "qualifications" or "qualified" or similar words, depending upon the context.

Therefore, Mr. President, there cannot be the shadow of pretense of soundness behind the claim that the Founding Fathers did not regard the poll tax requirement as a qualification. It had been called a qualification by some of the very men who framed the New Hampshire constitution, and they called the imposition of other tax-paying requirements—property taxes, business taxes, or various other classes of taxes—qualifications.

Mr. President, I hope the word "qualifications" will be shown within quotation marks, because the word "qualification" or "qualifications" or "qualified" appears repeatedly in the various State constitutions.

Coming down to the time of the submission of the 17th amendment—and again I will not take the time to go into great detail on this point—it is a fact that many of the States at that time, States which by the votes of their Senators or Representatives had helped in the submission of the 17th amendment for ratification, had in their very constitutions the poll-tax requirement, and that requirement was referred to as "qualifications" over and over again in those State constitutions.

Therefore the able Members of the Senate and the House who in 1912 submitted the 17th amendment knew perfectly well that they were on sound ground in using the same words. They knew they were being protected by the provisions of their State constitutions, which contained poll-tax requirements, and they knew that those requirements have been referred to time after time in those same constitutions as qualifications for voting.

Mr. President, it is interesting to note—and this matter involves questions of morals and ethics and fair play—that the 17th amendment would never have been submitted for ratification except by the votes of several southern Senators from States whose constitutions required the payment of poll taxes, along with the word "qualifications," as being descriptive of the poll-tax requirements.

Some of the Southern Senators fought very hard for the submission of the 17th amendment, and voted for it. In the debate itself it was made quite clear that the full protection of the definition of

electors by the several States would be carried into the election of Senators in the event the 17th amendment was adopted.

I remember that Representative Hobson from Alabama took that position. I remember that various Senators from various Southern States took that position. All of that is a matter of record, and will come out in debate on the subject at a later time.

Mr. President, I do not believe it is necessary to dwell longer upon the present proposal. I understand from the majority leader that another Senator wishes the privilege of the floor. Certainly I do not wish to indulge in any long or continued discussion of this matter.

I merely wish to reiterate, if I may—and I am glad to see on the floor of the Senate my distinguished friend, the Senator from Minnesota [Mr. HUMPHREY]—what I have said to him in colloquy on more than one occasion. What is proposed, marks not only the only legal way to approach this problem, but marks, also, a perfectly sincere effort on the part of a group of Southern Senators who are willing not only to support it in committee and on the floor, but are also willing to go before their State legislatures at the proper time to do their best to obtain speedy ratification of such an amendment. It is the only way in which to get rid of a troublesome and long-continuing problem which, if eliminated, would cease to be a thorn in the side of so many good people in this country.

Mr. President, I yield the floor.

PROGRAM FOR TOMORROW—ORDER FOR ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I wish to announce that when the Senate convenes tomorrow there will be a morning hour, and then the Senator from Arizona [Mr. GOLDWATER] will read Washington's Farewell Address. Then Senators who care to speak may do so, and when all Senators who desire to speak have completed their remarks, the Senate will go over until next Monday at noon.

Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 12 o'clock noon tomorrow.

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

THIRTY-NINTH ANNIVERSARY OF PROCLAMATION OF INDEPENDENCE OF THE REPUBLIC OF ESTONIA

Mr. HUMPHREY. Mr. President, Sunday, February 24, 1957, will mark the 39th anniversary of the proclamation of independence of the Republic of Estonia.

As one of the first nations to be subjugated by the Soviet Union after the Hitler-Stalin Pact, Estonia was directly incorporated into the Soviet Union. After being occupied by the Nazis during World War II, Estonia was again returned to Soviet rule. Untold hardships and suffering have been inflicted upon this small nation. Collectivization and heartless mass deportations were used to break all outward resistance.

Yet in spite of this Communist enslavement, there remains in the hearts of Estonians and people of Estonian descent throughout the world an enduring hope for the restoration of freedom.

We in the United States have the deepest sympathy toward the plight of Estonia, and along with Estonians look forward hopefully to the liberation of this valiant nation. Therefore, Mr. President, I am certain that all freedom-loving Americans join me in noting this day, February 24, 1957, as the 39th anniversary of the Proclamation of Independence of the Republic of Estonia.

By doing so, we will encourage the Estonian people in their hope for a complete restoration of freedom; heartily applaud their moral resistance to Communist tyranny, and pay tribute to this long-suffering patriotism.

Mr. President, I turn now to another subject.

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

HANDICAPS TO THE GROWTH OF INDEPENDENT SMALL BUSINESS

Mr. HUMPHREY. Mr. President, among the many handicaps to the growth of independent small business in this country, a new one has recently begun to develop full flower. The Government itself, through the Department of Defense and its programs for research, is managing to stifle small business by channeling funds year after year to big business. The situation is serious, and as far as this Senator is concerned, small-business men of our Nation have a right to complain.

This whole problem was discussed in an article by Sylvia F. Porter in the New York Post for Tuesday, February 12, 1957.

I ask unanimous consent that the text of this article entitled "Kiss of Death" be printed at this point in my remarks.

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

KISS OF DEATH

(By Sylvia F. Porter)

The Government itself well may be giving the kiss of death to independent small business in our land—through the Defense Department's program of channeling huge amounts of funds for research and development year after year almost exclusively to big business.

The importance of this cannot be overestimated.

In our age of technological revolution, research has become crucial. In more and more industries, what a corporation gets out of research decides whether it thrives or dies.

Yet, despite the Government's oft-repeated concern about the trend toward concentration of industrial power, its own policies are contributing to this trend. And no one who has the facts can deny it.

The House Small Business Committee of the 84th Congress has just released its final report on its investigations in 1955 and 1956. I have studied every page of the chilling 191-page document which leads its chairman, WRIGHT PATMAN, Democrat, of Texas, to predict that if the trends of the past 5 years continue "within 18 years, all manufacturing business and most of the distribution and service business of the Nation will be controlled by corporations having more than $100 million of assets."

But this colorful comment of the controversial PATMAN is not what impressed me. Rather what hit me was a chapter tucked far back in the report entitled "Government Subsidies for Research and Industrial Advancement," for it tells the following tale * * *.

The Government currently pays for almost two-thirds of all research and development in our country.

The Defense Department is by far the biggest spender of the funds and it alone passes out about $1.5 billion of research money annually to private companies, "100,000 times as great as the Small Business Administration's whole lending program, designed to assist small business expansion."

Now where doe the money go?

A full 95 percent of it goes to companies employing more than 500 workers. This certainly fits the definition of big-business firms.

In the past 3 years, research contracts totaling $4.7 billion have been awarded. Of this, $4.6 billion, or 98.1 percent has gone to the 500 largest contractors.

What are some of the implications of this?

The companies doing the research turn up not only inventions for defense but also products for civilian uses.

To quote the Attorney General himself, "processed foods, electronic devices, and penicillin, to list only a few present-day commercial products, were all originally developed under research and development programs for defense purposes."

The companies have the privilege, under our national patent policy, to patent and control an invention, if they want to. In the past 5 years alone, the companies have claimed rights to at least 6,788 inventions.

Again, this leads the Attorney General to make the extraordinary admission, "what indications are available warn that the Government expenditures may not run counter to the industry trend toward concentration but in some degree may even enforce it."

So what, then, should be done? At a minimum, the report suggests:

The administration should eliminate the statistical vacuum that exists on who's getting what for research so a sound program can be worked out that will better protect our competitive system.

It certainly should greatly simplify the contract bidding process so smaller companies won't be under so brutal a disadvantage.

It should make sure that the officers in charge of awarding contracts don't discriminate against small business because of their cautious tendency to deal only with firms which have an established reputation.

It surely should begin at once a reexamination of our whole patent policy to see what amendments are in order.

The Government pays lip service daily to the health of small business. Its research program is shiveringly close to the kiss of death.

Mr. HUMPHREY. Mr. President, I should also like to call the Senate's attention to a recent report of the Board of Governors of the Federal Reserve System which substantiates the fact that the administration's tight money policies have proved to be a bonanza to the banking fraternity. This report reveals that Federal Reserve member banks realized a net profit after taxes in 1956 of $1,026 million, an increase of $41 million over 1955. The reason for these enormous profits is the ever-rising inter-

est rates which the American people are being forced to pay.

The charge is being made by some of our industrial and financial leaders that the rise in the cost of living is due to the excessive wages of our working people. I thought it might be interesting to compare wages with the profits of the bankers for the period covering the last year of the Truman administration and the first 4 years of the Eisenhower administration to find out just what has been happening. Here is what I discovered: Average weekly earnings of production workers in manufacturing industries rose from $67.97 in 1952 to $80.19 in 1956—an increase of 18 percent. Net profits after taxes of banks were $829 million in 1952 and $1,026 million in 1956—a gain of 24 percent. This means that bank profits rose 33 percent more than did wages from 1952 to 1956.

I also learned that average weekly wages in the 4-year period 1953 through 1956 were $75.07 which is 10 percent higher than the 1952 weekly average wage. Bank profits for the 4-year period 1953 through 1956 averaged $993 million a year which is 20 percent more than bank profits were in 1952. In other words, Mr. President, bank profits have increased under the Eisenhower administration twice as much as have wages, taking the year 1952 as a means of comparison.

In view of these facts I think it would be well for our Republican friends to examine the effect that soaring interest rates are having on the increasing cost of living, before they make the charge that wages are too high and causing inflation.

I ask unanimous consent, Mr. President, that a chart I have had prepared which shows earnings of workers and bank profits for the years 1952 through 1956 be inserted at this point in the RECORD.

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

A comparison of gross average weekly earnings of production workers in manufacturing industries with the net profits after taxes of Federal Reserve member banks

Year	Weekly earnings	Net profits after taxes of member banks	Number of member banks
		Millions	
1952	$67.97	$829	6,708
1953	71.69	865	6,743
1954	71.86	1,096	6,660
1955	76.52	985	6,543
1956	80.19	1,026	6,462

Source: Board of Governors of the Federal Reserve System, and Bureau of Labor Statistics of the Department of Labor.

Mr. HUMPHREY. Finally, Mr. President, the January issue of Economic Trends and Outlook published by the AFL-CIO economic policy committee contained a most interesting article titled "A New Look at Monetary Policy."

This article contends that the tight-money policy has had an injurious effect upon small businesses, farmers, prospective home owners and purchasers of consumer goods. It points out that the administration's credit policies have caused postponement of needed public improvements such as schools and hospitals while at the same time increasing profits of lending institutions. In conclusion the article calls for a close examination of our fiscal and credit policies with a view in mind of ending the inequities of the present monetary controls.

Because of the timeliness of this article, I ask unanimous consent that it be printed at this point in the RECORD.

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

A NEW LOOK AT MONETARY POLICY

Current monetary policy needs to be reexamined. The causes and effects of a tight money market are different when seen through the eyes of someone other than a specialist in monetary policy. While some economists give credit to the monetary policy of the administration and the Federal Reserve Board for the relative mildness of price increases in the past few years, others believe the relationship between the two has been relatively minor.

Instead, it seems that the Federal Reserve Board, while "tilting at the windmill" of inflation, has been hampering the healthy expansion of our economy. The Board's attempt to curb inflation in the consumer and industrial markets has literally produced inflation in the money markets. The latter creates far more serious problems for our economy than the price inflation of the last few years.

In the past year and a half, money market inflation has followed the seesaw pattern of increased rates for Treasury bills followed by increased discount rates. Since mid-1954, Treasury bill rates have increased by 2¼ to 2½ points. Since a fair rule of thumb is that the discount rates should generally be higher than the Treasury bill rates, this pressure among others, has pushed up the discount rates. Over the past year and a half, when Treasury bill rates were higher than discount rates, the Federal Reserve Banks have increased their discount rates. Now, once more, the Treasury bill rate is hovering around 3 percent. While this may not lead to further discount rate increases, past experience would make this result probable.

As Treasury bill rates and discount rates mount, other rates also rise. In the past two years, short-term rates for loans have also gone up from 1¾ to 3½ percent, or exactly doubled. In many instances, they have risen above the long-term rate, presaging an upturn in the latter.

This seesaw pattern causes uncertainty in the money market. Loans of various kinds become very difficult to obtain—not necessarily because funds are short, but because banks and lending institutions assume that by holding off a little longer, they can charge and secure higher interest rates. Thus, the attempt to avoid price inflation produced inflation in the money markets.

To support the general contention that price inflation in the money market has caused some fundamental disturbances in the economy, five points may be cited. Each shows the effect of the rise in interest rates. Each illustrates how good monetary intentions for helping economy have produced serious problems elsewhere.

1. Business and agricultural borrowing has not been curbed; nor has the rate of investment for new plant and equipment slowed.

2. Discrimination between types of borrowers has developed.

3. Needed public buildings and activities have been postponed.

4. Profits of banking institutions have been increased.

5. The Treasury has been forced to reverse its policy of converting debt to long-term bonds.

INDUSTRIAL, COMMERCIAL, AND AGRICULTURAL LOANS

One of the main purposes of increased discount rates has been to "spread out the boom" and slow down expenditures for new plant and equipment. However, these expenditures have continued to rise from quarter to quarter, and the total volume of commercial, industrial, and agricultural loans has continued to reach new highs almost monthly.

Starting in early 1955, the rate of new plant and equipment expenditures has risen roughly $2 billion a quarter, until the anticipated rate for the fourth quarter of 1956 of $38 billion will be $12½ billion above the $25½ billion rate of the first quarter of 1955. Discount rates have been periodically increased.

During this same period, commercial, industrial, and agricultural loans of banks in leading cities have also risen almost continually. From January 1955 to September 1956, these loans grew from $22¼ billion to an all-time high of $29½ billion. Month by month, the level of loans has risen except for slight declines in early 1955 and 1956.

Over these months, the discount rate has gone up 6 times. From a level of 1½ percent at the beginning of 1955, it moved up one-fourth of a point in April, August, September, and November of 1955, and in April and August of 1956.

It is argued that these loans and expenditures for new plant and equipment would have been even greater had the rise in the discount rate and the concomitant increases in short- and long-term loan rates not taken place. But the hard facts remain clear: Despite the efforts of the Federal Reserve Board to stop or partially control their increase by upping the discount rate, these loans have continually mounted. The September 1956 Federal Reserve Bulletin, reviewing interest rates during economic expansion, states: "During 1956, business demands in both capital and credit markets have risen substantially further. * * *" The Board might have added to this statement of fact, "This has occurred in spite of a very tight money policy."

DISCRIMINATION IN TYPES OF BORROWERS

The tight-money policy has produced restrictions on certain types of loans, but has not particularly interfered with others. Big business establishments and large corporations usually see no reason to let a rise of 1 percent or more hamper their planned rate of plant and equipment expenditures or their demand for various types of loans. If necessary, they can afford to pay higher interest rates out of their earnings and reserves. The constant rise in new plant and equipment expenditures, as well as commercial and industrial loans, is testimony to the negligible effect of high interest rates on curbing or retarding this type of expansion.

As a Wall Street Journal story on September 4, 1956 stated, "Some smaller concerns are cutting expansion plans. Some medium sized ones are delaying plans for financing them. Corporate giants generally are unaffected."

In most cases, small-business men cannot afford to pay higher interest rates. They are forced, therefore, to postpone plans for growth and expansion or even for enlarging inventory to maintain stability in their business.

In addition, an examination of the housing market shows an obvious decline in housing starts for new residential establishments and a rise in interest rates on mortgage money. The mortgage money is available, but the average American who wants to buy a new house hesitates because of rising interest rates.

The farmer, too, finds it more difficult to get money at rates he can afford, even though

he needs some types of loans just to carry him over periods of the planting season.

A series of interviews, conducted with bankers around the country by U. S. News & World Report reported in the September 14, 1956, issue, illustrates the discrepancies between opportunities of different types of borrowers:

"Bankers across the Nation agree that it is harder for both builders and home buyers to line up mortgage credit, point out that their average rate of interest on mortgage loans is up sharly from last year's rate." As for farmers' desires to finance their operations, U. S. News continues, "You are likely to find that your banker is much more critical of your plans." The rule of thumb seems to be "The more urgent your need for a loan, the more difficult and costly that loan will be to arrange."

Certainly the small-business man, the new businessman, the farmer, the prospective home buyer, and the purchaser of consumer durable goods finds it more difficult to buy what they want. If tight money accomplishes anything at all, therefore, it makes it harder for these groups to get money.

STATE AND MUNICIPAL EXPENDITURES CURTAILED

Higher interest rates increase the cost of borrowing for State and municipal governments. Normally, there is a differential between the rates that State and municipal governments pay on their bonds and the rate paid for long-term bonds of business establishments because interest on the former is tax exempt. However, as long-term bond rates rise, State and municipal governments must raise their rates in order to compete for money in the open market. As a result, costs of needed public improvements are greater for the States and local communities and, in turn, for the taxpayers.

Almost daily one can find a newspaper report that a State or municipal government has postponed the issuance of a school bond, bonds for improvement of public buildings, or bonds for highway construction, because of the costs of floating them. For example, the October 20 issue of Business Week reported: "The tax-exempt bond market has been hit even harder by tight money than the corporate sector. From Rhode Island to Florida, municipalities have been turning down bids on new issues. On scattered occasions, new municipal offerings didn't even draw a bid. Many of the municipalities that have pulled issues out of the markets have found—like most of their corporate counterparts—that conditions actually became worse later."

This effect of tight money delays necessary improvements and hampers the development of needed public facilities in States and local communities.

BANKING PROFITS

Tight money has led to higher profits for lending institutions in its September 14 issue, U. S. News & World Report's article, "Where Tight Money Helps" asks "Who gets all the additional dollars now being paid by individuals, corporations, and governments on their borrowing?" The answer is simple and straightforward: "* * * in large measure * * * the country's banks, insurance companies, and other institutions that do the bulk of the lending."

Profit statements of various banks illustrate the truth of this statement. On October 2, the New York Journal of Commerce headlined a story, "Banks Report Robust Gains in Earnings."

A paragraph in the same story points out the effect of tight money on bank earnings: "Contributing most spectacularly to gross income was interest on loans, affected both by sharply higher money rates and by generally increased volume of credit in use."

Following this is a rundown on the profits of five New York metropolitan banks. For the first 9 months of 1956, profits increased as follows: Manufacturers' Trust Co. and New York Trust Co., 10 percent; Irving Trust, 22 percent; and Bank of New York and Marine Midland Trust, 25 percent.

A current composite series on bank earnings is unavailable. The most recent Federal Reserve Board series in the May 1956 Bulletin reviewed earnings for 1955. However, since the New York banks cited are not atypical, these indications from the first 9 months of this year make it certain that bank earnings for 1956 will show a rising trend.

BULK OF UNITED STATES DEBT STILL IN SHORT TERM

In early 1953, the United States Treasury announced, as an ultimate objective, transferring United States debt from banking institutions to long-term investments as much as possible.

Short-term bonds were to be reduced and converted to bonds of long-term denomination wherever possible.

The Treasury would try to make the change to long-term bonds, but that it would have in increase interest rates at the same time. The May 1953 issue of 30-year bonds of 3¼ percent was the first step. Disastrous effects of this first issue are well known. Suffice it to say, that while the issuance of these 30-year bonds was successful, the market soon fell apart. Subsequent developments led to the reduction of interest rates. The slight recession of 1953–54 followed. After that, the Federal Reserve Board began once again to fight phantom inflation and increased the discount rate periodically. The Treasury thus gave up its policy of converting the debt to long-term bonds. Subsequent moves resulting in rising interest rates, however, have not enabled the Treasury to follow through on its policy.

Most economists would generally agree that sound debt policy would support moving the Federal debt into long-term issues and out of the bank structure. However, it appears clear that high interest rate policies of the administration and the Federal Reserve bank, have not helped the Treasury to accomplish this objective.

Tight money does not really affect the source of the economic growth and expansion which some people consider inflationary.

On the other hand, we know that tight money policy has injured small businesses, farmers, prospective homeowners and purchasers of consumer goods. Tight money policy has caused potponement of needed public activities. Tight money policy has built the profits of banking and lending institutions—to say nothing of its forcing the Treasury to reverse its debt management policy and its encouraging corporations to seek "costless capital." For these reasons, a new look at monetary policy seems to be in order.

THE LEASE-PURCHASE PROGRAM

Mr. HUMPHREY. Mr. President, I note that recently the administration said it would abandon the lease-purchase program which was adopted by Congress some years ago providing for the construction of public buildings. There are some $900 million worth of buildings programed, none of which has been constructed, but all of which have had headlines, many of them very convenient headlines, prior to the last election. The administration says that the reason it is abandoning the program is because it wants to stop inflation. I might suggest that the main reason why the program is being abandoned is because it did not work. As I have said, there were more than $900 million worth of public buildings authorized for construction under the terms of the program, none of which have been constructed. The Senator from Michigan [Mr. MCNAMARA] is in charge of the subcommittee which has been investigating this subject, and I am sure his report will be most illuminating.

I am always intrigued by the manner in which the public relations officials in the administration present everything to their own advantage. I stand in wonder and amazement at the unique capacities of the publicists and propagandists of the administration to make great achievements out of colossal failures.

Mr. President, I wish now to refer to another subject.

The PRESIDING OFFICER. The Senator from Minnesota may proceed.

SUGGESTED SOLUTION OF CONSTITUTIONAL PROBLEMS OF CYPRUS

Mr. HUMPHREY. Mr. President, during my service as a delegate to the 11th United Nations General Assembly, I received a communication from the International Confederation of Free Trade Unions relating to self-government for Cyprus. I ask unanimous consent that the text of the resolution be printed in the body of the RECORD.

I call to the attention of my colleagues in the Senate the practical proposal which has been made by the ICFTU directed toward a solution of the constitutional problems of Cyprus.

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

MESSAGE ON CYPRUS ADDRESSED TO THE GOVERNMENTAL DELEGATIONS TO THE 11TH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY

We welcome the decision of the 11th United Nations General Assembly to place the question of Cyprus on its agenda and we wish to inform the delegates to the General Assembly of the views of the free trade unions on this problem.

The ICFTU has always advocated the right of peoples to govern themselves and to decide their own fate in freedom. We have in this spirit aimed at a rapid development of non-self-governing territories toward self-government and self-determination. In the case of Cyprus specifically, the Fourth World Congress of the ICFTU (Vienna, May 20 to 28, 1955) urged prompt action in favor of the implementation of self-determination.

After having carefully weighed the ethnical and international implications of self-government in Cyprus, our executive board, at its meeting in December 1955, adopted a constructive program which we have the honor to submit to the United Nations General Assembly for its consideration. This program contains the following proposals:

1. The people of Cyprus should immediately be granted self-government on a democratic basis.

2. The metropolitan government should forthwith accept the principle of self-determination.

3. The metropolitan government should declare its readiness to negotiate with the government, formed through the lawful procedures of a representative body, about a reasonable period, at the end of which the people of Cyprus should have the right to determine freely the future status of their country.

4. The legitimate political, economic, social, and cultural interests of the ethnic minority should be properly safeguarded, both

during the period of self-government and thereafter.

5. Any settlement should take into consideration the need for friendly relations among the democratic nations and the interests of these nations, as well as the necessity for the democratic world to be able at all times to depend on the island of Cyprus for defense.

We deeply regret that negotiations which were in process for a while between the metropolitan government and the representatives of the people of Cyprus, broke down; that the recognized leader of the Greek-speaking Cypriots was deported; that negotiations have not been resumed; that acts of violence and severe countermeasures have not yet ended; and that in the trade union field the general secretary of the Cyprus Workers Confederation, as well as other free trade unionists, have been detained for many months and that the activities of the free trade unions of Cyprus have been gravely impeded by this and other restrictive measures.

The new proposals for a constitutional reform which have been prepared by the British Government do not seem to be based on the principles of full self-government and self-determination, and there has not yet been a readiness to resume direct negotiations with the representatives of the people of Cyprus.

We therefore appeal to the governmental delegations to the 11th United Nations General Assembly to pronounce themselves in favor of a solution of the constitutional problems of Cyprus along the lines proposed by the free trade unions, and to urge the immediate resumption of direct negotiations between the metropolitan government and the representatives of the people of Cyprus.

SUNFED—SPECIAL UNITED NATIONS FUND FOR ECONOMIC DEVELOPMENT

Mr. HUMPHREY. Mr. President, earlier I mentioned the address which I delivered 2 or 3 days ago relating to the foreign economic aid program. I have wanted for some time to comment on President Eisenhower's second inaugural address and on what he had to say relating to our foreign policy, particularly as it refers to foreign aid and foreign economic policy.

Mr. President, when I listened to President Eisenhower's second inaugural address I had hoped that the magnificent ideals to which he committed this country would augur well for some changed policies when it came to the level of implementation. Unfortunately we had to witness recently the discouraging spectacle at the United Nations of Mr. Paul Hoffman, one of our American delegates, rising, in defiance of what I am sure were his own convictions, to make what is becoming our annual rebuff to SUNFED.

The following day the New York Times carried an editorial entitled "The Trouble With SUNFED," which reviewed our embarrassing position.

This unfortunate spectacle seems to show again that the President's generous and forward-looking instincts, as expressed in the high abstractions of state papers, are not being translated into practical and useful policies.

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

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

THE TROUBLE WITH SUNFED

Nearly 4 years ago President Eisenhower gave his support to the idea of a United Nations fund for assistance to underdeveloped countries. It was contemplated then, and has been contemplated since, that this fund, which might call for a capital investment of at least $250 million, would be used for basic and ordinarily nonprofit projects. These might include hospitals, schools, housing, and roads.

The idea was picked up by several U. N. agencies. Out of it came a report prepared in 1955 by a group of experts headed by Raymond Scheyven. The resulting proposal was baptized as SUNFED, which is short for the Special United Nations Fund for Economic Development. The prospects looked reasonably good when several great powers, Britain and the United States among them, began to back away. On our own part, we made the peculiar stipulation that we could not enter into the SUNFED operation until some progress had been made toward general disarmament. This argument did not seem relevant when first made, and does not seem relevant now. A nation spending close to $40 billion on defense need not worry about somewhere between $75 million and $125 million spent to build schools and hospitals abroad.

Paul G. Hoffman had the possibly painful task of assuring a U. N. committee on Wednesday that we are still opposed. Mr. Hoffman quoted the President's remark in his inauguration speech that "we recognize and accept our own deep involvement in the destiny of men everywhere." But he argued that because "of an absence of genuine international confidence the future is filled with uncertainties" and that we were therefore "not prepared to assume a long-term commitment to make resources available to a new global-development fund."

He did not really explain why this was so. It is supposed that Washington is not satisfied with the form SUNFED is taking. If this is the case, why not bring out a better plan? We are not poor in money or in generosity. Why should we be so poor in faith, courage, and compassion that we must wait for general disarmament before we join with our U. N. neighbors to do some helpful things that politics and other reasons keep us from doing unilaterally?

Mr. HUMPHREY. Mr. President, let me explain what I mean by calling attention briefly to the similarity of thought between the President's inaugural statement of January 21, 1957, and certain passages from the Report and Recommendations on Foreign Economic Aid made by the Mansfield subcommittee of the Foreign Relations Committee last year after a 2-year study of the subject.

The Mansfield subcommittee pointed out in 1956 that prosperity, like peace, is in the long run indivisible, and stated that the committee had—

grave doubts as to how long economic growth can be sustained in the United States if the rest of the world continues to fall further and further behind. In connection with the advancement of our own prosperity the prosperity of others is an important factor.

President Eisenhower said on January 21, 1957:

For one truth must rule all we think and all that we do. No people can live to itself alone. The unity of all who dwell in freedom is their only sure defense. The economic need of all nations, in mutual dependence, makes isolation an impossibility; not even America's prosperity could long survive if other nations did not prosper. No nation can longer be a fortress, lone and strong and safe. And any people seeking such shelter for themselves can now build only their own prison.

The Mansfield subcommittee report, which, by the way, was unanimous, being signed by Senators GREEN, FULBRIGHT, KENNEDY, HICKENLOOPER, AIKEN, CAPEHART, and GOLDWATER, quoted a statement made by the present senior Senator from Kentucky [Mr. COOPER], then the United States Ambassador to India, as follows:

The problem is not simply to counter the Russians. We were there first. We should develop our own program and stick with it and give assurance of some continuity.

In 1956 the Mansfield subcommittee said:

The broader national interests of the United States require a growth in the area of human freedom. It is perhaps significant that not since 1812 has the United States found it necessary to fight a war with a country which has standards of freedom comparable to our own. Steps which countries receiving technical assistance take to promote such a growth, either politically or economically, are in the mutual interest of the United States and of other countries concerned. This seems to the subcommittee the most valuable mutual assistance which can reasonably be expected from most underdeveloped countries; namely, a devotion to their own independence and a determination to work out their own problems. If we expect them to refuse to prostitute themselves to the Soviet Union, we must also expect them to refuse to prostitute themselves to the United States. And we are false to our own traditions if we ask them to do otherwise. A strong, free, and independent Asia is more important to the United States than a collection of weak dependents in the same area.

President Eisenhower, on January 21, 1957, further said:

In this confidence we speak plainly to all peoples.

We cherish our freedom with all nations that are or would be free. We respect no less their independence. And when, in time of want or peril, they ask our help, they may honorably receive it; for we no more seek to buy their sovereignty than we would sell our own. Sovereignty is never bartered among free men.

President Eisenhower went on to say:

We must use our skills and knowledge and, at times, our substance, to help others rise from misery, however far from the scene of suffering may be our shores. For wherever in the world a people knows desperate want, there must appear at least the spark of hope, the hope of progress—or there will surely rise at last the flames of conflict.

We recognize and accept our own deep involvement in the destiny of men everywhere. We are accordingly pledged to honor, and to strive to fortify, the authority of the United Nations. For in that body rests the best hope of our age for the assertion of that law by which all nations may live in dignity.

Now it just appears, Mr. President, that we had a real opportunity to change our policies, and to get in line with the requirements of the moment, last week at the United Nations when SUNFED came up again for discussion. My colleagues will know that SUNFED, the Special United Nations Fund for Economic Development, is an undertaking which has been urged for the last 4 years, at least, by the majority of the members of the United Nations. This is a proposal,

carefully worked out and worked over, for helping the underdeveloped nations of the world to begin at the beginning with the sound underpinnings of modern agriculture, modern industry, modern harbors, transportation, public works, schools, and health facilities that are primary assurances for healthy and sound economic, social, and political developments under conditions that will improve standards of living and give the peoples the greatest possible stake in their governments, the welfare of their countries, their independence, and the security of the individual that comes with the growth of the democracy.

Last year, during the debate on the Mutual Security Act, I discussed SUNFED at some length on the Senate floor—CONGRESSIONAL RECORD, volume 102, part 8, pages 11377–11382.

I will not repeat the basic arguments here except to say this: For too many years the "have" nations, led by the United States and Britain, have vetoed the implementation of SUNFED on a plea of poverty that, believe me, rings mockingly in the ears of the representatives of nations whose gross national product and whose average per capita incomes are tragically small, dangerously small, fractions of our own.

President Eisenhower spoke the other day of the price of freedom. Part of that price, and no price is too high to pay for freedom, would have been the launching and the implementation of SUNFED, or an instrumentality along the lines of SUNFED, particularly when it was again before the United Nations Assembly. Instead, it again encountered the opposition of our own State Department.

I speak now not as a member of the United States Delegation to the United Nations, but as a Member of the United States Senate and as an American citizen, relying on information obtained not as a U. N. Delegate but as a Senator and a citizen, when I state that the State Department reneged on rather broad implications and commitments made some months ago when this matter was before the Senate Committee on Foreign Relations. At that time the State Department said that it would, at this session of the United Nations Assembly, support SUNFED. I believe I am reliably informed that this change of attitude comes not from within the State Department, but has been imposed upon it—by guess whom—by the Secretary of the Treasury, Mr. Humphrey, who is no relation genealogically, intellectually, or temperamentally to the present speaker.

The Secretary of the Treasury seems to be taking an increasingly large interest in our foreign policy and how to cut it back.

Again the reason given was poverty, when we explained at the U. N. last Wednesday that we could not afford the obligations which we would undertake in support of SUNFED.

Mr. President, how pennywise and pound foolish can we get? The international obligations for the launching of SUNFED would be in the neighborhood of $250 million. Our share would be in the neighborhood of $80 million.

In terms of international political realities, we are in the position of being outvoted by a two-thirds majority within the United Nations if the question comes to a showdown. Not only are the African-Asian group and the Latin American group earnestly and insistently advocating implementation of SUNFED, but now, because we and some other "have" nations have stalled year after year, while the Soviet Union and its satellites have opposed and denounced SUNFED as a sinister tool of capitalist imperialism, we find that, under its zigzag policy, the Soviet Union and its satellites are reversing themselves to join in support of this proposal. I suppose some will cite this as a reason for opposing SUNFED. To that I would cite a statement from the Mansfield subcommittee report of 1956:

> The American national interest has too often been viewed as the reciprocal of the Communist interest, and from this it has been reasoned that anything which was anti-Communist was ipso facto pro-American. The subcommittee prefers to proceed from the converse of this assumption; namely, that anything that is pro-American is ipso facto anti-Communist. If the United States carries out programs which will positively advance the American national interest, without regard to their anti-Communist content, the anti-Communist results, although secondary, are likely to be even stronger than if the programs were specifically anti-Communist in the first place.

Mr. President, we are now in grave danger of appearing to veto the soundest and most economical method for assisting sovereign and proud peoples bent on independence and a higher standard of living in their efforts to develop their agriculture, their industry, their trade, their standards of living, and the values of individual citizens within their borders.

Let us talk in terms of money and economy, Secretary Humphrey's favorite terminology, if you will, Mr. President, SUNFED is more economical, will cost United States taxpayers less, and will be more fruitful in promoting United States interest, as so clearly redefined by President Eisenhower in his inaugural address. That will be the case if we join in supporting with words and money the launching of SUNFED.

Mr. President, here, again, I use the phrase SUNFED because it indicates to my mind not a precise formula, but an attitude or at least a philosophy of economic assistance through the United Nations. There will be those who will say that SUNFED, as originally designed, was not what might be called administratively feasible and practical. In reply to such a comment, I suggest that what we are discussing is United Nations or multilateral economic assistance through pooling arrangements, so that no one country will have to bear the major or the entire burden.

Instead of asking the United States to meet the whole costs of exterior aid in economic developments around the world, other well-off nations and not-so-well-off nations can and will help. They would share in supplying money, in supplying manpower, in supplying know-how, in supplying the understanding and sympathy which, Mr. President, are intangibles that are decisive in this whole enterprise.

In fact, Mr. President, again and again I have suggested, both publicly and privately, that a good place to start the use of an international economic special fund would be in the Middle East, and I have proposed a Middle East economic development authority. I made that proposal in the course of a speech which I delivered while I was a delegate to the United Nations. The speech was addressed to the Overseas Press Club. A Middle East economic development authority would enlist the capital of other countries, not only the capital of the United States. It would call upon the countries which have great resources of oil or other strategic commodities to make their contributions to the economic development of the entire region. In that connection, I hope our Government will soon end its sterility of imagination, and will move on to something constructive.

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

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. HUMPHREY. I yield.

Mr. MORSE. I am familiar with the Senator's speech regarding his proposal for a Middle East development program, and I wish to commend him for it. In my judgment, it is the kind of program the Secretary of State should have been urging months and months and months before the situation in the Middle East developed into such a crisis.

Let me say to the Senator from Minnesota that if statesmanship of that kind had been shown months ago by the State Department, I believe we would then have come to grips with the real causes of trouble in the Middle East.

As the Senator from Minnesota well knows, and as he pointed out in his speech, we face the problem of seeking to bring some economic development to the peoples of the Middle East, if we are to avert the causes of the crises which from time to time develop there. The Senator from Minnesota has made a very worthwhile contribution by his proposal. I only regret that it is another example of constructive proposals which are made to the State Department, but on which that Department does not take action in meeting problems of the type of those which exist in the Middle East.

Mr. HUMPHREY. I thank the Senator from Oregon.

Mr. President, some of the wealthier nations have long advocated SUNFED. They are, notably, the Netherlands and Belgium, both once great colonial powers, who now are learning the great lesson of history, namely, that it is better to walk out than to be pushed or carried out of colonial imperialism into the second half of the 20th century.

Mr. President, I close this appeal for action now on the further development of a bipartisan foreign policy by citing a description, written with restrained eloquence and profound and certain knowledge and feeling by a conservative banker, a citizen of Belgium, a country whose name was once a synonym for colonial misrule. This banker's credentials as a hard-headed practical man of

affairs are as good as the credentials of our own Secretary of the Treasury. I shall read this gentleman's comments regarding the advantages of international aid over aid given unilaterally. His words, Mr. President, are worth study and thought by each Member of the Congress. I believe they contain road directions which we must follow if in paying the price of freedom we are going to obtain that freedom and a further flowering of democdacy and freedom both within our country and throughout the world. These are the words of Mr. Raymond Scheyven, in his report prepared in pursuance of General Assembly Resolution 724B (viii); General Assembly, Official Records; ninth session (1954), Supplement No. 19 (9/2728, pp. 15–16):

While external aid is necessary, it can never play more than a supporting role. The introduction of capital goods and the presence of technicians are indeed essential, but are not sufficient in themselves to bring about progress. Economic development is not imported "prefabricated" from abroad, but is achieved on the spot by dint of a courageous and intelligent policy.

In many underdeveloped countries the way to progress must be opened by abandoning ancient prejudices and archaic customs, adapting social and legal institutions, suppressing barriers of caste or race and doing away with political and social privileges which serve the interests of a minority at the expense of the general welfare. Economic progress is possible only if those in authority desire it and accept its political and social consequences.

As part of the necessary financial aid must take the form of grants, the industrialized countries must have recourse to taxation. Before this source of finance can be tapped, the taxpayers must be convinced of the value of the sacrifices asked of them. Their efforts must not be compromised by bad political management, and the tax they pay must not be a substitute for the taxes that an enormously wealthy ruling class, indifferent to the poverty of its fellow citizens, might be unwilling to pay.

It is therefore necessary to introduce structural reforms, while maintaining full respect for the sovereignty of the underdeveloped countries. It might be easier to carry out such structural reforms through an international organization, which is in a better position to spare national susceptibilities. The intervention of any one country in reforms of this nature would be a very difficult matter, as is illustrated by the reactions which have been aroused whenever lending countries have sought to make their investments conditional upon stipulations which the borrowing countries regarded as infringements of their sovereignty.

When, Mr. President, is the Government of the United States going to accept the responsibility of the practical implementation of its own abstract commitments? When are we going to bring our position on Sunfed and a score of other matters in line with the President's inaugural address?

Mr. President, I turn now to another subject.

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

THE PRESIDENT'S ADDRESS TO THE PEOPLE ON FEBRUARY 20

Mr. HUMPHREY. Mr. President, I know that other Senators wish to discuss various matters here tonight. However, since tomorrow will be a holiday, and since our session on tomorrow probably will be limited in time, I should like to make one other comment, if my colleague, the Senator from Oregon [Mr. MORSE], will permit me to do so.

Mr. MORSE. Certainly.

Mr. HUMPHREY. My comment relates to the address made last evening by the President of the United States.

Mr. President, I listened to that address. In fact, it was my privilege to speak last night in Kansas City, at a public forum. I insisted that the President's address be carried to the meeting. The audience listened with respectful attention. Like every other American, Mr. President, my heart went out to the President. His burdens are great. But I felt—as I said then, and as I state now—that the decisions being made internationally and the decisions being made in our own country are of such great significance that politeness must give way to candor and frankness. I suppose one can always be polite while he is being candid and frank, and I shall attempt to do so.

The President did not indicate to the American people that much of the reason why we are in the trouble we now face is that we have tried to be all things to all people. This is not to say that it is easy to have a consistent, cogent, or definitive foreign policy in the Middle East or in any other part of the world. However, the fact that it is not easy does not in any way diminish the necessity for the formulation of such a policy and for carrying it out.

The President implied that certain guaranties had already been given to the State of Israel. Mr. President, I would have this record show that no firm guaranties were made by our Government or any other government to the State of Israel.

However, I would also note that in the early days of November, this Government proceeded to cooperate with other governments, took the initiative to have the French and British withdraw from their operations in the Suez area of Egypt, and introduced two resolutions in the United Nations. Neither of those resolutions has yet been acted upon, and neither of them has yet been actively pushed. One of the resolutions relates to the Suez Canal, and is on the subject of arriving at an international agreement pertaining to the operation of that canal. The other resolution relates to positive steps to promote peace between Israel and her neighbors. Nothing has been done about either resolution.

Mr. President, it is not exactly correct that we regard the interests of Israel, France, and Britain in the Middle East as being synonymous or equal. The British and the French do not live there; their boundaries are not affected. Of course, the French have some interests there because of their interests in Algeria, but the latter interests are secondary to the direct interests of the Republic of France. Surely, Great Britain has no immediate territorial interest in the Middle East. To ask those two countries to withdraw was, indeed, a solemn decision on our part, one in which I concurred then and in which I concur now. Those great nations did withdraw, in conformity with the requests set forth in the resolutions of the United Nations. However, the State of Israel finds itself in an entirely different situation. It has been the victim of interminable raids across its frontiers, its borders.

Mr. President, one can argue as to who started these raids, whether it was Egypt or Israel. The fact is that the raids have taken place, and that the people on the border of the State of Israel have lived in constant tension and fear. I suppose it would be fair to say that those on the Egyptian border have likewise lived in a state of fear and tension.

For our Government to talk about the restoration of conditions, the status quo ante, is to ignore the facts of life. There are no conditions identical to those which prevailed prior to the attack. Prior to the attack on Egypt, France and Britain were powers in the Middle East, perhaps not great powers, but they had influence. Today they have none, and we cannot restore their influence. Prior to the attack in the Middle East, United States relations were different from what they are today. So to talk about the restoration of conditions as they existed prior to the attack is to talk of a fool's paradise, and to be lacking in responsible statesmanship.

The Israelis live under the gun, and they are tired of it. What is more, they are saying only what was said a little over 3 months ago, when, in the first week of November, our Government said we could not return to the status quo ante, the conditions prior to the attack. Then our Government said there must be a settlement; there must be guaranties. But I remind my colleagues in the United States Senate that those resolutions of the first week of November have never been acted upon or effectively promoted by our Government. I gather that is one of the reasons why the Israeli Government wants to know what we mean when we say "guaranties." Is it merely another resolution? Is it merely another declaration? Or is it something that is truly meaningful? We gave guaranties to the people of Formosa. Formosa was not going to be content with simply pious declaration. It wanted guaranties; not just declaration or a resolution, but guaranties.

Some may have thought that there was a guaranty in the tripartite agreement of 1950, but apparently there was not, because acts of aggression took place in spite of that tripartite agreement, and nothing was done. The Israelis had their rights interfered with in 1951, and then our Government, under a different administration, did nothing. In other words, Israel is a country which has witnessed larger nation states and the United Nations not adequately protecting its frontiers, boundaries, or borders, and not effectively even enforcing the rule of law.

So what the Israelis are saying today is this: "It is time we came to grips with these hard, knotty problems. It is time for the major powers, if they want peace, to help settle the boundary problems, the Arab refugee problems, the

economic problems." In the long run, what the representatives of Israel are doing may be of service to the cause of peace, because they are no longer going to let us avoid making decisions; they are no longer going to let us look at the world through rose-tinted glasses and say that all is well, and, when it is not well, simply ignore it.

We have had a propensity of late to avoid, ignore, or shunt aside anything that did not make us feel happy. The administration has been addicted to political tranquilizers, "happy" pills. Everything is wonderful. And all at once everything is not wonderful. It is like what happens when one quits taking pills—it no longer seems wonderful. Sometimes one can take pills so long that they are no longer effective. I am afraid the "happy" pills, the tranquilizers, have lost their contenting effect on the one hand and their effect of jubilation on the other; that the pink glasses have given way to smoked glasses. We have one of the most difficult periods in our national history upon us.

President Eisenhower said last night there were two resolutions adopted on February 2 which gave certain guaranties to the State of Israel. I respectfully dissent from that observation. One resolution related to the immediate and forthwith withdrawal of Israeli troops. The second resolution related to so-called "protections" Israel would receive through the expressions or statements of the Secretary General.

Mr. President, I happened to be at the United Nations on the day those resolutions were being discussed. I happen to know the Canadian representative at the United Nations wanted one resolution—withdrawals and guarantees in one; specific guarantees; United Nations patrols in the waters of the Straits of Tiran and the Gulf of Aqaba; and United Nations Emergency Force patrols along the borders between Egypt and Israel, particularly in the Gaza Strip. Those are the sore spots.

I know our Government did not go along with the Canadian proposal. I know our Government did what it thought was the best it could do, because it wanted to get a two-thirds majority and desired to win, even if it won nothing but approval. Our Government went along with the two resolutions, one following the other immediately, so the timing of the presentation made it appear as if they were almost one.

The second resolution is the resolution that is supposed to contain the guarantees. It so happens that the Egyptian interpretation of that resolution is opposite to the Israeli interpretation. It so happens that the Indian interpretation of the resolution is not like the United States interpretation. It so happens that the Canadian interpretation of Resolution No. 2 is not like the Iraqi interpretation of the resolution. It so happens that the resolution was broad enough, cloudy enough, and ambiguous enough so that anybody could interpret the resolution as he wanted to.

Mr. President, the State of Israel said, "That is not sufficiently specific for a nation-state to rely upon." That is what the trouble is.

The second resolution did not amount to anything except a two-thirds majority in the General Assembly for a resolution which, if everyone would interpret it as the United States sees it, would mean that Israel would have commitments and guaranties. But the trouble is that each nation is its own judge of the meaning of the resolution. Therefore our Secretary of State felt compelled later to make some additional declarations to the State of Israel, additional pledges if not actual guaranties.

One of those pledges was what is called "innocent passage" for ships in the Gulf of Aqaba. When our Secretary was asked what was meant by "innocent passage" his answer was not clear and concise. His answer was, in substance, that that would depend upon how each nation interpreted it. When he was asked whether "innocent passage" meant Israeli ships in the waters of the Straits of Tiran and the Gulf of Aqaba, and whether or not Egypt would so acknowledge, he said he could not say that definitely.

The words "innocent passage" are subject to broad interpretation. All I am saying is that the State of Israel, in being what some people consider to be intransigent and obstinate in this instance, may very well be forcing this issue to the point where the great powers and the other nations will come to recognize that they can no longer avoid responsible decison making in the Middle East.

If as a result of this unhappy experience we come to grips with the real problems in that area, it will have been well worth the suffering and the travail. The real problem in the Middle East is what we have been discussing continually. The real problem in the Middle East is not a threat of Soviet military attack. That is not to say that such an attack could not take place. It is always a possibility. We are better prepared to meet that kind of possibility than almost any other. The real difficulty, according to every witness who has appeared before our committee, and every person we have ever heard speak about the area, is the conflict of interests, passions, and emotions between Arab States and Arab States, between Arab States and Israel, and particularly between Egypt and Israel. Until we come to grips with the problem, there will be no peace in the Middle East.

I am of the opinion that inasmuch as Israel is the only democracy in the area, she is entitled to genuine consideration and friendship on the part of the Government of the United States. I am convinced that there is in the hearts and minds of the American people a determination not to see unfairly punished or placed in an untenable position, or left alone and desolate, a country which has symbolized, by its every institution, fulfillment of the promises of democracy. I think it is about time to say to our Asian and African friends and others that justice does not always mean a majority. Justice is not always the sum total of power. Justice has an abstract moral quality to it.

A two-thirds vote in the Assembly of the United Nations may impose sanctions, but it does not necessarily mean that it imposes justice. This country is dedicated to justice more than it is dedicated to a two-thirds vote.

I hope our country will speak up in the United Nations. I cannot believe that sanctions will be imposed, unless we acquiesce. There need not be sanctions in the United Nations if the United States, with its friends and associates, takes an affirmative position to the contrary. Make no mistake about it. The French knew that if the United States sided with France on the question of Algeria, the Algerian issue would not come before the General Assembly. When his foreign minister said to Premier Mollet, "I wonder what the United Nations will do about Algeria," Premier Mollet replied, "I wonder what the United States will do about Algeria." He was right. The issue is not so much what the United Nations is going to do about Israel and Egypt, but what the United States will do.

I conclude these remarks by saying that it is not right to make the American people believe that the United Nations is, by itself, an instrumentality of foreign policy. It is not. The United Nations is a conduit, a mechanism, a vehicle through which nation states conduct foreign policy.

The United Nations is not an exclusive instrument of foreign policy, either. It is but one part, or one of the many mechanisms through which we conduct foreign policy.

When I hear the President of the United States or anyone else say that we are going to rely upon the United Nations, I know that the purpose is to avoid decision-making and leadership responsibility. The United Nations is what the nation states make of it. The United Nations will be pretty much what we in the United States offer in terms of leadership. This does not mean that others will automatically move into line in support of our position; but when this Nation makes up its mind what its real objectives are in the Middle East—which I do not think we have done—and then speaks clearly and unequivocally setting forth our position relating to the fulfillment of those objectives, and when we begin to exercise leadership, we shall not be caught in a situation in which we shall be wondering what the tomorrows will offer.

If there ever was a time when we have had brought home the importance of leading rather than being engulfed; the importance of direction rather than being buffeted around by the forces at work, it is now, in the Middle East.

I think the American people have a right to know exactly where we stand. I heard the President say that we cannot expect the United Nations to stand if its resolutions are defied. I think that is true.

But I also wish to make it clear that we cannot expect the United Nations to survive if its resolutions are so ambiguous, so meaningless, and so subject to a great variety of possible interpretations that no one can understand what they mean.

I do not think that every problem should be placed before the United Nations. I believe that would be a disservice to the institution. In my opinion, the

United Nations should handle problems which it is uniquely capable of handling. I think there is a time when we must separate certain parts of our foreign policy from the United Nations activities or United Nations responsibilities. As some of my colleagues have said on other occasions, we need more than merely the United Nations for foreign policy. We need to have some areas of our foreign policy which are over and beyond, and away from United Nations facilities and United Nations resolutions, just as we must work through the United Nations on many other things. I shall elaborate on this matter more in a few days.

Mr. President, I am hopeful that the present tragic situation will be resolved without further embarrassment to our own country or to our friends abroad. However, I warn my fellow Americans that it is not necessarily a good practice to throw over old friends in the hope of gaining new ones. We have already had to chastise our friends in England and in France. Now we are going to be called upon, apparently, to chastise our friends in Israel.

Israel asks what? It asks for the right to live. It is a nation that we helped bring into the world. We acted as midwife at its birth. It is a nation we sponsored, in terms of recognition. It is a nation that means much to millions of our fellow Americans. We are being asked now to apply what are called equal standards of justice, but which are not equal at all.

We have a right not only to ask Israel what she will do, but we have the same right to ask Egypt what she intends to do. We have a right to ask Egypt when she will renounce her acts of belligerency and her belligerent status. Why does our Government not insist on that?

Why do we raise our political shillelagh only against Israel? Why do we not also raise it against Egypt, and ask Egypt for a complete renunciation of acts of belligerency and her status as a belligerent?

Once that is done, we will begin to get some guaranties.

There is much talk about justice. Mr. President, justice requires that all aspects of the situation be dealt with and considered and measured.

I may add that this country has fought wars for freedom of the seas. The Gulf of Aqaba is international waters. I say it is a lawyer's mind which contends that we have no particular responsibility to make certain that ships of other countries shall be permitted free access to ports on international waters, and that freedom of the seas means only that our ships may have such access. Freedom of the seas refers to all ships.

Oh, I know a good corporation lawyer can split international legal hairs and show that freedom of the seas applies only to the particular country that can enforce the principle of freedom of the seas.

Mr. President, a part of the trouble in this situation started when the British and the United States refused to become concerned about the discriminatory action of Egypt with respect to Israeli shipping in the Suez Canal.

When the Egyptian Government got by with telling the Israelis that their ships could not pass through the Suez Canal, it was only another step on another day when they could tell another country that their ships could not pass through the Suez Canal. It got to the point, Mr. President, where the Egyptian Government intercepted American warships in the Suez Canal, demanding to know the cargo and the complement of men on those ships. That was in violation of every treaty. Thank goodness the captain on one of those ships had enough good old American spunk to tell the Egyptians to go and to stay put.

Our Government did not raise any great protest about it.

All this reminds me of what Hitler used to do. So long as Hitler only nibbled at other nations, it did not seem to be too serious so far as the more powerful nations were concerned.

Egypt first discriminated against Israeli shipping. Then Egypt demanded the removal of British soldiers from the Suez Canal. Then Egypt nationalized the Suez Canal. We did not seem to get too much concerned about it as a Government. I imagine we were concerned; but as I have said so many times, if the oil of the Middle East was so vital for Europe in January 1957, it was also vital in the summer of 1956. It was very vital.

So we now see what Israel is saying. It is saying:

> We had your general assurances. We had the tripartite agreement of the three heads of state to protect the boundaries of all the states in the Middle East. That did not work. We had Security Council resolutions relating to the violation of the U. N. Charter by Egypt in its discrimination against Israeli shipping. We have had repeated attacks upon our territory by commandos across the Egyptian-Israeli border. The raiders from across the border have sacked our villages and have killed our people.

The Israelis attacked in force. The Israelis say, "We cannot afford to spend 40 percent of our budget on military defense and build an economy. We want peace. If we cannot have an honorable peace, then we will die in glory." That is what they are saying. They are saying, "Life is too short and too dear to be constantly compromising and to be constantly nibbled at and whittled at, and to be finally consumed because of expediency and compromise." The Israelis, therefore, are demanding that the United States of America, which has made great decisions in the past, make a great decision now.

I gather, however, that there are influences in the government which say, "Do not irritate the Arab nations because there is oil in the Arabian lands."

Oil is not so important as dignity and honor. I am not at all sure how much influence oil plays in the formulation of our foreign policy. I know it is important to Western European national security. However, there are Western nations such as Denmark who have stood up and said they would not vote for sanctions. Mr. President, the Danes did not try to cover both sides of the street, so to speak. The Danes have made their decision quite clear. The Danes are principled people.

I hope our Government will not apply any more sanctions to Israel than it has already applied. The Government of the United States has already imposed severe economic sanctions on Israel, to which I referred a week ago on the floor of the Senate. She is imposing on Israel sanctions of a kind she is not imposing on any other country, except Red China. No other country is subjected to the same kind of economic sanctions as those to which Israel is subjected, except Red China. How much more are we to indulge in sanctions against her, in terms of punishment? Even if we impose sanctions, we will still not settle the problem.

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

Mr. HUMPHREY. I yield.

Mr. MORSE. Is it possible for an American to get a passport for use in traveling to Russia?

Mr. HUMPHREY. It is.

Mr. MORSE. Is it possible to get a passport to Israel?

Mr. HUMPHREY. It is not.

Mr. MORSE. Is it not true that Israel relies heavily upon economic income from the tourist trade in order to meet her economic problems?

Mr. HUMPHREY. Indeed, it is.

Mr. MORSE. That is one of the sanctions the Senator is referring to; is it not?

Mr. HUMPHREY. That is correct. I should also like to point out that the Israelis have had to accept within their borders thousands of refugees who have been kicked out of Egypt by the Egyptian Government. They need food. Everyone knows that we were negotiating for the sale of surplus agricultural commodities to Israel. Those negotiations have been cut off. The food has been held back. I shall have more to say on this point at a later date.

I merely wish to say now that I do not agree with the position the President took last evening. I do not agree that the United States is without an alternative. The alternative for the United States is to lead in the United Nations and to make it clear to Egypt and to other nations that no longer will we respect their claims of belligerency and that we will ask Egypt to renounce her claims of belligerent rights, and act as a freedom-living and peace-living nation.

I also ask, Mr. President, that the United States reassert its old traditional American standard of freedom of the seas. The doctrine of freedom of the seas has stood very well for 175 years. This is no time to let it be subjected to any misinterpretation. This relates directly to the Gulf of Aqaba.

As the Senator from Montana [Mr. MANSFIELD] stated the other day, the United Nations Emergency Force is in being. We are prepared as a Nation to make our contribution to it. Other countries have made contributions to it, and, since the Gaza Strip has been a source of trouble and travail, I suggest that it be occupied by a United Nations Emergency Force. I suggest that we call upon Egypt to renounce her so-called rights of belligerency and act as a peace-loving nation and respect the tri-partite agreement of 1950. I then

suggest that we ask Israel to withdraw simultaneously with the movement of United Nations troops into the Gaza strip, and I suggest that as Americans we insist upon the freedom of access to all international areas without discrimination against any nation whatsoever.

If we do not do that, Mr. President, we are going to be in great difficulty in years to come. Remember that every move we make now can prejudice our rights in days to come.

So, Mr. President, I hope that we shall not be running for cover under the blanket of the United Nations resolutions which are subject to more interpretations than are the stars in the Milky Way. I refer particularly to Resolution No. 2 of February 2, 1957, which was alluded to last night by the President as the one which gives guarantees. It does not. I am sorry the President was misinformed on that subject.

Mr. MORSE. Mr. President, I had not intended to make any comments regarding the Middle East crisis, until I heard the brilliant speech of the Senator from Minnesota. I wish to associate myself with his speech. He has stimulated me to make a few brief comments on the Middle East before I speak on the subject to which I intended to devote most of my time.

I agree with the observations of the Senator from Minnesota and I wish to make a few additional comments about the President's speech of last night. I do not quarrel so much with what the President told the American people as I do with his failure to tell the whole story that I think he should have told them. As a result, it is my opinion that he left the American people with a most inadequate account of what the factual situation is in the Middle East and what our record has been with regard to the crisis in that area.

I might agree, Mr. President, that the President of the United States is obviously right when he says that two wrongs do not make a right. But adding up all the *mistakes* and wrongs of which the United States has been guilty in the Middle East for many months past does not make a right American policy in the Middle East, either.

In my judgment, the President cannot escape a full share of the responsibility for the crisis in the Middle East because he himself has failed to exercise the leadership that I think this country and the world had a right to expect of him for some time past.

The President spoke last night about the importance of conformity to the resolutions of the United Nations and to truces which have been negotiated by the United Nations.

ISRAEL'S PROVOCATIONS IGNORED

Any one of us who believes in government by law on a domestic plane must agree that we cannot have government by law on an international plane unless there is compliance with the law. But we cannot dismiss the factual situation in the Middle East merely by resort to the maxim that two wrongs do not make a right, because we are not, in my judgment, confronted with a situation in which a country that has participated in an aggressive course of action is demanding certain conditions or guaranties before she desists from that course of action. It does not tell the whole story. I think the President tried to oversimplify the problem in his speech and attempted to leave the American people with the impression that that is the basic principle involved.

I have said many times in the Senate and elsewhere that we cannot condone Israel's violation of the United Nations resolutions and the United Nations negotiated truce; certainly I do not condone it; but I think it is important that we understand the provocations which have produced some of the violations. It is important, also, that we understand the pattern of violations which has come to characterize the situation in the Middle East. For a long time past the Arab countries have had very strong totalitarian fingers on the economic throat of Israel, and they have been choking Israel to death. The very economic survival of Israel depends on whether we can bring to an end the type of economic wrong which the Arab states have been committing against Israel, such as the boycott, the Suez Canal discrimination, and denial of the Gulf of Aqaba to Israeli ships.

So, Mr. President, that leads me to comment on an observation which the President made last night in his speech in which he told only a part of the story. I respectfully say he left a false impression with many of his hearers, and once his audience gets all the facts about this particular point, we will find them saying, Oh, I did not understand that.

The President in his speech commented upon the Gulf of Aqaba being international waters and made it clear that the United States is taking the position that we will protect our interests in the gulf. But what about the interests of Israel? Is the President of the United States, as asked by the Senator from Minnesota, ready to take the position that the doctrine of freedom of the seas applies to other free nations as well as to the United States? Are we ready to take the position outside the United Nations that we will protect our shipping in the Gulf of Aqaba and will also protect that of Israel if Egypt proceeds to move against Israeli shipping going through the gulf?

The Straits of Tiran are of vital importance to the economic lifeline of Israel. What assurance do we have from the President's speech or under any resolution thus far adopted by the United Nations that Israel has any reason to believe that her shipping through those straits is going to be protected?

NO INDICATION OF ANY ARAB COMMITMENTS

The Senator from Minnesota had something to say about oil. I suspect that there will be no oil guaranties to Europe and, therefore, indirectly, to the United States, on the part of the Arab countries any more than there will be guaranties to Israel protecting her territorial integrity.

I think that now is the time to find out, Mr. President, whether this is true. That is why I have taken the position with reference to the Eisenhower resolution known as the Eisenhower doctrine in the Middle East, that commitments ought to be obtained now before the fact, before the resolution is adopted. Commitments ought to be made a part of the resolution that will bear upon the causes of the threats to peace in the Middle East on the part of the Arab countries as well as Israel.

That is why I said yesterday that I hoped when the President talked to the American people he would inform them of what understandings or commitments he entered into with the King of Saudi Arabia, because American foreign policy does not belong to the President of the United States; it belongs to the American people. They should know now, before public opinion finally crystalizes on this resolution, what commitments, if any, the President of the United States made to the King of Saudi Arabia, and what commitments, if any, were made in return.

What assurances, if any, did he get from the King of Saudi Arabia that the King has changed his mind about his threat to sacrifice 10 million Arabs, if necessary, to wipe Israel off the face of the globe? What commitments, if any, will the President ask from Nasser, of Egypt, in regard to Nasser's future conduct, not only in connection with the Straits of Tiran and the Gulf of Aqaba, but also in regard to border raids in the Gaza Strip?

ARAB STATES CONTINUE TO MENACE ISRAEL

Oh, I know it is easy for us, thousands of miles away, to say to the only beachhead of freedom in the whole Middle East—to which, as the Senator from Minnesota said, we helped give birth—"You must pull back now and place your reliance upon the United Nations in this matter."

I agree with the President that Israel and the Arab countries will have to recognize the importance of abiding by a system of government by law. But we simply have to face the reality of the situation, as the Senator from Minnesota said, because the State of Israel really has been fighting for its very survival against the discriminatory tax sanctions imposed upon it by the Arab States for a long time past. So Israel is disturbed about some of the wrongs which the United States has committed against her in the Middle East.

I can speak of this from the record, because I was one of the first on the floor of the Senate, months and months ago, to protest the shipment of any military equipment to the Arab States by the United States. I did not buy then, and I do not buy now, the alibi of the Secretary of State that it was done in order to keep down internal disorder, or the threat of internal disorder, and to be available in case of a Russian aggression.

Let us consider the standpoint of Israel when, at the same time shipments of arms to Israel were denied, Israel saw certain Arab States increase their military strength with American help. Israel could not quite understand that double standard. She cannot understand it now. Many of her people cannot understand the unilateral action on

the part of this administration in proposing the Eisenhower doctrine outside the United Nations.

EISENHOWER DOCTRINE BYPASSES UNITED NATIONS

The portion of the President's speech last night which was a plea to protect the United Nations and to keep the United Nations strong was very interesting. I respectfully ask the President again, as I have in many speeches, Why are we not developing a United Nations doctrine in the Middle East, instead of an Eisenhower doctrine? Why, if the President thinks it is so important to keep the United Nations strong, does he weaken the United Nations? That, in my opinion, is exactly what the Eisenhower doctrine does, by developing a United States course of action in the Middle East in respect to those issues we want to select for unilateral action.

I think one of the wrongs, added to the others which the President cannot add up to get a right policy for the United States in the Middle East, is the wrong of the United States in proposing unilateral action, when what we ought to have been doing for many months past was to have used the great prestige of the President of the United States in the United Nations to try to get the free nations of the United Nations to join together in assuring the Arab countries and assuring Israel that if there should be a Russian attack upon them, the free nations would stand together in their defense. That could be done under the United Nations through General Assembly procedures by the free member nations binding themselves together in such a concerted course of action. That is how the United Nations might really be strengthened.

But what do we hear from the Secretary of State about that kind of proposal? The Arab leaders would not like it. The Arab leaders apparently prefer the unilateral action on the part of the United States as being more in their interest.

I believe it a great mistake to let the totalitarian Arab leaders dictate any phase of American foreign policy. I do not become so excited as some other persons about the dire consequences of losing, for the time being, access to Arab oil. Let the Arab leaders swim in their own oil. I think there is about as much danger of the Arab leaders turning their oil reserve over to Russia as there is that I will leave this Chamber, go to the other end of the city and lift the Washington Monument onto my back, and dump it into the Potomac River. The Arab leaders know what will happen to them if they permit Russia to come into their area and take their oil. I am still waiting for the first administration witness who is willing to testify that there is any reason to believe that Russia would attempt to take the oil by military aggression.

Mr. President, we are being subjected to hysteria; and, in my judgment, the President's speech last night did not lessen the hysteria, but increased it. I think there ought to have been discussion, such as the Senator from Minnesota engaged in this afternoon, about the sanctions already imposed, and I believe unjustifiably imposed. The President in his speech ought to have made it clear to the Arab countries and to Israel that the United States has no intention of standing by within the United Nations and not insisting upon United Nations action if aggression continues in the Middle East between the Arab countries and Israel.

One of the false assumptions of the President's speech is that the wrongdoer is Israel alone, when the fact is—and it is an ugly fact—that Israel has been joined in the wrongdoing, in relation to the United Nations, by other Middle East countries—by Egypt, in particular, and by Jordan.

The Senator from Minnesota is quite correct when he speaks about what the resolutions passed by the United Nations really mean. I think his analysis of the resolutions is correct. They do not have the effect which the President in his speech last night indicated they had.

Furthermore, we cannot escape the fact that for some time Egypt and Jordan have been in violation of the United Nations resolutions and mandates, as have Russia and also India. Those ugly facts cannot be dismissed simply by a statement in the form of a generality or a maxim that two wrongs do not make a right.

In my judgment, what is needed now, in the few hours which remain before the imposition of sanctions, is that this adminstration exercise a leadership in the United Nations which it has not exercised for a long time, by making clear that we insist that Israel withdraw her troops, but also that the free nations join with us in the United Nations in support of a resolution which will serve clear notice upon Egypt, Saudi Arabia, Jordan, and all the other Arab countries, that if they continue an aggressive course of action in carrying out their oft-repeated threats to wipe Israel off the face of the map, they will find themselves opposed by the free nations of the world—oil or no oil.

CONCERN FOR OIL IS DETERMINING ADMINISTRATION POLICY

I make this further comment about oil, Mr. President: We need to conserve it; we do not have any to waste. But, in the interest of peace, until a settling-down process over this crisis can occur, I believe it would be better for us to give assurance to our friends in Europe that we shall help provide for such time as may be necessary an adequate supply of oil to them, in the absence of Arab oil, until we can work out this problem with the Arabs. Mr. President, I wonder what the King of Saudi Arabia and what the other Arab countries which have a reserve of $98,400,000,000 worth of oil will do if the oil royalties are suspended for a time.

I regret that I have to say that I believe oil is of great importance in determining United States foreign policy in the Middle East. I think that is unfortunate, because there are involved in the Middle East great ideals and great principles which are more important and more valuable, in terms of history, than Arab oil. I, for one, am perfectly willing to take the position that we will help the Arab countries and we will work out with them an economic program and a program of military protection; but there will have to be commitments before the fact by the Arab countries before we pass any joint resolution pledging American boys to die in the Middle East in defense of Arab oil, and to do so alone, without corresponding commitments from the European countries which will be the direct beneficiaries of the oil.

I think these ideals and principles could well have been commented on by the President last night, in place of a speech which left with many of his hearers the impression that Israel, and Israel alone, stands out today as the wicked country in the Middle East.

As the Senator from Minnesota has said in connection with his statement of intentions regarding future speeches, so let me say that I, too, shall discuss this matter at greater length in a series of speeches next week, as I take up one issue after another in connection with the Middle East crisis, in making my record against what I believe to be the most dangerous foreign policy which ever has been proposed by any administration during my 12 years of service in the Senate of the United States.

Now, Mr. President, I desire to turn to another subject.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The Senator from Oregon has the floor.

OPPOSITION BY THE UNITED STATES CHAMBER OF COMMERCE TO FEDERAL AID TO EDUCATION

Mr. MORSE. Mr. President, at this time I wish to make a few brief comments on a press statement which disturbs me very much. The press statement which emanated yesterday from the United States Chamber of Commerce carries a report of testimony by the United States Chamber of Commerce to the House Education Subcommittee in which the chamber of commerce contended that America has a surplus, rather than a shortage, of schools. I submit that this is perhaps the most fictitious objection to Federal financial aid for schools yet raised by its diehard opponents.

Of course, Mr. President, it is not surprising that such an objection should come from a spokesman for the United States Chamber of Commerce, because if I were to phrase a motto for that organization, based upon its record, as I have observed it, in the field of social-welfare legislation and economic legislation designed to promote the welfare of the American people, the motto for the United States Chamber of Commerce, based upon its record, would be "Profits for big business, at the expense of human welfare." Mr. President, the opposition of the United States Chamber of Commerce to a program of Federal aid to education, as its opposition was set forth in the testimony given by the spokesman of the United States Chamber of Commerce, the chairman of its committee on education, Mr. Thomas A. Ballantine, of Louisville, Ky., proves my point.

I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an article entitled "Schoolroom Crisis Denied," which was published yesterday in the Washington Star. The article begins with the following statement:

The United States Chamber of Commerce said today there is no critical national shortage of classrooms. It regards Federal aid for school construction unwise and unnecessary. It produced figures to indicate an actual surplus of 14,000 classrooms.

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

[From the Washington Star of February 20, 1957]

SCHOOLROOM CRISIS DENIED

The United States Chamber of Commerce said today there is no critical national shortage of classrooms. It regards Federal aid for school construction "unwise and unnecessary." It produced figures to indicate an actual surplus of 14,000 classrooms.

The chamber's position was presented to a House Education subcommittee by Thomas A Ballantine, of Louisville, Ky., chairman of the Chamber of Commerce Committee on Education.

He said in prepared testimony:

"It is the consensus of business in this country that the States and their communities are responsible for, and able to finance the development of the school systems required by their citizens."

Mr. Ballentine added that Federal help "would lead inevitably to the transformation of public education from a State and local function to one increasingly directed by the Federal Government."

He added that "no critical national shortage in classrooms has been or can be demonstrated to exist."

The House committee has before it an administration bill which would provide for $1.3 billion in Federal aid for school construction over the next 4 years. Other proposals also are under committee consideration.

Mr. Ballantine said a report by the United States Office of Education states 63,000 new classrooms were built in the year ending last fall. About 49,000 of these would have taken care of the report's estimated enrollment increase of 1 million and its estimated figure of 14,000 for abandoned classrooms, he said.

That, he added, leaves a surplus of 14,000 classrooms for "pupils in excess of enrollment capacity."

Mr. Ballantine said these classrooms would be expected to reduce the excess pupil figure, but contended the report shows an increase in the number of excess pupils.

He said Oveta Culp Hobby, former Secretary of Education, indicated in 1953 a deficit of 312,000 classrooms, and said "this deficit was increasing." But, he added, in 1955 Mrs. Hobby said the deficit was declining and the classroom need by 1959–60 would drop to 176,000 classrooms.

The current report from the Office of Education, Mr. Ballantine continued, indicates the deficit has declined "faster than predicted by Mrs. Hobby" and that as of last fall, the deficit was 159,000 classrooms.

"Thus," he said, "in 3 years it appears from the new figures that the States and their communities have accomplished considerably more than was predicted to happen in 6 years, according to the testimony 2 years ago."

Mr. MORSE. Mr. President, according to that report, the chamber of commerce finds that of the 63,000 classrooms built last year, 49,000 will accommodate the enrollment increase of 1 million and also will make up for the 14,000 rooms which were abandoned. Mr. President, if we wish to find a good, classic example of the old saying that statistics do not lie, but liars sometimes use statistics, that statement by the United States Chamber of Commerce affords such an example, because, Mr. President, I ask you to note the fallacy in the statistical base that witness used. I repeat it:

The chamber of commerce finds, according to the report, that of the 63,000 classrooms built last year, 49,000 will accommodate the enrollment increase of 1 million and also will make up for the 14,000 rooms which were abandoned. Therefore, the chamber spokesman finds a surplus of 14,000 classrooms built last year, and contends that the shortage is being caught up so rapidly as to make Federal aid unnecessary.

If the chamber found that the construction program of last year kept pace with the needs which arose last year alone, its spokesman conveniently ignored the backlog of construction which remains. As late as last month, when the President himself sent us a special message on school needs, he stated:

Today there are enrolled in our public schools about 2¼ million children in excess of the normal capacity of the buildings in use.

Parenthetically, Mr. President, let me say that this is the overcrowding extant after the chamber of commerce has done its figuring.

The chamber takes so much comfort from last year's record that it finds no need for help from the Federal Government. Its statement to the subcommittee concludes that the classroom shortage is being caught up with much faster than was estimated in 1953, when the Office of Education found the country needed 312,000 classrooms.

I would point out to the chamber that its statistics are based on the assumption that once every school-age child is somehow crammed or jammed into a schoolroom, the fight is over. They ignore the 840,000 children attending school only part time, due to inadequate facilities or the shortage of teachers. They ignore the 22 percent of all elementary-school children in urban districts who attend full time, but in classrooms averaging 35 or more pupils. If limited to 30 pupils, which are as many as can properly be handled, these elementary schools alone would need 30,500 more rooms. They ignore the impact of the wartime population increase on the high schools, which is only now being felt, and which has not yet been met.

I suggest that the United States Chamber of Commerce is once again displaying its knowledge of prices and its ignorance of values.

Some weeks ago, Mr. President, the executive secretary of the Oregon Education Association, Mr. Cecil Posey, addressed himself to the national chamber of commerce, taking issue with the survey on which the chamber's opposition to Federal aid was based, and concluding that—

It would seem that the United States Chamber is almost frantically and emotionally upset in this particular area.

I agree with Mr. Posey, and I ask that his letter be printed at this point in the RECORD, as a part of my remarks.

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

OREGON EDUCATION ASSOCIATION,
Portland, Oreg., January 10, 1957.

EDUCATION DEPARTMENT,
United States Chamber of Commerce,
Washington, D. C.

DEAR SIRS: The interest of the United States Chamber of Commerce in the public-school system of this Nation is much appreciated by those of us who are working to improve the public-school program in this Nation.

However, I am of the belief that such materials as presented in the December 1956 issue of News and Cues is not only detrimental to the public schools in this country but to the United States Chamber of Commerce. Such statements as that in the second paragraph on page 1—"Far from convinced that a general 'Federal aid to school construction' program is needed for all communities and all States"—is something constructed by the person who edits the News and Cues.

I am quite well acquainted with all the materials relating to the Federal aid for school-construction program and I have never heard anyone advocate that Federal aid is needed in all communities and in all States. If the United States Chamber wishes to oppose the school program, it should be very careful in statements to present the program as advocated by the proponents of Federal aid to school construction.

Likewise, I seriously question the survey of school needs being undertaken by the chamber. In the State of Oregon our greatest needs are arising in suburban areas where there are no local chambers or business groups of any kind. These are largely bedroom areas. I am rather surprised that the United States Chamber would question the program in the various 48 State departments of public instruction.

There is much more to be said, but suffice it to say that perhaps no group is more interested in Federal subsidies than the various chambers of commerce in the various States. It would seem that the United States Chamber is almost fanatically and emotionally upset in this particular area.

Sincerely yours,
C. W. POSEY, *Executive Secretary.*

Mr. MORSE. Mr. President, the administration's proposal and the other school-aid bills pending in both Houses of Congress are intended to catch up with the classroom shortage within 5 or 6 years, and then terminate. I strongly favor prompt passage of such emergency measures; but of course I regard that objective alone as totally inadequate, as the permanent, general aid bill sponsored by myself and the Senator from Pennsylvania testifies.

I regret that the United States Chamber of Commerce continues to take such a reactionary position on this matter of educating our children, and I hope the Congress will soon override this fallacious objection by passing a school-construction bill at an early date.

Mr. President, I am proud to stand today on the floor of the Senate and once again raise my voice in defense of the educational needs of America's boys and girls, because I regard them and their education as being of vital importance to the future security of our Nation.

I wish to say that every businessman who belongs to the United States Cham-

ber of Commerce should recognize before it is too late that we cannot afford to fall behind Russia in the development of brainpower. We cannot keep up with Russia in manpower; but our whole system of economic and political freedom is dependent, I believe, upon our keeping ahead of Russia in the development of our brainpower. Therefore, Mr. President, I completely repudiate the testimony given on yesterday by the United States Chamber of Commerce, and I label it antisocial.

ADJOURNMENT

Mr. KNOWLAND. Mr. President, in accordance with the previous order, I now move that the Senate stand in adjournment until tomorrow.

The motion was agreed to; and (at 6 o'clock and 10 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Friday, February 22, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 21, 1957:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Edward Foss Wilson, of Illinois, to be Assistant Secretary of Health, Education, and Welfare, vice James B. Mintener, resigned.

IN THE ARMY

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of Public Law 737, 84th Congress, and title 10, United States Code, section 3292:

To be captain

Chilcoat, William J., JAGC, O533421.
Horton, Warren H., JAGC, O1117881.
Richardson, James W., Jr., JAGC, O2271278.
Sandison, Richard L., MSC, O1848912.

To be first lieutenant

Goddard, Ross M., Jr., JAGC, O2275446.
Greene, Hazel L., Jr., MSC, O2050490.
Huntsman, Howard A., Jr., MSC, O995793.
Lakes, Cecil T., JAGC, O2203778.
McNab, James F., MSC, O1314936.
Murphy, Eugene J., JAGC, O2266939.
Newman, Stanley, MSC, O2274009.
Smith, Roy R., MSC, O1941537.
Staples, Jack E., MSC, O2205819.
Trushel, David H., JAGC, O2277873.

To be second lieutenants

Capitolo, Phillip G., MSC, O4019462.
Dacus, Lester H., MSC, O4071445.
Evans, Billy W., MSC, O2272537.
Glenn, Dwight W., MSC, O4004858.
Hubert, Alexander A., MSC, O2271540.
Piper, Donald R., MSC, O4002504.
Russell, James L., Jr., MSC, O2270349.
Stiles, Peter W., MSC, O4006300.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of Public Law 737, 84th Congress.

To be first lieutenants

Ackerman, David G., O2265041.
Burnett, Otis E., O994761.
Burt, Donald L., O990133.
Butler, Elbert L., Jr., O1876460.
Conway, Donald J., O1885757.
Easton, Byron S., O2030432.
Elliott, Robert H., Jr., O2205676.
Elmore, Donald J., O1931800.
Fox, John G., O1926490.
Gardner, Morris L., O1914696.
Georger, John F., O1340362.
Gerard, Robert J., O1925174.
Gittleman, Warren E., O2033020.
Hembree, Jack E., O1929091.
Husa, Richard F., O1935134.
Hyde, Richard G., O1930880.
Irvin, Matthew W., O1917990.
Johnson, Robert R., O2211367.
Keller, George A., O2206215.
Kotite, Richard S., O1338355.
Lancaster, William A., O1885155.
Logan, Donald G., O4009088.
MacMillan, William D., IV, O1341021.
May, Edwin M., Jr., O1925946.
McIntyre, Lawrence A., O1874708.
Meyer, Frederick F., Jr., O1883990.
Michel, Werner E., O1329861.
Miller, David C., O1884010.
Moffett, Norman A., O4018679.
Myers, Lawrence S., O2104321.
Olson, Arthur G., O1884035.
Palmer, George E., O1881689.
Pedersen, Alfred L., O1926314.
Phillips, Shepperd H., O2004109.
Pritchett, Robert G., O1339310.
Puckhaber, Herman F., Jr., O1915506.
Reade, John C., Jr., O4005347.
Rolya, William I., O1913301.
Routon, Lewis A., O1877271.
Schultz, Reed S., O1936073.
Shelby, Roy E., O1885773.
Sleeper, Julian R., O1919999.
Smith, William D., O2266060.
Specker, Robert W., O1872364.
Stevenson, William J., O1936725.
Stidham, James A., O970475.
Strawn, William M., Jr., O2021145.
Suess, Philip M., Jr., O1885898.
Tourtillott, Raymond J., O1885799.
Vidrick, Robert L., O4001758.
Wagers, Robert W., O2102796.
Wallace, Robert G., O2265108.
Whelan, William E., O1933684.
Wight, Jermy B., O995359.
Willey, Oliver A., Jr., O1922603.
Williams, Roy L., Jr., O1894209.

To be second lieutenants

Abruzzese, John P., O4064770.
Adams, Donald S., O4075629.
Adams, George B., O4070125.
Aicken, Larry B., O4070126.
Allman, John W., Jr., O4060418.
Amerson, Hinton S., O4076143.
Amos, Julian E., O4075774.
Anderson, Douglas F., O4076265.
Anderson, Duane F., O4065812.
Anderson, George W., O4061598.
Anderson, Valjean C., O4058239.
Applewhite, Ray, O988526.
Baldwin, Robert C., O4047218.
Balint, Barry T. J., O4047383.
Barnes, Frederick, O4064280.
Barnes, Theodore F., O4066020.
Barnette, Bobby L.
Barry, John W., O4083179.
Beaube, George P., O4023721.
Bird, Max R., O4061653.
Birdsong, Edward M., Jr., O4069632.
Blaker, William J., O4077255.
Bockman, Leonard I., O4023860.
Boll, Albert F., O4068917.
Bonner, Benjamin J., III, O4061498.
Booth, John P., III, O4077052.
Brill, James H., O4066030.
Brister, Delano R., O4071637.
Broder, Nathan S., O4066105.
Brookhart, Edgar W., O4065265.
Brown, Charles H., O4083440.
Brown, Fred D., O4063257.
Brown, Robert M., O4066240.
Brown, Roy A., O4071915.
Brylla, Charles W., O4061493.
Campbell, Donald A., O4068841.
Campbell, Joseph R., O4070150.
Cann, Donald C., O4066596.
Carson, Lawrence E.
Cei, Peter G., Jr., O4071520.
Chesley, Arthur P., O4083319.
Cleary, Arthur C., O4003248.
Codd, Nicholas J., Jr., O4065726.
Coffee, Edwin F., Jr., O4070432.
Coffman, Richard L., O4061814.
Correll, Ralph T., O4060549.
Cover, John P., O4070053.
Cox, Randall S., O4061731.
Craig, Joe H., O4063164.
Croft, John A., O4068541.
Crowe, James L., O4083508.
Curran, Jan D., O4066400.
Davis, Warren L., O4068883.
Delandro, Donald J., O4071287.
Del Vecchio, John, Jr., O4066604.
Ditman, William D., O4069641.
DiValentino, Leo E., O4068638.
Dougherty, Maurice F., O4066114.
Dowling, Donald J., O4076595.
Dreeben, Lionel, O4070248.
Druit, Clifford A., O4071628.
Dunn, James E., O4083458.
Dvorak, Philip J., O4017546.
Eastwood, Clifford A., Jr., O4071850.
Einseln, Aleksander, O4031215.
Engram, Edwin J., O4023793.
Esplin, Willard B., O4013878.
Feeney, Richard L., 4067817.
Fennell, George R., Jr., O4083341.
Finley, Jerry D., O4061715.
Fiorentino, William J., O4064806.
Foard, John B., III, O4065684.
Ford, Wilbur E., Jr.
Frisbie, James G., O4063175.
Garrett, James W., O4077092.
Garside, Robert E., O4065298.
Gately, Michael P., O4064813.
Gayler, Earl D., O4075643.
Giles, George E., O4049663.
Gilmore, Joseph R.
Givhan, Walter H., O4083473.
Glover, Richard R., O4059936.
Goetz, George W., O4065823.
Gonzalez, Alvaro R., O4066048.
Green, David E., O4011928.
Greenwalt, James P., O4030908.
Greer, Richard B., O4013302.
Gross, Woolf P., O4064923.
Gullen, John P., O4066122.
Hallinan, James M., Jr., O4068648.
Harbuck, Edwin C., O4049660.
Harbuck, Eugene L., O4075647.
Hardegree, Bobby L., O4075648.
Harig, John A., Jr., O4047660.
Harris, Bruce R., O4075255.
Harwig, Donald H., O4061421.
Hatch, Vernon L., O4071546.
Heckman, Richard T., O4047283.
Hemminger, Girard L., O4071699.
Hickerson, Arville L.
Higgins, Alan R., O4017289.
High, Charles S., W2206308.
Hilgeman, Charles E., Jr., O4068323.
Hilton, Jimmie L., O4061648.
Hinkleman, Robert S., O4047228.
Hinspeter, William L., O4069849.
Hodges, Charles E., O4075334.
Hodkinson, Peter, III, O4075650.
Hoffman, William J., O4009886.
Hollister, Myron P., O4076896.
Holt, Richard L., O4061585.
Houlis, Harry S., O4065882.
Houston, Joseph B., Jr., O4061896.
Hunt, Byron W., O4077203.
Irwin, James T., O4068386.
Israel, Glenn A., O4061668.
James, William N., O4071632.
Johanknecht, George P., O4076928.
Johnson, Gerald K., O4063166.
Jones, Glenn W., O4009366.
Kane, Eugene R., O4064827.
Kennedy, Irvin D., O4060465.
King, James A., Jr., O4064424.
King, Thomas H., O4076931.
Kinney, Philip R., O999600.
Kirkmire, Nicholas J., O4076482.
Kite, John C., O4069432.
Knapper, Aubrey L., O4070551.
Kramer, Bryce R.
Krome, Alan, O4070499.
Lackey, Lyman A., Jr., O4063418.
Ladd, John P., O4060472.
Lake, Howard K., Jr.
Landry, Bernard A., O4065556.
Larimer, Charles L.
Laughbon, Richard W., O4077116.

Leath, Lewis T., O4063167.
Leckinger, Paul A., O4060451.
Lehner, William J., Jr., O4065957.
Lingaitis, Francis V., O4066358.
Lizardo, Alex R., O4010417.
Lockwood, Willard E., O4076021.
Logan, Rodney W., O4052597.
Losik, Robert C., O4060246.
Lyons, Calvin G., O4069581.
Maass, Charles G., O4083489.
Madigan, John J., III, O4001030.
Maguire, James E., O4065750.
Marguccio, Robert G., O4065686.
Marx, Thomas J., O4066419.
Massey, Oran A., O4061647.
McAden, Henry J., Jr., O4068906.
McClain, Robert C., O4068470.
McClain, Terrence W., O4075424.
McCreery, John L., O4061511.
McCullough, James A., O4060230.
McDonald, Robert E., Jr., O4075293.
McDowell, Robert C., O4069655.
McKinney, Collin J., Jr., O4060147.
McKinney, Horatio W., O4060528.
McLaughlin, James J., O4064607.
McLaughlin, Thomas J., O4006461.
McLeod, David S., O4083442.
Mendenhall, Robert L., O2206144.
Merrick, Philip B., O4006743.
Meyer, Allan E., O4071771.
Miller, Spencer R.
Milliron, Joseph F., O4066067.
Morey, William S.
Mulvanity, Donald C., O2028393.
Murphy, Clifton M., O4047335.
Murray, Jackson S., O4065896.
Nobriga, Gordon H., O4077065.
O'Rourke, Lewis C.
Osa, Nelson, O4065228.
Owen, Thomas D., Jr., O4063240.
Owens, Ronald E., O4069584.
Paas, Alfred O., O4061868.
Padgett, David H., Jr., O4075596.
Palermo, Frank J., Jr., O4009718.
Parham, Byron A. P., O4049531.
Parker, Richard G., O4066266.
Perry, James R., O4066794.
Pertain, George H., Jr., O4076150.
Peterson, Walter R., Jr., O4075672.
Pharr, Joe B., O4063242.
Pierce, Isaiah B., Jr., O4068937.
Pinkston, William R., Jr., O4076100.
Powers, Max L., O4061531.
Price, Roger J., O4059909.
Quinlan, Richard J., O4076705.
Ragains, Robert L., O4015962.
Raines, Fred B.
Randolph, William M., O4052617.
Reedy, Henry J.
Reeves, George E., O4061599.
Reichel, James E., O4061646.
Reicker, Frederick A., O4077187.
Robinson, Thonius, Jr., O4071881.
Roddy, Robert E., O4077130.
Rodenmayer, John P., O4076938.
Rogers, Roland B., O4009580.
Rupp, James E., O4051364.
Sanches, Manuel L., O4061845.
Sandstrum, Allan W., O4050615.
Schessler, Donald R.
Schober, Frank J., Jr., O4076712.
Schofield, David G., O4075447.
Schuler, James D., O4061108.
Selch, Glenn C., O4061082.
Sherron, Gene T., O4013188.
Shilko, Edwin M., O4010601.
Shuman, John N., O4043385.
Siegel, Lewis A., O4066801.
Sinagra, Robert L., O4066142.
Smith, John A., O4000757.
Snyder, Harold B., Jr., O4070284.
Solley, Charles W., O4083293.
Spinelli, Michael A., O4059373.
Spry, Alfred E., O4006472.
Squires, Myron E., O4075911.
Stevenson, Thomas A., O1880783.
Stewart, William R., O4066085.
Stone, Frank R., Jr., O4071938.
Stotser, George R., O4075336.
Stringer, Paul G., O4060454.
Stuart, James R., O4076502.
Swift, John B., O4070219.
Tengler, John A., O4049157.
Thomas, Harry L., O4071474.
Tieken, Richard V., O4075790.
Townsend, Merton L., O4061110.
Tunmire, Dana, O4023736.
Ulrich, Charles F., O4003899.
Vaughn, William V., Jr., O4063161.
Ventzek, Robert E., O4047448.
Vetterling, John M., O4071731.
Wahl, Don D., O4061249.
Wakefield, Donald Y., O4049196.
Walker, Peter H., O4051351.
Ward, Jerry E., O4071919.
Watke, Frederic W., O4060279.
Watts, Ronald L., O4061532.
Welch, Larry L., O4071621.
Wetherington, Bernard J., O4083171.
Whitt, Lawrence H., O4071261.
Wiersema, Kenneth E., O4077123.
Williams, Lawrence A., O4006378.
Wilson, Parks W., Jr., O1940088.
Wiser, Bobbie M., O4061645.
Wojtal, Robert J., O4060752.
Woods, Robert D., O4071899.
Young, Charles D., O4063163.
Zickel, Raymond E., O4047341.

IN THE NAVY

Vice Adm. William M. Callaghan, United States Navy, when retired, to be placed on the retired list with the rank of vice admiral.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 21, 1957:

UNITED NATIONS

Mrs. Oswald B. Lord, of New York, to be representative of the United States of America on the Human Rights Commission of the Economic and Social Council of the United Nations.

DIPLOMATIC AND FOREIGN SERVICE

John M. Allison, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Indonesia.

DEPARTMENT OF STATE

Christian A. Herter, of Massachusetts, to be Under Secretary of State.

DEPARTMENT OF DEFENSE

Mansfield D. Sprague, of Connecticut, to be an Assistant Secretary of Defense.

E. Perkins McGuire, of Ohio, to be an Assistant Secretary of Defense.

Robert Dechert, of Pennsylvania, to be General Counsel of the Department of Defense.

DEPARTMENT OF THE NAVY

Vice Adm. James L. Holloway, Jr., United States Navy, to be Chief of Naval Personnel and Chief of the Bureau of Naval Personnel in the Department of the Navy for a term of 1 year in accordance with title 10, United States Code, section 5141, to have the grade, rank, pay, and allowances of vice admiral while so serving.

UNITED STATES INFORMATION AGENCY

Arthur Larson, of Pennsylvania, to be Director of the United States Information Agency.

UNITED STATES ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

Laird Bell, of Illinois, to be a member of the United States Advisory Commission on Educational Exchange for the term of 3 years expiring January 27, 1960, and until his successor has been appointed and qualified.

SUBVERSIVE ACTIVITIES CONTROL BOARD

Dorothy McCullough Lee, of Oregon, to be a member of the Subversive Activities Control Board for the term expiring August 9, 1961.

Thomas James Donegan, of New York, to be a member of the Subversive Activities Control Board for remainder of term expiring April 9, 1957.

BOARD OF PAROLE

Eva Kelly Bowring, of Nebraska, to be a Member of the Board of Parole for a term expiring September 30, 1958.

UNITED STATES ATTORNEYS

Leon H. A. Pierson, of Maryland, to be United States attorney for the district of Maryland for a term of 4 years.

Chester A. Weidenburner, of New Jersey, to be United States attorney for the district of New Jersey for a term of 4 years.

Albert M. Morgan, of West Virginia, to be United States attorney for the northern district of West Virginia for a term of 4 years.

UNITED STATES MARSHAL

Antonio C. Baza, of Guam, to be United States marshal for the district of Guam for a term of 4 years.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as lieutenant general:

Maj. Gen. Donald Prentice Booth, O16395, Army of the United States (brigadier general, U. S. Army).

The following-named officers to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962;

To be lieutenant generals

Lt. Gen. Walter Leo Weible, O11308, Army of the United States (major general, U. S. Army).

Lt. Gen. William Kelly Harrison, Jr., O5279, Army of the United States (major general, U. S. Army).

Lt. Gen. Ralph Julian Canine, O7154, Army of the United States (major general, U. S. Army).

UNITED STATES AIR FORCE

Brig. Gen. Marvin Edward Kennebeck, 18819A (colonel, Regular Air Force, Medical), United States Air Force, for temporary appointment as major general in the United States Air Force, under the provisions of chapter 839, title 10, of the United States Code.

The nominations of Peter John Huggard, Jr., and 3,411 other officers for promotion in the Regular Air Force under the provisions of sections 8298, 8299, and 8304, title 10, United States Code, which were received by the Senate on January 14, 1957, were confirmed today, with the exception of the nomination of Ellis Verne Widney, 13137A, and the nomination of John David Vanderveer, nominated to be majors, which were this day withdrawn by the President, and

The nominations of Maj. Gen. Dean Coldwell Strother and 377 other officers for appointment in the United States Air Force, and/or the Regular Air Force, which were today confirmed, were received by the Senate on January 14, 1957.

These nominations, which total 3,790, appear in full in the CONGRESSIONAL RECORD of January 14, 1957, under the caption "Nominations," beginning with the name of Peter John Huggard, Jr., which appears in the second column, page 527, and ending with the name of Edward F. Williams III, which is the last nomination in the second group mentioned, and which is shown in the second column on page 542 of the RECORD.

IN THE NAVY AND THE MARINE CORPS

The nominations of 9,534 officers for appointment in the Navy, and 2,016 nominations for appointment in the Marine Corps, a total of 11,550 nominations in both services, were confirmed today, and appear in full in the CONGRESSIONAL RECORD for January 14, 1957, under caption "Nominations,"

beginning with the nomination of Vice Adm. Robert Goldthwaite, United States Navy, which appears in the second column of page 542 of the RECORD, and ending with the name of Robert C. Sebilian, which is the last nomination in the Marine Corps, and which is shown on page 568.

WITHDRAWALS

Executive nominations withdrawn from the Senate February 21, 1957:

PROMOTIONS IN THE REGULAR AIR FORCE

Ellis Verne Widney, 13137A, and John David Vanderveer, 15027A, to be majors in the Regular Air Force.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 21, 1957

The House met at 12 o'clock noon.

Rev. David H. Cole, First Universalist Church, Chicago, Ill., offered the following prayer:

Spirit of God, at this moment of great tension in the world, we seek Thy wisdom and perspective as we face the task of legislating order out of the chaos of our world existence. May we be aware of how much of the divisiveness of our times is our creation; let us, therefore, have a sense of humility before the stupidities of the past.

Too often, O God, we have taken it for granted that we are on Thy side in building Thy kingdom on earth. Make us painfully aware that the creation of a heaven of peace or a hell of conflagration is in our hands. Let us be so sensitive to the appalling alternatives that this body will display a kind of wisdom seldom in evidence in any hall of government.

Inspire us to rise above concerns that are provincial and narrow; challenge us to see the good that we can do for all mankind, fire us with such an enthusiasm for brotherhood that we seek to serve the needs of all peoples rather than simply nations; lead us in the direction that will make in our time the conditions that will enable the human race to live as one humanity, dwelling in peace and freedom.

We pray in the name of the God of love and in the confidence that the spirit of love alone is sufficient to rule our lives and our Nation and our world. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McBride, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 348. An act to amend section 12 of the act approved February 22, 1889 (25 Stat. 676), relating to the admission into the Union of the States of North Dakota, South Dakota, Montana, and Washington, by providing for the use of public lands granted to the States therein for the purpose of construction, reconstruction, repair, renovation, furnishings, equipment, or other permanent improvement of public buildings at the capital of said States.

APPROPRIATIONS, DEPARTMENT OF INTERIOR AND RELATED AGENCIES, 1958

Mr. MAGNUSON (on behalf of Mr. KIRWAN) from the Committee on Appropriations, reported the bill (H. R. 5189) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1958, and for other purposes (Rept. No. 145), which was read a first and second time and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. JENSEN reserved all points of order on the bill.

ISRAELI-EGYPTIAN CRISIS

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, what I know about foreign affairs could be recorded in less than the 1 minute which has been yielded me. On the other hand, Mr. Speaker, one need not be an expert in this field to know that the world is troubled with the Israeli-Egyptian crisis. Because of it the chance of maintaining peace is fleeting by the hour.

It concerns me, Mr. Speaker, that up until now I have not heard nor have I read of any within the Congress recognized as expert in the field of foreign affairs who has given support to the President in his effort to bring peace in the Israeli-Egyptian dispute.

His speech of last night was wonderful. His appeal for withdrawal of Israeli forces from Egyptian soil was based on sound logic. It was reasonable and temperate. It was—or at least should have been—reassuring to both Israel and Egypt.

I trust and urge that the leadership of Israel as well as that of Egypt will heed his appeal and that it will have the support of freedom-loving peoples of the entire world, particularly of the United States.

While I have on many occasions differed with the views of our President, on this point he has my support for whatever it is worth. I hope he will have the support, the undivided support, of this Congress—particularly those who are recognized as expert in the field of foreign affairs—in his effort to effect an immediate withdrawal of Israeli forces from Egyptian soil. Until that is done the peace of the world is endangered and for every passing day the dangers are multiplied.

H. R. 4901, ACREAGE ALLOTMENTS FOR CORN

Mr. POAGE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill H. R. 4901.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN. Reserving the right to object, is there opposition to this bill?

Mr. POAGE. Yes; there is a great deal of opposition.

Mr. MARTIN. Will the gentleman incorporate in his request that the minority may have the privilege of filing minority views?

Mr. POAGE. Yes. Mr. Speaker, I include that in my request.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CORN AND FEED GRAINS

Mr. POAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Speaker, on yesterday the Committee on Agriculture favorably reported a bill to encourage the placing of land now devoted to the production of corn and of other feed grains in the soil bank. The vote in the committee was close, and, in general, those who represent the largest corn-producing districts voted against the bill. This seems to be a remarkable situation in view of the fact that the bill gives to corn the very treatment which these Representatives have asked. But it goes further and gives the same consideration to other farmers who have been growing feed grains, even those outside of the commercial corn area.

What do the corn people want, and how does this bill meet their demands?

First. They want a larger allotment. This bill gives them an arbitrary increase of approximately 6,000,000 acres over the allotment of 37,300,000 acres set for 1957 by the Department of Agriculture. No crop ever had such a handsome gift of acreage allotment. In fact, the bill sets the 1957 corn allotment at exactly the same level as existed last year—with which allotment close to 45 percent of all commercial corn farmers complied without any special inducement.

Second. They want to be able to place a substantial amount of acreage in the soil bank above their allotment.

This bill allows corn farmers to place 7,800,000 acres above their allotment in the soil bank. This means that corn farmers can cut their acreage from a farm base of 51,000,000 acres in 1957—just as they did in 1956—and be paid for it.

Third. Corn farmers want to be paid at corn prices whether they place corn or other feed grains in the soil bank.

This bill provides that if a corn farmer reduces any kind of feed grain, including soy beans or flaxseed, he will be paid at the corn rate. If every possible acre authorized by this bill were placed in the soil bank, corn farmers in the commercial corn area could earn over $300 million more than they can if the bill is not

passed Last year corn farmers actually collected $179 million for these practices.

Fourth. Corn farmers want to know that supports on compliance corn will not drop below 75 percent. It is clear that many farmers voted as they did in the referendum solely because they feared that Secretary Benson would reduce supports.

This bill continues the present 75 to 90 percent supports now in the law. There is no way under this bill whereby the Secretary of Agriculture can drop supports below the present minimum.

Fifth. Corn farmers want to be sure that corn remains a "basic commodity." This bill retains corn as one of the 6 basics and strengthens its position as such by according the same treatment in respect to the soil bank to all 6 basics.

This bill does for commercial corn all that its special pleaders have asked and more. It assures the corn producer who did not comply with acreage allotments last year that he can become eligible for both soil-bank and price-support payments under this program simply by reducing his corn acreage to the level of last year's allotment. The corn grower who did comply last year—45 percent of all commercial growers—will be eligible for the soil-bank payments at the corn rate by reducing his other feed grains, and will, of course, remain eligible for price supports.

These are all firm and clear-cut advantages which the farmers of the commercial corn area will receive from the passage of the committee bill. They include all the advantages which the Department's bill, or the original Andresen bill, offered to the commercial corn grower.

Why, then, should any representative of commercial corn oppose this bill? Frankly, I do not know. The only reason ever given during the long weeks of hearings and debate has been: "The corn people are faced by an emergency, and we should pass a bill which relates to commercial corn and to commercial corn alone." Of course, the commercial corn people face an emergency. They are going to have to plant within 2 or 3 months. They naturally want to know what the program will be. Likewise, the cotton people, the noncommercial corn people, the tobacco people, and other farmers all face an emergency. They must all—or at least 90 percent must—plant before the commercial corn farmers. In fact, cotton is being planted right now in south Texas. These farmers all want to know what the program will be just as commercial corn farmers want to know. The majority of the committee have tried to give all farmers an answer and to give it now. Does any commercial corn grower object to this?

It has repeatedly been pointed out that the problem of surplus corn was actually a problem of surplus feed—a bushel of corn raised in Texas, even though it is called noncommercial, increases the surplus just as does a bushel of commercial corn raised in Iowa. A hundred pounds of grain sorghum raised in Kansas or oats raised in Tennessee adds to our feed-grain supply and displaces higher priced commercial corn. Six hundred million bushels of corn were grown outside of the commercial area last year. Close to 100 million acres of farmland went into the production of feed grains other than corn. The departmental bill and most of the bills introduced by the representatives of the commercial corn area ignored this vast production of competitive feeds, although both Secretary Benson and Assistant Secretary McLain stated before the committee that we must control the whole field of feed grains if we were to hope to deal effectively with the surplus of commercial corn.

The committee bill attempts to offer some incentive plan to the farmer who does not live in the commercial corn area to put land now devoted to feed grains or noncommercial corn into the soil bank on a basis roughly comparable to that offered to the farmer who lives in the commercial corn area. Surely, no one who is seriously concerned with the existing surplus of corn could for a moment oppose this.

Why then do the representatives of commercial corn farmers resist so vigorously every effort to pass the committee bill. It is not because the bill fails to do for commercial corn what they say should be done. It does all they ask. Their own statements belie the thought that they might feel that a general effort to reduce the overall production of surplus feed grains would be injurious to commercial corn.

Could it be that their opposition is merely the result of their disinclination to extend to others the same kind of treatment they ask for themselves. It is true that this committee bill will allow cotton farmers and wheat farmers who have reduced their plantings of these or other basic crops by as much as 15 percent without any compensation, to put another 18 percent of their allotted acres in the soil bank, provided they thereby reduce their feed-grain acreage, but it allows corn farmers to do exactly the same thing except that the commercial corn farmer will have to take only about a 12-percent cut from history without pay. To believe that this is the real basis of opposition, one must assume that the commercial corn farmers and their spokesmen are adopting the attitude of the old man who prayed, "Lord, bless me and my wife, my son John and his wife, us four and no more." I refuse to attribute such an attitude to any group of American farmers.

Neither am I going to assume that this is just a case of refusing to support a good bill just because it has the wrong political brand on it. Especially do I feel that this cannot be the answer when I recall that the majority of the committee offered to let the bill come out with committee amendments broadening its scope but under the name of its Corn Belt author. This offer was rejected, and in an effort to avoid any implication that any member supported any subject matter which he did not support the chairman of the committee introduced a new bill, which is the one reported.

Finally, it seems unreasonable indeed to assume that Members could fail to understand the effect of a bill which was so fully discussed in the committee, but, since many Members were not present and did not hear the discussion, I have concluded that this is the most charitable interpretation of the present attitude.

I can understand the attitude of those who say there is no corn problem. I think they are mistaken, but, believing as they do, I can understand their opposition to any bill. I can even understand the opposition of those who feel that there is a problem, but who contend that the solution of the problem is too expensive. I do not share that view, but I know there are those who feel that way. But, Mr. Speaker, what I cannot understand is the attitude of those who say they recognize an emergency, who say that we need to spend hundreds of millions of dollars to reduce the production of corn in the commercial-corn area, and who turn right around and say that nobody's emergency should be considered except that of the commercial-corn producer, and that nothing should be done to reduce the ever-increasing production of surplus feed supplies, including the actual production of corn itself, outside a few favored States. If we are going to spend a quarter of a billion dollars fixing up the commercial-corn side of the water tank, does good business not require that we spend another hundred million plugging the leaks on the noncommercial side

For years I have heard the demands of the corn people that the farmers of the South and West should not be allowed to grow feed grain on diverted acres. In the past the southern farmer, like the western farmer, has been forced to grow feed grains on his diverted acres in order to live with his reduced allotments of cotton, wheat, and other basic crops. Now we have a soil bank. Last year it was, for practical purposes, applicable only to corn. Corn in the commercial area got 70 cents out of every dollar spent. Corn people now say that if they are to reduce their acres they must be allowed to place their diverted acres in the soil bank. This bill allows that, but it also allows cotton and wheat men to do the same, to the extent they reduce their feed grains. For the first time, we seem to have a really practicable method of enabling cotton and wheat farmers—and professional feed-grain farmers—to reduce their competition to corn; and, of all people, we find the commercial-corn growers—or their representatives—opposing the very things they have so long claimed they needed.

Mr. Speaker, it is indeed a confusing world.

COMMITTEE ON RULES

Mr. ALBERT. Mr. Speaker, at the request of the gentleman from Virginia [Mr. SMITH], I ask unanimous consent that the Committee on Rules may have until midnight Thursday to file certain privileged reports.

The SPEAKER. Is there objection?

There was no objection.

THE LEESBURG, FLA., CENTENNIAL

Mr. HERLONG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HERLONG. Mr. Speaker, my hometown of Leesburg, which you were kind enough to visit last fall, will be celebrating its 100th anniversary from February 24 to March 2.

I am going to be there for this event, and I wish that all of you could go along with me to enjoy our wonderful weather and hospitality.

This is a significant occasion, and the citizens will make an all out effort to recall Leesburg's century of life and at the same time tell the world of its tourist, industrial and farming possibilities.

For weeks, the barbers around Leesburg have had lean pickings as its outstanding citizens have tried to grow beards as decorations for Centennial Week. I tried myself, Mr. Speaker, but had to give it up when I went on television in Orlando recently.

Incidentally, later this year, on October 5 to be exact, another city in my district, Orlando, will be 100 years old. And I hope there will be a big celebration, for it has a proud and glorious history.

But back to Leesburg. Here the citizens will recall past events and modes of living of 100 years ago. For days, they have been hunting for costumes and antiques to help them relive the period. There will be a big parade, a huge pageant and a whole week of activities.

Mr. Speaker, I would not miss this occasion for anything.

Leesburg, as you know, is known as "The Big Bass Capital of America." It is located in Lake County which has the distinction of having 1,400 named lakes, in addition to hundreds of privately owned small lakes. No other county in the United States can boast of such fine fishing conditions.

Leesburg itself is on the shores of two of Florida's largest lakes—Lake Griffin and Lake Harris.

As a Leesburg Chamber of Commerce pamphlet proudly points out, the Bass Capital of America is situated at the crossroads of central Florida on U. S. Highways 27 and 441. It is in the geographic center of the State and is headquarters for leisurely planned trips to the majority of the nationally known scenic attractions Florida has made possible.

There is a wide variety of accommodations available in the Leesburg area for the vacation minded including more than 25 fishing camps and resorts, motor courts, hotels and trailer courts, restaurants, and cafes.

There is no closed season on fishing or size limit since nature has provided the best of spawning conditions making it unnecessary to protect the fish during their breeding periods.

No matter where a fisherman may make his headquarters in the Leesburg area, a lake is readily accessible providing all types of fish and countless miles of lily pads.

Any resident 65 years of age or over is exempt from buying a fishing license, as is anyone under 16.

The lakes and canals around Leesburg also provide unlimited possibilities for the boating enthusiast. There are sponsored water trips, from day long jaunts up the picturesque Oklawaha River and terminating at beautiful Silver Springs, a must on anybody's vacation, to longer cruises.

The smooth waters of the lakes provide ideal conditions for sailing.

Due to the clean, dust-free and pollen-free atmosphere around Leesburg, hay fever sufferers are a rarity. Leesburg's year-round average temperature of 74 makes it an ideal place for those suffering with arthritis, rheumatism, heart condition and other diseases of an overtaxed system.

Leesburg has a large, modern, heated, and air-conditioned community building. Nearby are other recreational facilities such as a swimming pool complete with all the equipment necessary to insure the absolute enjoyment of young and old alike. Tennis, shuffleboard, horseshoes, and other sports are to be enjoyed. For the golfer, there is a modern 18-hole course open to visitors and members alike.

The founding of Leesburg stems from the arrival of Arthur Lee of Alabama in 1849 in nearby Sumter County. He had a large family of boys and girls. As life in the frontier country became safer from the Indians, the family spread.

In 1857, Evander Lee brought his 5 sons and 3 daughters to the promising area near the 2 large lakes of Griffin and Harris. Others of the family followed him, and thus began Leesburg.

Mr. Speaker, it is my hope that the Members of Congress will get opportunity one day to visit Leesburg and my Fifth Congressional District to see what we have to offer in the way of good living.

TEST FLYING OVER POPULATED AREAS

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, I take this time to make an important statement which I know the Members of this House will be interested in having. It is in connection with the tragic air accident over the Los Angeles section a few days ago.

On February 6, the Director of the Bureau of Safety of the Civil Aeronautics Board appeared before the Committee on Interstate and Foreign Commerce to testify concerning the unfortunate collision in the vicinity of Los Angeles, Calif., on January 31, 1957. The Committee was advised that the Board on the previous day had adopted an amendment to part 60 of the Civil Air Regulations which, effective February 20, 1957, prohibited test flying over highly populated areas or in areas of high traffic density. This rule also charged the Administrator with the responsibility for approving or designating flight test areas within which test flying of aircraft was to be confined.

Because of the great conflict in airspace requirements of aircraft operators, the task of delineating flight test areas in the vicinity of Los Angeles has proved to be especially complex and controversial. We are faced today with the fact that so much of the airspace in the vicinity of Los Angeles is already restricted for special military use or lies within areas of high traffic density or lies over densely populated areas. The Civil Aeronautics Board and the Administrator have concluded that additional time will be required to complete necessary coordination with aircraft manufacturers and the military services in order to delineate the flight test areas required for production flight testing. In the absence of specifically delineated test flight areas, all production test flights, military and civil, came to a halt yesterday in the Los Angeles area.

Mr. Durfee, Chairman of the Board, advised me today that part 60 has been further amended to extend the date by which approval or designation of flight test areas must be completed until April 15, 1957. In the interim, flight tests will continue to be prohibited over populated areas or in airspace of high traffic density.

Because of the complexity and the importance of this problem, the sincere and effective collaboration on the part of all interests, civil and military, is urgently required.

THE NEAR EASTERN SITUATION

Mr. SISK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SISK. Mr. Speaker, I too, am gravely concerned with peace in the world today and particularly as it concerns the Middle East; but I was astounded last night to hear enunciated a policy which, so far as I know, represents a departure from anything that has ever occurred in the history of the United States, and it sounded dangerously close to a request for a double standard for nations.

I, for one, am most vigorously opposed to the invoking of any type of sanction against Israel until she is firmly guaranteed and assured the use of the Suez Canal, the Gulf of Aqaba, and protection against bandit raids across her borders. Certainly, it would be my hope that we in this country would not be placed in a position of bringing to bear unfair restrictions or sanctions upon a nation merely because of the size of that nation and yet turn our back because other nations are so big and so powerful that we cannot make those sanctions stick.

Further, I realize the importance of unity and our need to present a united front to the world in the Middle East as we should in all our foreign relations, but certainly, I shall not be bound to follow now or in the future a leadership which appears to be weak and vacillating and which I feel is ignoring the basic concepts which have guided the policies of this Nation from its very inception.

Going back to the very beginning, our Nation was founded upon moral principles which granted equal rights, equal standards, and equal privileges to all people and to all nations irrespective of their size. For that reason, I have risen today to make my own position clear and to vigorously oppose any change on the part of this Nation in that prime moral concept.

I, for one, feel very uncomfortable in the company of a band of international gangsters on whose side our policymakers appear determined to place the United States. I do not want to stand shoulder to shoulder with an outfit which has violated and is continuing to violate every principle of international justice and every treaty, and whose chosen partner in a series of such outrages against decency is Communist Russia. I do not want to give aid and comfort to bandits, nor to assist them in legalizing thievery.

During our history we have gone to war. We believed it was necessary to protect our national existence. The United Nations went to war in Korea. I detest war, but every teaching of history shows that men, and nations of men, will fight to survive. Israel believed its life as a nation threatened and it struck out to survive. Can we now expect it to abandon the very minimum protections it sought to gain by its fight for survival? Would we ourselves accept such a course were we in that nation's precarious position?

In conclusion, Mr. Speaker, let me say that it is my firm conviction that the American people will never support a policy of bringing sanctions to bear upon the nation of Israel and at the same time ignoring pressures or sanctions against larger nations merely because of their power and position in the world which would tend to make those sanctions ineffective.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, following the remarks of my friend from California, we take up the newspapers this morning to find, in the case of Kashmir, that the United Nations has acted on a resolution to send the Secretary General over to have talks, and that the Soviet Union exercised its veto power. Some of us are doing a lot of thinking about the inability of the United Nations to operate with justice, or, rather, to have the world divided into areas into one of which the United Nations cannot go and the other in which they can go.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HALLECK. Would the gentleman favor the repeal of the veto power without which the Armed Forces of the United States might be committed by the United Nations without any regard to the authority of the Congress of the United States?

Mr. McCORMACK. Now, the gentleman is going entirely outside the field of the observation I have made. I simply said in relation to the remarks made by the gentleman from California, that we read in the papers this morning where the Soviet Union exercises its veto power in the Security Council. The question of whether or not there should be a veto I have not raised, but they have exercised it in connection with the Secretary General going over there to have talks in connection with the Kashmir situation relative to having a plebiscite there which the General Assembly of the United Nations has voted. The direct answer to the gentleman's question is "No."

THE MIDDLE EAST SITUATION

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I would like to support the words of our distinguished majority leader and to say that I feel there is a very great need for further discussion and clarification of the entire situation in the Middle East and of our American policy in that area and in particular with reference to Israel. Certainly the story has not been fully told and it was not fully told last night. It seems to me that it went forward on a premise which it will be very difficult to sustain by world opinion if the people are given the opportunity to know the story. In effect, we have said that we will wink our eye while Russia builds up a force in the Sinai Peninsula, an aggressive force, about which the United Nations took no steps whatever. Yet we would then deny the right in self-defense of Israel or any nation to make sure that such an aggressive force did not actually enter into combat. Therefore, I have just received permission that on Tuesday next there will be one hour granted to me, at which time I will try to go fully into this situation. May I ask all those who are interested in this discussion to be present at that time.

EXCAVATING MATERIAL NEAR NEW HOUSE OFFICE BUILDING

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, we do a lot of futile things in the House. We talk about situations that arise in other countries. The responsibilitiy for the excavating which is being done over on the west and a little south of the New House Office Building is not within my knowledge, but this I do know from personal experience within the last hour. It is one of the dirtiest deals I have ever seen since I came to Washington. The folks that are drawing that dirt out bring it out by trucks which travel up Independence Avenue. Those big trucks are so filled that as they are driven along the Avenue the dirt falls off from both sides and the end. We have over there a layer of dirt and dust, a part of which goes up into the air every time a car goes along. It dirties your clothing, clogs the air you breathe. There is neither reason nor excuse for it.

Just why is that permitted to continue? I do not know whether the Speaker has any authority over it or whether that is under the direction of the Architect of the Capitol. There ought to be an end to it. There is no sense to it and I do not see why it is permitted.

The SPEAKER. The Chair may ask if there is any other way of doing it?

Mr. HOFFMAN. Certainly there is. They can take it down the next street on which there is far less traffic. They can lessen the size of the load so it does not fall off in the street before it reaches its destination.

They can wet the top of the load so it does not blow off.

They can just use a little commonsense, show a little—just a little—consideration for others who use the crossing, the sidewalks, or the street.

THE MIDDLE EAST SITUATION

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, it was my privilege to attend yesterday morning at the White House the meeting called by the President for a bipartisan discussion with congressional leaders. I have sat in a lot of those meetings. I have sat in such meetings when our President was of the Democratic Party. I want to say that I thought the meeting yesterday was well conducted. Everybody was permitted to make his contribution. It was give and take, and I think one of the finest experiences of my public life.

I commend the President for his statement last night. I think it was masterful. I think he has laid the cards on the table. People know better now just what our position is.

But that is not the reason I rise here particularly. It happens that I come from the Middle West, out in the Corn Belt. The gentleman from Texas [Mr. POAGE] has said that they have introduced a bill that goes away beyond anything that had been asked. Now, actually, there is a crisis with respect to the corn farmer and need for urgent action. I have stood up in the well, coming from the Middle West, where we raise no rice or cotton or peanuts or tobacco, and have helped enact emergency legislation for those commodities, and I say what the majority of the committee is seeking to do here to the corn farmer is to give him a lemon, not some help; to propose not only what he wants to do but

to load the bill to where it will never become law.

I want to raise my voice here and now so that the corn farmers out my way will understand what is being attempted. The bill is loaded so that it would cost probably a billion dollars more than necessary. What the committee should do is not to complicate this corn situation by involving all sorts of other problems of agriculture, but give the matter further study. They ought to do for us in the Middle West what we helped them do for themselves, and that is to give us emergency legislation to meet the problem of the corn farmer and let these other things go for another time.

THE PRESIDENT'S BROADCAST

Mr. SCOTT of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SCOTT of Pennsylvania. Mr. Speaker, the President has stated the official position of the administration in his television broadcast of last night. I have learned now that there may be expected at 1: 30 p. m. today, perhaps, a statement from the chief of state of the Israeli Government, and I rise here to express the very earnest and sincere hope that that statement will offer such assurances and such opportunities for peaceful settlement as to render unnecessary a resort to sanctions or to economic force. I still believe that we should have one law for the strong and the same law for the weak. I do not believe that we should proceed against a small state and neglect to proceed against a big one. I have not changed my position. If the United Nations is to be regarded as a strong instrumentality for the welding of peace in the world, it must, above all else, be consistent and fair in its dealing with one nation and another.

FOREIGN POLICY

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, I do not come into the well of the House as an expert on foreign policy. I want to say, however, for the record, that I firmly support the President in his statement last night. It was a forthright statement. It required considerable courage to make it. On legal and moral grounds alone he stated the American position, and I feel sure he has the support of a great majority of our people.

Mr. Speaker, in all seriousness I would like to say this about the present situation in the Middle East—we ought not to be looking for results as of this day or tomorrow. We are engaged in a long-range problem. I do not believe that we can afford to offend 200 million Arabs who live in the broad area from the Atlantic eastward to Pakistan. The action of Nasser should not be construed as a reflection of the entire Arab world.

And secondly, the free world must have access to the oil resources in that area. It was in 1945 when James Forrestal, then Secretary of the Navy, said that unless we have the resources of the oil of the Middle East, the United States cannot win the next war. At that time he cautioned against disturbing the status quo there. He was aware of a very great danger, which is now present. The real need at this time is to resolve the differences between Israel and the Arabs. Only then will peace come to this troubled area. Wild and irrational statements serve no good purpose and certainly not the cause of world peace.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

PROGRAM FOR THE CORN FARMER

Mr. BASS of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BASS of Tennessee. Mr. Speaker, my friend the gentleman from Indiana [Mr. HALLECK] has just taken the Committee on Agriculture to task for a bill that we reported out with reference to corn and other feed grains. I would like the record to be kept straight and to inform my friend, if he already does not know it, that the same sort of program that the Department of Agriculture recommended for the Committee on Agriculture to report, which we did not, was offered to the corn farmers last December for a referendum, which is the usual procedure with all farm programs, and the corn farmers of America refused by vote to accept that program.

Historically, in the House of Representatives, we do not pass a new program for a commodity which the farmers of that commodity refused in a referendum to accept. If the program was not good enough for the corn farmers to accept in a referendum, I believe that this House would be making a mistake if we did not report out a bill which we thought would do the job that the corn farmer did not think would be done when they voted against the program offered by the Secretary of Agriculture.

The SPEAKER. The time of the gentleman from Tennessee has expired.

DUST IN MISSOURI

Mr. CHRISTOPHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Speaker, I was a little amused when the gentleman from Michigan [Mr. HOFFMAN] was complaining about the dust here, just a few minutes ago. If the small amount of dust that falls off the trucks endangers the health of the gentleman from Michigan, I would advise him never to come to Missouri. Down in Missouri we are 60 inches short on moisture in the last 5 years, and still our good Secretary of Agriculture, Mr. Benson, says that we have not had a drought in that State. All the trucks in Washington could not make enough dust to compete with what we have out there in a State that is not afflicted with drought at all.

I just took this time to warn the gentleman from Michigan to stay away from Missouri if dust bothers him.

CORN PRODUCTION

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, the gentleman from Indiana made some timely remarks a moment ago about the farm bill reported by the Committee on Agriculture. I am sure that any Member of this House, particularly those of us in the corn area who examines this bill, will recognize its complete inadequacy in dealing with the corn farmers' problem.

The gentleman from Tennessee [Mr. Bass] a moment ago made the statement that the farmers got what they voted for last fall in the referendum. He overlooks the fact that the referendum required a two-thirds vote, and that a substantial majority—approximately 61 percent—of the farmers voted for increased acreage for corn. As we approach consideration of a farm bill, I should like for you to reflect on the fact that a minority is denying a majority the program desired. Corrective legislation is promptly needed, but the bill from the Committee on Agriculture is by no means the answer.

Please bear in mind, particularly you who represent city districts, that corn is the greatest single factor that has a bearing on the economy of the United States today. Do remember that indisputable fact as to the basic importance of corn in our economy when you consider the farm bill which will come up next week. I repeat, corn is the greatest factor in our economy in these United States of America; steel and anything else to the contrary notwithstanding.

COMMITTEE ON RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight Friday night to file certain rules and reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE AMERICAN INSTITUTE OF ARCHITECTS

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, on February 23, 1957, one of the oldest and most important professional societies in our country—the American Institute of Architects—marks its 100th anniversary.

The American Institute of Architects is dedicated not only to the betterment of the profession of architecture—in itself a worthy goal—but, through constant improvement of our shelter and environment, to the betterment of our lives.

As a former bricklayer, I believe I understand and appreciate the service the architect renders not only to his client but to the community as a whole. Webster defines the architect as a "person skilled in the art of building. One who makes it his occupation to form plans and designs of, and to draw specifications for, buildings, and to superintend their execution." This means more than a glance at the words might signify. His is the task of advancing our entire civilization by planning and designing the proper setting for constructive work, thought, and worship. I have taken issue, upon occasion, with several members of the profession with whose conception of specific needs relating to public projects I disagreed. However, disagreements are not unknown among friends.

The architect's responsibility in our complex society is stated eloquently in a prospectus the American Institute of Architects has issued on the theme it has chosen for its centennial celebration. This theme is A New Century Beckons. The prospectus states in part:

> Today, the architect must consider, simultaneously, man's physical environment in relation to his new social aspirations and spiritual needs; to a host of new contrivances which afford him new comfort and leisure time; to new problems of traffic flow, land use, and urban congestion; even to the problem of shielding him, not from the elements alone, but from the hazards of a world whose skill at making weapons has outstripped his ability to live without them.

The American architect today, due largely to the efforts of his professional organization, the American Institute of Architects, is fully conscious of these responsibilities and challenges, and is meeting them in a manner which deserves our appreciation and gratitude.

We need the architect—his professional competence and his efforts—to give us and our communities the most fitting, most enduring, and most economical buildings the creative genius of our people is able to erect. I have been deeply disturbed by the efforts of certain commercial groups to bypass the architect with the claim that he can be replaced by mass production. The "package dealer" who offers our school and church committees and boards "cheaper" prefabricated buildings is offering a fantasy. Buildings, like lives, are individuals, and have individual requirements. I don't wish to be misunderstood. Modern mass-production techniques in many areas have helped make our country strong and prosperous. But prefabricated "package buildings" do not properly fit the land sites, soil conditions, climates, and requirements of individual communities any more than a single stock prescription for eyeglasses would fit a nation of nearsighted citizens.

Our school boards, our church committees, our municipalities, and our builders and homeowners need the architect and his skills. For no one who undertakes to build, builds for himself alone. Our Nation needs better schools, better churches, and better buildings for business and living. We need the architect's skill as urgently as we need the skill of doctors and lawyers. Any attempt by promoters of package buildings to bypass the architect will, in the long run, be just as disastrous as replacing the family doctor with the quack.

Modern man is confronted with an enormous task. As the prospectus of the AIA centennial program puts it:

> Our vast new knowledge of the nature of matter must be matched by an equivalent understanding of the nature of man. The architect can and must contribute to a closure of this gap in knowledge.

Proof that our architects are sincere in seeking this knowledge is the manner in which they have chosen to celebrate their 100th anniversary this year. They do not pause, even on this festive occasion, to dwell on past achievements. Their efforts are directed to the future. The theme the AIA has chosen for its centennial program to be held in Washington May 13–17 is A New Century Beckons. Many of the Nation's leaders in the arts, sciences, education, business, labor, and government will speak to the architects on the forces which will shape the environment of the future. For it is the future environment, as well as the present, for which the architect must build. I confidently expect this centennial program of the American Institute of Architects to make a vital contribution to the cultural and material growth of our Nation.

OIL PRICES

The SPEAKER. Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 20 minutes.

Mr. SIKES. Mr. Speaker, the Nation has been seriously disturbed by the very large and sudden increase in oil prices which we now are experiencing. Both the Senate and the House are making inquiries. Both producers and consumers are being heard. Because my State of Florida is one of the most adversely affected I am strongly interested in what is taking place. On yesterday, Mr. M. J. Rathborne, president of the Standard Oil Company of New Jersey, one of the largest and most powerful corporations in the world, testified for the producers. In attempting to justify the increase in oil prices, he used as a base the year 1948 to compare oil prices with the cost of labor, of steel and other products. The year 1948 does not give a true comparison and this I shall prove. People in Florida and throughout the United States will remember what happened in 1947 and 1948 in oil prices and oil shortages. So high did fuel oil prices soar that the mayors and city commissioners from cities all over Florida came to Washington in a body and petitioned the President of the United States, the United States Senate, and the United States House of Representatives for a redress of grievances against the then existing high prices of fuel oil. My distinguished colleague, the gentleman from New Jersey, Congressman WOLVERTON, was then chairman of a committee investigating oil prices. The people of Florida are very grateful for the invitation which the gentleman from New Jersey, Congressman WOLVERTON, extended to the Florida delegation to appear before his committee. I am sure that the gentleman from New Jersey, Congressman WOLVERTON, and other members of the committee will well recall that the conditions in 1948 were very similar to conditions today. The earnings of the oil companies were high; prices of residual fuel had skyrocketed 150 percent for the preceeding 2 years and basic crude oil had been increased six times during the years 1946–47 and had gone up from $1.17 in March of 1946 to $2.57 in November of 1947, an increase of 120 percent. Then like now the petroleum industry had made themselves a crisis. They had underestimated by a considerable margin the demand for oil in this country and elsewhere and had permitted the tankers to be put into the mothball fleet. When the shortage of heating oils became acute in the winter of 1947–48 all the available tankers were pulled out of the mothballs as quickly as possible and put into service. But this was not in time to save the American public against the terrific increases in all oil products. Those increases resulted from a crisis due primarily to the bad guesses of a few people who controlled the great oil industry, which together with natural gas provides two-thirds of the fuel for the work done in the United States including water power, windpower, manpower, and animal power.

I did not understand then as I cannot understand today how a shortage in tankers can increase the prices of crude at the wells.

The increase since Suez will cost the Nation $2 billion a year and cost the people of Florida an estimated $64 million a year, at an equivalent of about $50 per family. My State uses more petroleum products per capita than any other State, and I am deeply concerned about these increases. We expected crude to go down after the crisis of 1948. However, through the methods used in this country for the control of supply and demand, crude did not go down, but actually went up another 25 cents per barrel in June 1953, which, incidentally, was 6 months after the Republicans gained control of the administration. And now these oil companies, which are among the most prosperous businesses in the country, which have been favored more than any other industry by tax laws and by legislation permitting control of supply to meet the demand, have the gall to put into effect another increase and make the remarkable statement that we have had only one increase since 1947. They ask the public to ignore the six increases put into effect in 1946 and 1947 amounting to 120 percent. No other

commodity in that period increased even half that amount. Labor and most other commodities, as I recall it, were going up 5 or 10 percent a year but not 60 percent a year, as did oil. The price of crude today is two and one-half times the price of crude at the end of the war. Industrial fuel oil, which my State is so dependent upon, is selling at 3 times the 1945 price at the refineries on the gulf coast. What major commodity is selling at 2½ or 3 times the 1945 price? The public can well understand why representatives of the oil industry wish to start with 1948 for base pricing. Probably no other business in the country except the unregulated and monopolistic oil industry could get by with such increases. The users of gasoline and fuel oil have paid for the billions of expenditures in exploration and plant expansions in the prices paid for the product. The petroleum industry has operated on a pay-as-you-go basis, while other American industries must sell securities for plant expansions. Less than 5 percent of the many billions of dollars put into the exploration and expansion of the oil industry since 1946 have been financed from borrowings or the sale of securities.

The minutes of his board of directors of December 13, 1956, put into the House RECORD yesterday by Mr. Rathborne show two very startling facts. One was the statement that the expansion program would be such in 1957 that for the first time in 10 years cash generated within the business would be insufficient to finance this program. The second is the discussion of the effect of an increase in base crude oil which, according to the minutes, showed that Standard's net would increase $100 million, or 12½ percent, above the earnings for 1956 of $800 million. After reading these minutes one may understand how it was that Humble Oil, a subsidiary of Standard Oil Co., increased the price of crude on January 3 not 25 cents per barrel but 35 cents per barrel. Mr. Rathborne made a very fine case for his company when he showed the increased cost of drilling since 1948, the increased cost of ships and other items, compared with the increase in oil since 1948, but Mr. Rathborne's case in the eyes of the public must fall flat when you consider total increases in oil and increases in other costs since 1945. Oil must be paid for in this country out of the products produced, out of the wages earned by the people in this country. It may surprise some of my colleagues when I inform them that it takes 80 percent more wheat or cotton and twice as much meat to purchase a barrel of crude oil today than it did in 1945. It takes twice as much cotton or wheat or 2.3 as much beef to purchase a barrel of industrial fuel oil at the gulf coast refineries than it did in 1945.

While everyone realizes that wages in the manufacturing industry have gone up considerably since 1945, the manufacturing wage earner today must use 1.3 times as much of his wages to buy a barrel of crude as it took in 1945. It takes 1½ times as many hours of work for the wage earner to buy a barrel of heavy fuel oil than it did in 1945.

The filling-station operators of America are caught in the squeeze. They, too, are blamed for the increases in gasoline. They should not be blamed because they must pass the increase at the refinery on to the customer if they are to stay in business. The filling-station operator has not had the breaks that the major oil companies have had. The wholesale price of gasoline at the refinery has doubled since 1945, but the cost at the filling station has gone up only 50 percent. The wholesale price of gasoline for the year 1945, as shown in the United States Department of Commerce survey of current business, averaged 5.9 cents at the refinery. Today it is averaging over 12½ cents. The retail price of gasoline for 50 cities that are currently surveyed was 14½ cents in 1945 and today it is approximately 21½ cents. The filling-station operator has costs which go up the same as costs go up for the major oil companies. Yet his margin of profit is not figured on a percentage basis but apparently is maintained at the same number of cents per gallon.

One would think that with all the money the oil companies claim to be spending for research and that with larger refineries and more efficient methods, with more gasoline being produced from a barrel of crude that the price of these products would reflect some of the improved methods. Is it any wonder that the public is distrustful of the propaganda which is being spread throughout the country by one of the best organized groups of any American industry?

I am not optimistic that the House will pass any remedial legislation this session, but I serve notice on the petroleum industry now that they are riding for a fall in the same way the large public-utility-holding companies were riding high in the heyday of the 1920's. They could well take a lesson from what happened to these large holding companies.

In conclusion I would like to read into the record some very illuminating figures.

DAILY PRICES OF OKLAHOMA-KANSAS CRUDE OIL (36–36.9 GRAVITY)

In March of 1946 the price was $1.17. The following have been the increases since that date:

April 1, 1946, 10 cents to $1.27.
July 25, 1946, 25 cents to $1.52.
November 15, 1946, 10 cents to $1.62.
March 10, 1947, 25 cents to $1.87.
October 15, 1947, 20 cents to $2.07.
November 28, 1947, 50 cents to $2.57.
July 19, 1953, 25 cents to $2.82.
January 3, 1957, 25 cents and 35 cents to $3.07 and $3.17.

An increase from $1.17 to $3.07 is $1.90 per barrel. Now, gentlemen, this is a total increase since 1945 of 162 percent. I would like to read you the increase in other costs since 1945. They are as follows:

	Percent
Beef	29
Wheat	46
Cotton	48
Retail prices	51
Wholesale prices	70
Aluminum	81
Average hourly earnings manufacturing	100
Composite price finished steel	130
Gulf-coast industrial fuel oil	199

By comparison, since 1945 the average unit cost of residential electricity for 1956 was 24 percent below 1945.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield.

Mr. GROSS. I want to commend the gentleman for the very excellent presentation he has made. I wonder if the gentleman agrees with me that while it is a fine thing for the Attorney General's Office to say, "If we can find any violation of the antitrust laws in the petroleum industry, we will prosecute," I wonder if the gentleman will not agree with me that any agency of the Government so empowered ought to have moved into this situation to save the consuming public millions of dollars now. Prosecution on antitrust charges, if warranted, would be helpful for the future, but will do no good as far as this bilking of the public that is going on now, today. The need is for immediate action, and it is a strange situation that with the hundreds of millions of dollars expended annually on various agencies and departments in the executive branch of Government it is left to Congress, 9 times out of 10, to initiate investigations in behalf of the public welfare. The executive branch of Government ought to have moved on these petroleum price increases and demanded to know the justification for them last December. That failure reflects no credit on those so empowered.

Mr. SIKES. I agree fully with my colleague, as I so often do in his views here on the floor.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield.

Mr. PELLY. I would like to tell the gentleman briefly that I share his concern. Up in the Pacific Northwest the retail price of light fuel oil has gone up in the last 15 months from $3.20 a barrel to $4.24 a barrel, although the general deficiency during the same period on the west coast has declined; and I want to assure the gentleman of my support in his efforts to bring to light some of the facts back of these many price rises. I am very glad he is raising the issue.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield.

Mr. BAILEY. I regret that I missed the major part of the gentleman's presentation. Did the gentleman discuss the oil lift proposal?

Mr. SIKES. I did not.

Mr. BAILEY. I thank the gentleman. I was going to comment on that angle, if the gentleman had.

Mr. BENNETT of Florida. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield.

Mr. BENNETT of Florida. Mr. Speaker, I would like to congratulate our senior colleague from Florida on his fine factual presentation. I would like to point out that the State of Florida is one of the few States, if not the only State, that does not have natural gas. We are entirely dependent upon the oil industry in many of the things we do.

It seems to me that although the present picture does not look like legislation in this field, as far as I am concerned I would be glad to support legislation to do something about this from a legislative standpoint right now. I realize that there are administrative procedures that would be more rapid than legislation, but as far as I am concerned I think this abuse has shown the need for legislative or administrative action, or any other legal thing to put an end to the existing inequities.

Mr. SIKES. I know how my colleague feels and I appreciate his contribution.

Mr. PELLY. Mr. Speaker, will the gentleman yield for a question?

Mr. SIKES. I yield.

Mr. PELLY. I wonder if the gentleman would tell me if he thinks it is possible to regulate the petroleum industry similar to the way the natural-gas industry is regulated?

Mr. SIKES. I see no reason why it could not be subjected to the same kind of regulation.

Mr. PELLY. The way prices are going indicates that the industry itself is inviting regulation, does it not?

Mr. SIKES. There is no question about it.

Mr. PELLY. I wanted also to comment that in the Pacific Northwest we have just obtained natural gas. I do not hold out any hope to you in Florida that when you get it, it will relieve the pressure, because since we have gotten it our prices on petroleum products have not declined.

FARM INCOME

The SPEAKER pro tempore. Under the previous order of the House the gentleman from South Dakota [Mr. McGOVERN] is recognized for 60 minutes.

Mr. McGOVERN. Mr. Speaker, I would like to commend the distinguished gentleman from Florida [Mr. SIKES] for the valuable remarks and the incisive analysis he has just made relative to the growing irresponsibility of the oil industry and the disastrous consequences this will have on American consumers.

I wish now to address my remarks to an equally urgent problem, the problem of American agriculture today.

Mr. Speaker, last week the Secretary of Agriculture charged that the plight of the American farmer can be laid at the door of the American worker. He said, in effect, that increased wages paid to the working man are responsible for most of the drop in farm income since 1947.

This is a complete misconception of the problem. The American farmer, like the merchant, has no better friend than the adequately paid worker. Any move to weaken the buying power of the working families of this country will directly undercut the position of both farmers and businessmen.

For several years, certain administration spokesmen have tried to sow the false impression that farm prices are too high and are responsible for the mounting grocery bills of the city consumer, and, conversely, that the wages of working men account for the growing costs confronting farm families.

This attempt to drive divisive wedges between the farmer, the worker, and the businessman is one of the most unwholesome aspects of our contemporary political scene. It represents an irresponsible effort to cover up administration farm policy failure.

A careful examination of the facts will show that most of the farmer's difficulties stem from the fact that while industrial profits and prices have skyrocketed, farm prices have been falling steadily, due to the price-support cutting policies of the past several years.

When Mr. Benson asserts that four-fifths of the farmer's net income decline since 1947 has resulted from higher production costs, he is guilty of either gross error or deliberate deception.

A correct analysis of gross farm income and production expenses in 1955, as compared to 1947, will show that falling gross farm income has accounted for 73 percent and increased production expenses for only 27 percent of the total drop in net farm income since 1947.

Farm costs have risen, true; but to blame this cost spiral entirely on wage increases overlooks the fact that corporation profits have soared to record peaks. Workers have asked for wage increases only after industrial profits have reached the point where such wage improvement was not only justified but imperative in the interest of a stable economy.

We live in an economy governed by managed industrial prices. Industrialists have manipulated prices steadily upward in recent years without regard to the classical law of supply and demand, seemingly guided only by an appetite for larger and larger profits.

I would like to insert at this point in the RECORD two adjacent news stories from the January 10, 1957, issue of the New York Times. The heading on the first article reads "United States Oil Output Sets a New High; Gasoline Inventories Increase." The companion news article is headed with the words "Gasoline Prices Will Rise Today."

This is only one indication of the control over prices which is exercised by corporations without reference to supply-and-demand factors.

Furthermore, the sharp increases to farmers in the price of tractors, fuel, clothing, groceries, and other household items does not reflect rising wage costs so much as it does drastic increases in the profits shown by the large industrial corporations of this country. For example, when the major steel companies announced a $7.50 per ton increase in steel in the spring of 1955 following a wage increase, every effort was made to imply that this price increase was needed to cover the wage raise given at that time. Actually, the wage increase cost the steel companies approximately half of the $7.50 that they added to steel prices.

United States Seel was making a profit of $29.65 per ton prior to the wage increase of 1955. After paying that wage increase—which cost the corporation $3.80 a ton—and raising steel prices $7.50 a ton, United States Steel was earning $33.35 per ton. The same pattern has been characteristic of other wage-price increases.

The other side of the picture was well illustrated in a speech on April 23, 1956, by the distinguished majority leader of the Senate, when he said: "In 1946 farmers got $3 a bushed for wheat. You paid 14 cents for a loaf of bread. Today the farmer gets only $2 a bushel, but you pay not 14 cents but 18 cents for a loaf of bread. The price of wheat has dropped one-third, but the price of bread has gone up one-third. If the shirt you are wearing cost you $4, the farmer got only 25 cents for the cotton that went into that shirt. The middleman takes more of your dollar; the farmer gets less."

Those who want to really understand the problem of the American farmers should give heed to the fact that while farm income has fallen by 25 percent during the past 5 years, corporate profits have increased by some 35 percent.

I would like to say at this point, that if the Secretary of Agriculture is truly interested in discovering the factors responsible for the sharp cost of living increases in recent years, he should lend his support to a resolution which I introduced on the opening day of this Congress, calling for a thorough congressional investigation of those factors responsible for the cost of living spiral. My resolution, House Joint Resolution 64, calls for a careful analysis of the unjust spread which exists between the prices received by farmers for their commodities and the prices that the consumer pays for those commodities in the market place.

Mr. Speaker, the effort of the Secretary of Agriculture to convince the farmer that he is in trouble because of the improved living standards of the American worker is a hollow effort, indeed. When a man is stuck in a quagmire, as the American farmer is today, he does not get out by pulling his friends in with him. Our enlightened farm families know that their best hope of salvation lies in working with their partners—business and labor—to achieve through public cooperation a finer life for all. Any move which has as its purpose the arranging of farmer against worker and worker against farmer can only aggravate the problems of each, and in the end bring disastrous consequences to us all.

What is needed now is a firm price-support structure that will enable farmers to meet the higher cost of living that comes with a constantly rising American standard of living. I have introduced a comprehensive agricultural measure (H. R. 3987) which provides several devices that can be used by the Secretary of Agriculture to prevent farm prices from falling below the 90 percent of parity level. To secure farm prices at the 90 percent of parity level is not unreasonable. As a matter of fact, it is a ratio which guarantees that farm prices will not sink more than 10 percent below a fair price, in relation to the cost of what the farmer buys from the rest of us.

It has been my observation for some time that the Secretary of Agriculture has a rare ability to misstate the economic condition of American farmers.

For reasons which I shall not attempt to answer here, he has developed a habit of ignoring basic factual material documented by agencies within his own department, reflecting a serious recession in agriculture.

Expounding the discredited theory of flexible price supports, Mr. Benson seems to live in an Alice in Wonderland world all his own, where lower farm prices mean higher farm income, mounting farm surpluses are interpreted as evidence of the administration's surplus-removal program, skyrocketing departmental costs are the answer to the so-called economy gestures of the Secretary, and where the exodus of men from the land is interpreted as the march of progress.

American agriculture today is grievously ill. In South Dakota, we are now losing more than 1,000 farm families a year. Nationally, 100,000 farmers are going out of business each year, as the cost-price squeeze on farmers mounts. Farmers have not only been led to the brink of depression, but they have been forcibly pushed over.

Yet, the Secretary of Agriculture, has told an audience in Spokane, Wash., last week that this administration is building a prosperous, expanding, and free agriculture. It would seem that Mr. Benson is a rather versatile speaker who is able to quickly adjust his remarks from audience to audience.

To the people in Spokane, he said the first step toward building a healthy farm economy is to get Government out of agriculture.

The next evening in South Dakota, Mr. Benson gave a much different speech. That is understandable. The Secretary's price-flexing policies are very unpopular in South Dakota, where farm income is down 12 percent in 1956 from 1955, and there the Secretary humbly admitted farmers are not sharing in the national prosperity, and that Government has a moral obligation in aiding agriculture to shift from a wartime to a peacetime economy.

Mr. Benson has a long record of making contradictory statements. But Mr. Benson does the farmers of America a great disservice when he misleads millions of urban dwellers, who cannot be expected to understand the complexities of agriculture and who depend upon him for accurate interpretation.

I should like to examine the Department of Agriculture's own statistics for the next few moments, in light of Mr. Benson's statements. I think we shall learn from them that increasing prosperity in rural America is only a figment of the Secretary's imagination.

I should like to refer now to the Agriculture Information Bulletin No. 158, dated June 1956. It is published by the USDA's Agricultural Research Service and is a study of farm costs and returns, applying to commercial family-operated farms in the Corn Belt.

I should like to quote two figures to you. One is the return to family operators in terms of purchasing power, based on 1937 to 1941 dollars. The other is the hourly return to family-farm operators measured in terms of current dollars. I should like to compare the years 1947–49 with 1955.

Let us look first at hog-beef fattening farms. In the 1947–49 period these family operators received an average of $4,299 in terms of purchasing power and an hourly return of $2.28.

But in 1955 the average annual return in terms of purchasing power was only $379. And the hourly return was 24 cents.

In the 1947–49 period, cash grain, farm operators received an average of $3,068 in terms of farm purchasing power and an hourly return of $2.08. But in 1955 the cash-grain operators received an average of $983 in purchasing power income and a return of 74 cents an hour for their work.

The next table we should like to examine is the tabulation on wheat-small grain-livestock farms. I am picking those operations that apply to my area, of course.

Back in the 1947–49 period these farmers received an annual return of $2,464 in terms of purchasing power and an hourly rate of $2.07. But in 1955 the annual income received in terms of purchasing power declined to $1,647, with an hourly rate of $1.36 an hour.

Wheat-corn-livestock farm operators took a terriffic shellacking incomewise, as well. In the 1947–49 period, their return was $2,294 in purchasing power and their hourly wage rate was $1.40. But in 1955 the average annual return to these operators was only $42 and they worked for the ridiculously low rate of 3 cents an hour.

Looking at the table on wheat-roughage-livestock farms, we find that farm operators in this category received $2,070 in purchasing power and an hourly wage rate of $1.49 back in the 1947–49 period. But in 1955 the annual average was $940 with an hourly wage rate of 63 cents, in return for their labor and investment.

The last tabulation that I call to your attention concerns sheep-ranch operators. The USDA bulletin shows that their income in terms of purchasing power was $1,772 in the 1947–49 period and the average hourly return 79 cents. But in 1955, these operators had slipped to an annual return of a minus $112, and their hourly return was a minus 6 cents an hour. In other words, they are operating completely in the red.

I ask in all seriousness, does that sound like this administration is bringing prosperity and expanding opportunity and freedom for agriculture? Does that show farmers are doing better than they have for a long time?

Mr. Benson's philosophy differs a good deal from my own, I know, when it comes to farm policy. And I shall not criticize him for that. But I believe that we have the right to expect an accurate account of the agricultural situation from the man who is in charge of this department. I do not believe it is too much to expect truth from him or any other Government official.

I cannot help but think back to one of the first speeches Mr. Benson gave, when he took over as Secretary of Agriculture 4 years ago. It was made in his home State of Utah, at Salt Lake City.

He was commenting on his job as Secretary of Agriculture and said: "Surely you believe the job at hand is spiritual. We must rekindle the faith of the American people in their Government." My only comment on this praiseworthy sentiment is that one does not build faith on false promises or false premises. Yet the Secretary of Agriculture has not only tried to sell the farmers on the demerits of a phony economic theory, but has told them it is good for them and then asked the consuming public to help him put the farmer in an economic straitjacket.

No one likes to admit failure, of course. And this basic psychological fact may have some bearing on the Secretary's reluctance to point to some of the material included in the President's economic report of January 1957.

This report shows that corporation profits before taxes in 1956 were 47 percent higher than in the 1947–49 period and that corporation profits after taxes were up 19 percent.

Income from dividends the report shows is up 69 percent in the same period of time, income from interest up 93 percent, rental income is up 35 percent, income of business and professional proprietors is up 40 percent, weekly earnings of manufacturing workers is up 51 percent.

The income per person of nonfarm people, as a matter of fact, is up 36 percent across the board, from 1947–49 to 1956. I note in checking Government statistics that per person income of farm people from strictly farming operations, has gone from $641 in 1947, to $702 in 1952, $606 in 1955, and down to $599 in 1956. Thse latter figures are all the more devastating, when you consider that the number of farm families in that time has shrunk by nearly 1 million. Even with that, the per capita income of farm people from farming alone has declined.

And if you should move up the ladder, you will find that since 1952, per capita income per farm person, from all sources has fallen a total of $60—from $953 to $893 annually—in 4 years. And this, too, is figuring it on many, many millions fewer farmers.

But while farmers have been put through the economic wringer, and the price-protection programs they built up through 20 years are emasculated in the name of economy, has the administration reduced Government expenditures or Government crop surpluses?

The answer in both cases is a resounding "No." It has only succeeded in driving millions of farmers from the land and reducing farm purchasing power by millions of dollars. And this, in turn, has deeply affected main street business.

Between the years of 1952–55, again quoting Department of Agriculture figures, prices on agricultural products were severely curtailed, but as any dirt farmer

could have predicted, production rose as farmers tried to offset price drops with greater production. The following figures demonstrate what happened between 1952 and 1955:

[Percent]

	Price down—	Production up—
Rye	17	75
Oats	22	30
Sorghum grains	25	173
Soybeans	23	30
Milk	17	9
Barley	23	71
Flaxseed	23	42

The total inventory of the Commodity Credit Corporation, according to the CCC's latest report, including that amount pledged for loans was $8.2 billion as of December 31, 1956, compared to a total of $3.5 billion on June 30, 1953.

And as stated in a press report of February 11, 1957 losses for supporting farm crops under this administration have been nearly three times higher than the costs in the entire previous 20-year period.

After looking at the record of the Department of Agriculture under Mr. Benson's guidance one can safely say that never before has so much been spent with so little benefit to the people of America.

For the fiscal year ending June 30, 1952 the total budget expenditures for the United States Department of Agriculture, were $1.6 billion. And in the year 1952, net farm income, including changes for inventory was $15.1 billion.

Total budget expenditures for the United States Department of Agriculture for the fiscal year ending June 30, 1956 were $7.4 billion and net farm income in 1956 the Department reports was $11.7 billion adjusted for inventory.

Gross budget expenditures projected for the fiscal year ending June 30, 1957 are $8.9 billion. The Department of Agriculture has forecast a 5 percent increase in net farm income for 1957. But Secretary Benson it would seem has already taken action to make certain there will be no such increase, through lowering the price support levels on eight commodities.

The soil-bank program cannot offset this loss. It only pays farmers for crops not produced, hence it is only replacement income for land taken out of production.

Farm people comprise the single largest group in our entire economy. They are 13 percent of the country's population. Yet in 1956 they received only 6 percent of the income.

Farm people have increased their efficiency, yet, instead of gaining increased benefits they have been penalized. Since 1952 their efficiency is up 14 percent, while their income is down 25 percent.

I believe we have long since passed the time when we should face the truth on the economic condition of farmers and move with imagination to meet that critical problem.

I believe we must consider the farm family from the standpoint of solid economic measures and true human and spiritual values instead of in a cold materialistic concept that is akin to Russian collectivism.

Farmers do not ask for any special favors. They only seek the same right their city cousins long ago attained through legislation—a decent return on their land and their labor.

[From the New York Times of January 10, 1957]

UNITED STATES OIL OUTPUT SETS A NEW HIGH; GASOLINE INVENTORIES INCREASE

The United States last week produced more oil than ever before. An increase of 24,350 barrels a day in the Nation's crude oil production was reported yesterday by the American Petroleum Institute. Production averaged 7,416,700 barrels a day, compared with 7,392,350 the week before and 7,026,450 a year earlier.

Imports of crude oil and products came to 1,515,100 barrels a day, making the average 1,360,400 a day for the 4 weeks ended on January 4. In the 4 weeks ended on January 6, 1956, imports averaged 1,485,000 barrels a day.

Gasoline stocks last week increased 1,012,000 barrels. At the weekend, they amounted to 186,808,000 barrels, compared with 185,796,000 a week earlier and 169,012,000 a year ago.

Light fuel oil supplies were down 1,867,000 barrels to 132,942,000. They were 107,269,000 a year ago. Heavy fuel oil stocks gained 82,000 barrels to 42,731,000. A year ago, they amounted to 39,719,000 barrels.

Crude oil runs to stills averaged 8,290,000 barrels a day, including 888,000 a day of foreign origin.

The daily average gross production of crude oil and condensate last week in the United States, by districts, the change from the preceding week and the output in the week ended on January 6, 1956, follow:

	Actual daily average production	Change from previous week	Week ended Dec. 30, 1955
New York–Pennsylvania	30,100	+1,100	29,200
Florida	1,250	+50	1,400
West Virginia	4,850	+100	6,150
Virginia	100		100
Ohio, southeast	2,850		3,400
Ohio, other	8,100	+750	9,650
Indiana	33,100	−150	31,400
Illinois	237,250	−750	237,300
Kentucky	48,300	−350	44,600
Michigan	27,100		29,800
Nebraska	37,850	−1,250	28,200
Kansas	339,100	−4,000	332,400
Oklahoma	631,600	+15,200	617,300
North Dakota	36,450	−150	42,650
South Dakota	100		50
Texas	3,070,000	+12,000	2,938,200
Louisiana	975,400	+3,400	786,900
Arkansas	77,700		74,200
Mississippi	114,000	−300	111,350
Alabama	11,450	−50	4,300
New Mexico, southeast	244,400	+2,900	227,900
New Mexico, other	1,900		1,600
Wyoming	297,750	−3,200	283,000
Montana	71,600	+1,450	47,000
Colorado	157,200	−2,700	153,200
Utah	9,000		5,600
Nevada	100		300
California	948,100	+400	979,300
United States	7,416,700	+24,350	7,026,450

GASOLINE PRICES WILL RISE TODAY—LEADING COMPANIES ALSO PLAN TO LIFT OTHER OIL PRODUCTS EAST OF THE ROCKIES

Prices of gasoline and most other oil products will be advanced 1 cent a gallon today by leading marketers in nearly all the United States east of the Rocky Mountains.

The Esso Standard Oil Co., domestic marketing and refining affiliate of the Standard Oil Co. (New Jersey), will increase prices of gasoline, kerosene, home-heating oil, and other distillates except Bunker C and No. 6 fuel oils by 1 cent a gallon for all methods of delivery. The increases will apply to 18 States on the east coast and in the South, and the District of Columbia.

The Standard Oil Co. (Indiana) will make a similar advance in all oil products throughout the 15 Midwestern States in which it markets. Indiana Standard said the price rise stemmed from the recent advance in crude oil prices that resulted from the crisis in the Middle East.

The Continental Oil Co., which recently advanced gasoline prices by 1 cent a gallon in Texas and New Mexico, announced a 1-cent increase in oil products in Montana, effective today.

COST RISE IS CITED

J. W. Liddell, vice president and general manager of Continental in the Rocky Mountain area, said the price rises were "a natural economic result of advances in everything we buy, including recent increases in crude-oil prices."

Previously, the Sunray Mid-Continent Oil Co., of Tulsa, Okla., had advanced the prices of all oil products by 1 cent a gallon at the refinery level. The company said the increase was "economically vital to refiners who have had to meet the crude oil price increases averaging 35 cents a barrel" in Texas, Oklahoma, and other Southwestern States.

With Esso Standard and Standard of Indiana the leading marketers in their respective territories, the price rise in oil products is expected to be met by other marketers in their areas and extended to all sections east of the Rocky Mountains.

Some difficulty may be experienced in making the rise in product prices stick. Stocks of gasoline and home-heating oils are sharply above the levels of a year ago. Gasoline stocks have been increasing at a rapid rate and now amount to 186,800,000 barrels, an increase of 17,800,000 over the 169 million of a year ago. Heating-oil supplies are 27,650,000 barrels more than the 107,269,000 of a year ago.

Mrs. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentlewoman from Minnesota.

Mrs. KNUTSON. Mr. Speaker, may I commend and congratulate the gentleman from South Dakota for speaking on this very vital subject at this time. We are happy to welcome you, Congressman McGOVERN, as a champion of the farmer, not only from your State but joining our forces in working out a good farm program. I also wish to commend the people of South Dakota for their wonderful intelligence and good sense in sending to us such a champion as you.

I would like to add a few words, and ask permission to revise and extend my remarks, about a few new ideas to help this particular program along. I do not feel that we can do any piecemeal legislation on any farm program at this point. It has to be an overall farm program, and I think this feed-grain bill we have before us is the one that is going to go a long way in that respect.

SUMMARY AND THEME

Our national economic policies and programs are caught in the vise of the great complacency. For 3 years at least, we have been coasting along on the economic reforms and social gains built into the structure during the 2 decades after the great depression. Thus far, the momentum has been sufficient to avoid depressions, and to maintain a high and somewhat advancing level of general prosperity.

But this great Nation cannot coast forever. New motive power is needed. During the most recent years, the momentum of our economic growth has seriously slackened, and some new national policies have contributed to the slowdown. In consequence, total production and employment have been far too low for full prosperity. And while the whole economy has moved forward too slowly, millions have been forced tragically backward by the inequities in the general prosperity, and by national policies which have aggravated this decline. Our traditional concepts of economic and social justice have faded into the background.

We are presented with glowing production statistics which include the pleasure palaces and swimming pools being built at luxurious resorts, but do not include the needed schools and hospitals which are not being built. We have become content with living for today, while neglecting to develop our natural and human resources for the future. We perilously slash national security outlays, on the false premise that we cannot afford the vital.

Most serious of all, we are preening ourselves with false pride because we are in some respects higher than last year or years ago. We are setting low goals, based on the dead statistics of the past, instead of high goals for the ever-increasing abundance and security which our technology and skills promise if only we show the creative intelligence to move forward.

It is easy to talk about a better future for all. But in what direction are we actually moving—and at what pace?

The great gaps in our prosperity are these:

First. Total economic growth has been too slow to maintain full production and full employment: During the 4-year period 1953–56, the average annual rate of growth in total production has been 38 percent lower than during the 7-year period 1947–53. This slowdown has cost all of the American people about $57 billion in lost production, and is costing them more than $17 billion in 1956 alone. Due also to this slowdown, excess unemployment—above the irreducible minimum level—has average 28 percent higher during the more recent period than during the earlier period, and in 1956 alone is running about 43 percent higher.

Second. The inadequate prosperity has also been very uneven: During the 1953–56 period as a whole, personal interest income has been advancing about 65 percent faster than wages, and dividend income has been advancing about 75 percent faster than wages. Farm personal income from all sources has been declining almost 3½ percent per year. With corporate profits advancing almost 29 percent faster than the personal income of the people as a whole, and with investment growing more than twice as fast as consumption, the threat is accumulating that our productive capacity will far outrun our ability to consume.

Third. The uneven prosperity has especially hurt farmers, small-business men, and low-income families: Looking at the most recent 4-year period as a whole, the average income of all American families is running about $900 lower than it would have been under conditions of full prosperity. Even worse, vulnerable groups are being especially hard hit. Per capita farm income has been declining 2.8 percent a year during these 4 years, contrasted with almost no decline during 1947–53. Small business failures are running about 55 percent higher in 1956 than in 1952. The progress of low-income families from poverty to an American standard of living has been virtually halted. In 1955, almost 22 million multiple-person and single-person families had incomes below $4,000; more than 8 mililon were below $2,000; and about 3 million were below $1,000.

Fourth. Our great priorities of national security and domestic needs are being grossly neglected: Comparing 1956 with 1953, Federal conventional budget outlays for national security have been slashed about 18 percent, contrary to all informed judgments of need. As a percent of our total national production—our ability to sustain these outlays—they have been slashed from about 13.5 percent to about 10 percent, or a slash of more than 25 percent in the portion of total production devoted to national security. Our other great national priorities of need involve the one-quarter or more of all American families who live in urban and rural slums; the underdeveloped resources, particularly water and power, lagging far behind population shifts and industrial growth requirements; the millions of children and underpaid teachers crowded into insufficient schools, plus those excluded by these shortages from educational opportunity; the serious shortages and maldistribution of medical facilities and care, which translate into a heavy toll of unnecessary illness and premature death; the shortages of technical education and training which stand in glaring contrast to the Soviet advance; the pitiful levels of old-age insurance and public assistance, which on the average provide those whom they serve with only half of the bare requirements for an adequate American standard of living, and leave millions out altogether; the dwindling level of international economic and technical assistance, when measured against the American people's common interest in free humanity. Comparing the fiscal years 1954–57 with the fiscal years 1947–53, annual average per capita Federal conventional budget outlays for these great national priorities of need other than national security have been cut from $57.22 to $33.05—measured in uniform 1955 dollars—or by more than 42 percent. Measured against the size of our total national production—our ability to serve these needs—they have been cut from 2.56 percent to 1.39 percent, or a drop of almost 46 percent in the portion of our total economic strength devoted to these essential purposes. This is doubly indefensible, in view of sharply declining national security outlays. Attention to these basic needs would also have helped to prevent the $57 billion shortfall in total production, and thus provided additional resources to meet these needs.

Fifth. Our retarded and unbalanced economic growth seriously affects our worldwide economic struggle with the Soviets: Taking into account the Soviets' recent performance and stated objectives, it is estimated that within a generation or so their production may have caught up with ours, with a far higher proportion of their total output devoted to the sinews of warfare or international economic competition. This is because our greatest nonsecret weapon—our productive power—is being dulled.

Sixth. The gaps in our prosperity are being aggravated by trying to balance the Federal budget at the expense of the Nation's security, economic progress, and human well-being: During the period 1953–56 as a whole, Federal outlays for goods and services have been about $11 billion lower than the amounts needed to help maintain full prosperity for all. Because these public outlays also stimulate private investment and consumer spending, the shortfall in Federal outlays has accounted for more than half of the $57 billion shortfall in total national production. Further, what has been bad for the American people has also been bad for the Federal budget. During the 7 calendar years 1947–53 as a whole, our shortfall in total national production averaged only $4.2 billion a year, and during the fiscal years 1947–53 as a whole the conventional budget averaged a deficit of only $0.8 billion a year and the more important cash budget averaged a surplus of $2.4 billion. But during the 4 calendar years 1953–56 as a whole, the total production shortfall is estimated to be averaging $14.3 billion a year, and for the fiscal years 1954–57 as a whole the conventional budget is estimated to be averaging a deficit of $0.9 billion a year and the cash budget a surplus of only about 1.3 billion a year. To be sure, in the most recent year a budgetary surplus has been achieved, but only at the cost of mounting deficits in production and employment, neglect of domestic needs, and risks to national security.

Seventh. The hurtful effects of the Government's hard-money policy and upside-down fight against inflation: Comparing 1956 with 1952, the hard-money policy has increased the effective interest burden on the public debt as a whole by 9 percent, on 3- to 5-year Federal obligations by 34 percent, and on State and local borrowing by 23 percent. This makes it harder to finance our great national priorities of need. By also pushing up private interest rates, it has imposed a toll of several billion dollars a year on the people, to subsidize a few who do not need it. While the hard-money policy has increased the incomes of those already doing exceedingly well, including many financial and industrial groups, it has further depressed the incomes of those already doing too poorly, including farmers and small-business men. It has done little to curb the investment boom in plant and equipment, already too high relative to consumption; but it has increased the interest burden on homeowners and veterans very seriously, and forced home building to undesirably low levels. Thus, as an anti-inflationary measure, the hard-money policy has

poured fuel on the flame and water on the embers. The big inflationary problem is the plight of millions of families with low incomes, or on fixed incomes, who have lagged behind the long-term economic advance. The Government is falling far short of its responsibilities to meet this problem.

GOALS AND PROGRAMS TO CLOSE THE GAPS IN OUR PROSPERITY

A national prosperity budget for 1957–1960 is proposed in the current study to help unfasten the vise of the great complacency by a portrayal of our full economic needs and capabilities, which should be translated into actual full prosperity for all. Every specific goal in this national prosperity budget, and every proposed policy and program, is fitted into a total picture, and thus tested for consistency and resource practicality. The Federal budget is also fitted into this picture. The main goals, with policies and programs to attain them, are these:

First. Civilian employment should rise from an estimated 64 million for 1956 as a whole to about 66 million in 1957, and to almost 68½ million by 1960. Unemployment should be reduced from an estimated 2.7 million in 1956 as a whole to about 1.7 million in 1957, and about 1.8 million in 1960.

Second. Total national production, measured in uniform 1955 dollars, should rise from an estimated $405 billion in 1956 to more than $436 billion in 1957, to about $492 billion for 1960 as a whole, and to $500 billion by the final quarter of that year. This is based on rising employment, a 3.7 percent average annual growth in productivity, and an 0.8 percent average annual reduction in working hours.

Third. Averages family incomes, including both multiple-person families and single-person families, should rise above the 1955 level by about 10 percent by 1957, and about 20 percent by 1960. The number of multiple-person families with incomes below $4,000 should be more than cut in half by 1960; the number below $2,000 reduced by more than three-fourths; and the number below $1,000 cut by about four-fifths. Roughly corresponding improvements should occur in the case of single-person families. In a full prosperity economy, these gains would leave ample room for progress by higher income families.

Fourth. Per capita farm income should rise from $381 in 1955 to about $1,450 by 1960. Even then, the farm population would enjoy only about 70 percent of parity of income and living standards with the population as a whole, contrasted with about 49 percent in 1955 and still lower in 1956. This requires drastic reconstruction of the entire national farm program starting now.

Fifth. Toward meeting the great priorities of our national needs, the national prosperity budget proposes the following programs: (a) programs to encourage about 9½ million new homes during the 1957–60 period, with about 2 million devoted to rehousing middle-income families with the assistance of very low-cost loans, about 1.2 million devoted to low-rent or low-cost subsidized housing to replace urban slums, and about 0.8 million devoted to new farm housing of all types. The balance of more than 5 million would be conventionally financed private housing. A large amount of rehabilitation is also included; (b) a program to construct about 600,000 new classrooms in elementary and secondary public schools between now and 1960; to raise average teachers' pay from about $4,100 now to about $1,000 higher by 1960; and to achieve comparable expansion in higher education, with particular stress upon scientific and technical training; (c) a health program which, by doubling by 1960 the current level of Federal contributions for hospitals, research, training of medical and other health personnel, and other health services, would bring these services into closer balance with our needs and establish a practical foundation for the adoption of national health insurance shortly thereafter. It is also proposed that the recently enacted disability insurance legislation be expanded in coverage by 1960, and applied to both permanent and temporary disability regardless of age; (d) a program designed approximately to double by 1960 the deplorably low monthly average levels of public assistance payments to the aged—now $54.07—and the benefits to the aged under the old-age and survivors insurance program—now $62.42. It is also proposed that, by 1960, Federal contributions be doubled for other welfare services, such as the care of dependent children and the blind, child welfare and the school-lunch program, vocational rehabilitation, and institutional care. And it is proposed that, by 1960, the entirely inadequate unemployment insurance benefits averaging only $27.02 a week under State laws be nearly doubled; (e) a program designed approximately to double by 1960 Federal outlays for natural-resource development; (f) a program to raise international nonmilitary assistance from the current level of about $1.8 billion a year to about $3.3 billion by 1960; (g) an allowance for national security outlays about one-half billion dollars higher in calendar year 1957, and another one-half billion higher in 1960, than the level in fiscal 1956.

Sixth. Minimum wage coverage should be extended, with the minimum protection level raised to $1.25 an hour in 1957, and to at least $1.50 an hour by 1960. This is needed not only to catch up with the long-term advance in living costs to date, but more importantly to help bring low-income families upward toward at least tolerable living standards in an expanding economy.

Seventh. Tax revision is desirable as a matter of simple justice to low-income families. It is proposed that the exemption level per dependent under the personal income tax laws be raised immediately by $100. This is also needed to help achieve a full prosperity level of total consumption. By closing some glaring tax loopholes, this change would be compatible with a balanced budget in a growing economy.

Eighth. Aids to small business should include modification of the "hard money" policy, and graduations in the corporate income tax to remove competitive disadvantage. Credit availability should be amplified at lower costs, Government contracts should be awarded more equitably, and the administration and enforcement of the anti-monopoly laws should become more vigilant. More important, small business would be helped by full economic expansion, which alone provides room for all.

Ninth. Balanced growth in private investment and business incomes will be promoted, if consumer and public outlays are fully responsive to our needs and capabilities, if small business is encouraged, and if the proposed housing program is carried forward. Total private business investment, including net foreign investment, should be about $6 billion dollars higher in 1957, and about $17 billion higher by 1960, than in 1956. Corporate profits—after inventory valuation adjustment—should rise about $2 billion in 1957, and about $6 billion by 1960. Unincorporated business and professional income and rental income should rise about $2 billion in 1957, and about $6 billion by 1960.

Tenth. Improving the Employment Act of 1946. Those administering this act should be required to comply with its requirement that needed levels of employment, production, and purchasing power be set forth in concrete terms. The failure to disclose our needs and capabilities tightens the vise of complacency in which we are now caught.

ECONOMIC PRACTICALITY OF THE ENTIRE PROGRAM

These proposed programs are not "pie in the sky." The national prosperity budget shows that these programs are entirely consistent with and necessary to the achievement of the general goals for full employment, production, and purchasing power without inflation. The effect of the proposed Federal contributions to help serve our great national priorities of need—aside from national security—would be to lift Federal conventional budget expenditures for these purposes from an annual average of $33.05 per capita during the fiscal years 1954–57 as a whole to $85.07 per capita by 1960—measured in uniform 1955 dollars. Such expenditures would come to only 3.07 percent of full national production in 1960, compared with the excessively low 1.39 percent during the fiscal years 1954–57 as a whole. With respect to national security outlays, the national prosperity budget allows for a higher absolute level both in 1957 and in 1960 than in 1956. But relative to the size of an expanding total national production, these national security outlays would decline from 10.85 percent during fiscal 1954–57 to only 8.43 percent in 1960. Thus, Federal budgetary outlays for national security and the other enumerated great priorities of need combined would be only 11.5 percent of total national production in 1960, contrasted with 12.24 percent during 1954–57. And Federal budgetary outlays for all purposes, including the general costs of government and all other Federal and Federally assisted programs, would come by 1960 to only 16 percent of full national production in that year, contrasted with about 17.5 percent of actual production during the calendar years 1953–56.

Hence, the proposed programs are well within our economic resources.

TOWARD A BALANCED FEDERAL BUDGET WITHIN THE NATIONAL PROSPERITY BUDGET

If full prosperity were restored for the calendar year 1957 as a whole, the conventional Federal Budget, despite the proposed expenditure and tax-revision programs, would show a deficit of only about $1.4 billion for the calendar year; and the far more important cash budget would be at least in balance. The foregoing of immediate "surpluses" would be a small and wise price to pay for removing the 1956 production deficit of more than $17 billion, and starting to close the other gaps in our prosperity and in our national security. By 1960, with an expanded full prosperity, the conventional budget would be at least in balance, and the cash surplus would be at least $2 billion. Also, as has been indicated, Federal conventional budget outlays for all purposes, which have averaged about 17½ percent of total national production during the 4 calendar years 1953–56, would be reduced to about 16 percent by 1960 under conditions of full prosperity. The proposed expenditure and tax programs would approximately stabilize the national debt, but this debt would decline from about 67 percent of our total national product in 1956 to about 56 percent by 1960.

All members of the national committee of the Conference on Economic Progress do not necessarily subscribe to all of the analysis or all of the recommendations, but all join in bringing this study to the attention of the public. The staff work on this study, directed by Leon H. Keyserling, has been done by Mary Dublin Keyserling, Robert A. Levine, and Philip M. Ritz. The conference has benefited by comments from a number of economists and others, especially John A. Baker, Rev. Shirley Greene, Gordon Roth, Stanley Ruttenberg, Boris Shishkin, Elmer E. Walker, and Nat Weinberg.

Mr. BREEDING. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I am glad to yield to the gentleman from Kansas.

Mr. BREEDING. Mr. Speaker, I want to compliment the gentleman on the remarks that he has made. It is my belief that the statements he has made are true and that they pertain to my State of Kansas as well as other portions of the Nation.

Mr. Speaker, I appreciate the opportunity of having my remarks included in this great body concerning immediate legislation for drought assistance. I speak in behalf of my constitutents and also as a farmer myself from the heart of the drought area—the Fifth District of Kansas.

The cultivated land in this drought area and especially in my District contains much of the finest soil in the world. Experts agree that it has all the minerals in abundance that plant life requires. It produces some of the highest quality wheat in the Nation. During World War I, World War II, and again in the Korean war days much of what is now the drought area was literally the bread basket of the world. It is a vital part of our national economy. Although it is the victim of wet-dry weather cycles, we will not solve the problem by seriously entertaining consideration of restoring any but the most marginal portions of this land to grass. Rather, we must look to an emergency program that is designed to keep the farmers and ranchers on this great mass of productive land so they will be there ready to produce when the drought is broken.

The drought has been especially disastrous to small farmers. Much has been said about small inefficient farmers being forced off their farms, but many farmers have had to give up their land not because they were inefficient or because their unit was too small to be efficient. They have been squeezed off the farm because they did not have the backlog of cash and credit when the drought began rather than because of their methods of operation.

The financial stress in this area is not a result of the farmers' own making, but a result of a catastrophe of nature at a time when farm costs have risen in the face of sliding-scale farm prices. And so important is this region to our Nation's economy and defense that this prolonged drought has brought on a condition that is clearly a national emergency. To alleviate the condition that exists, and in order to avert a worsening of the situation, the following relief measures appear to me to be imperative:

First. Soil conservation payments for practices used to stop wind erosion: By mid-March hundreds of thousands of acres of cultivated land with adequate cover could suffer unparalleled damage from wind erosion. Much of it is blowing—and has blown—very badly already, and it will be unusually vulnerable to the customary strong spring winds of the Great Plains. Some farmers destitute of funds will be unable to fight the winds through proper practices, thus causing untold loss to our greatest natural resource. I suggest that payments of at least 75 cents per acre for chiseling and $1 per acre for listing be made available immediateley to farmers in the drought area, and that such payments be made retoactive to October 1, 1956. I ask that this be made retroactive for two reasons: First, because wind erosion practices since October 1, 1956, have already removed some land from the highly vulnerable category making it unnecessary for some of these farmers to participate in a future program. Second, it is within reason to reward those who have followed good conservation practices when such practices are needed, and who have not waited back for an announcement of government assistance.

Second. The assistance for feed and hay should be continued and proteins should be included along with hay and the surplus feed grains such as corn and grain sorghums. Throughout the whole area, ranchers have drastically reduced their herds. By means of pasture rotation some operators still have pastures—although poor ones—on which they are grazing limited numbers of livestock. To avail themselves of Government aid for hay in many areas, the hay must be shipped for hundreds of miles and the freight factor destroys any hope they might have had for cheaper feed.

Third. Deferred-grazing program: A deferred-grazing program should be included as a part of the emergency relief for the drought area. Much of the pasture land that appears almost ruined, can, I believe, be restored by nature within 1 to 3 years if it can be allowed to rest, the time depending on its present condition and the future rainfall.

Fourth. Federal aid to farm credit: I favor a program for making additional Federal funds immediately available to farmers for credit purposes. Many of the farm operators already have heavy mortgages against land and equipment and are no longer able to secure bank credit. These people are able to continue on in their farm operations only through use of retail credit. And this source has drastically tightened. Federal financial assistance is needed badly and loans must be of a long-term nature. In this respect, too, I would urge that the qualifications for FHA loans in the drought area be liberalized to include more farmers.

Fifth. More SBA drought loans needed: I believe a new approach to the eligibility factor involved in Small Business Administration drought loans is badly needed. While the SBA is authorized to make 3 percent, 10-year loans to small businesses showing a loss which can be attributed to drought conditions, very few such loans have been made. It has been next to impossible to prove that a business has lost money because of drought conditions as other factors are often involved as well.

Sixth. You can believe everything you have read about the devastation that drought has brought to this country and the hardship it has worked on the people. But you find, when traveling through the parched and dusty land, that, on farm after farm, determination to stick it out is the prevailing sentiment. A few farm families, it is true, have pulled out to seek a better living in the prosperous cities. But those who remain on the land represent a hard core of seasoned farmers whose faith in the high plains is unshakable. As the drought worsens, more and more people in other sections of the country are asking whether the Government should try to sustain a farm economy in this semi-arid region with its recurring droughts. The heavy cost to the taxpayer is being cited.

Seventh. "We ought to spend enough money to seed the whole thing back to grass and then keep it there," say some easterners. The idea of putting the Plains back to grass is termed "totally unrealistic" by Ervin L. Peterson, Assistant Secretary of Agriculture. He is in charge of the Great Plains program approved by Congress in 1956. An objective of the Great Plains program is to put several million acres back into grass, but Mr. Peterson says that "most of the land now in cultivation is suitable for continuous cultivation provided it is handled right." Mr. Peterson holds that the Nation's total farm production would be cut back too far and the economy of the Great Plains would suffer if the region were returned to grass. But I

would like to make this deduction: In normal times, a quarter section—160 acres—in grass will carry about 15 beef cows. If you get 15 calves from those cows and sell them for $80 a head, you gross $1,200. Put that quarter in wheat, let it lie fallow every other year, and it will yield 4,000 bushels. At $2 a bushel, that's a gross return of $8,000 over the 2-year period. Then, too, the wheat will furnish pasture for livestock during the fall and winter months.

Everywhere the plea is for more credit. "We've gone as far as the examiners will let us on many of our farm loans," says H. H. Stephenson, of the First State Bank in Paint Rock, Tex. He estimates that about 50 percent of the ranchers in his area have had to turn to the Government for emergency 1-year loans. Says I. R. Romer, himself a rancher and businessman at Holly, Colo.:

What the Government should do is set up some long-range credit. The taxpayers will get their money back. I was on the farm board that made Government loans to farmers here in the 1930's, and the records will show that durn near every penny was paid back—with interest.

Records of the Department of Agriculture in Washington show that. The Federal Farm Mortgage Corporation, set up in 1933 with capital of $200 million, made loans totaling $1.2 billion over its lifetime. When closed out, it paid off the $200 million capital, paid all expenses and returned $137 million to the Treasury as a dividend.

Eighth. The following shows what the lowering of parity prices for oats, barley, rye, and grain sorghums stands to cost the State of Kansas. This is based on a 10-year average production of these feed grains from 1945 to 1955 and reflects the dollar loss resulting from lowering these grains from 76 percent of parity to 70 percent of parity:

Feed grain	Average 10-year production, bushels	1956 price (per bushel) at 76 per cent parity	1957 price (per bushel) at 70 per cent parity	Drop in cents per bushel	Drop in dollar value in Kansas
Oats	24,623,000	$0.65	$0.60	5	$1,231,150
Barley	5,769,000	1.02	.94	8	461,520
Rye	520,000	1.27	1.15	12	62,400
Grain sorghum	30,323,000	1.10	1.02	8	2,425,840
Total loss to Kansas in feed grains					4,180,910

The following shows what the lowering of parity from 75 percent to 70 percent stands to cost the Kansas soybean producers: The average—10-year—production of soybeans in Kansas is 3,859,000 bushels. The support price in 1956 was $2.15; for the 1957 crop it is set at $2.06 per bushel—a drop of 9 cents per bushel which may cost the Kansas producers as much as $231,540. Adding this loss in 1957—crop oilseeds to that of the 4 feed grains mades a total of $4,412,450 in lost income to Kansas farmers on 1957 crops which will surely result from Secretary Benson's announced parity prices of these 5 items only.

I wish also to speak about the wind erosion and the drought relief that has been offered by the President of the United States since he made the tour of the West. For listing and chiseling in wind erosion areas, which includes the western half of my State, which grows principally wheat, a payment of 75 cents an acre for chiseling and a dollar an acre for listing up this soil to protect it from wind erosion is the payment that is ordinarily made.

Beginning last October, when these people signed up on the 5th day of October, the final date for the soil bank, when some of the land at that time was blown because of the drought and the lack of moisture, they were led to believe if they would go out and apply this good farming practice of chiseling and listing, if there were any funds made available certainly they would be allowed that amount for doing this work. Some of them could not afford it.

They did not have any money left because many of our operators are young GI's. They got started late in life, and some of them have not accumulated enough resources to carry them over in this kind of times. I would say that 85 to 90 percent of that land has been worked.

Now we come along with an appropriation bill that seems to say, "Let us go back and pick up the payments for good farm practice use, for something that the State committee has encouraged and said that if any funds were made available our people would get them. However, the bill is still in the making here and we hope that many of the States and many of our colleagues here will see fit to inaugurate that portion of the bill so that these people that voluntarily have done a good farming practice and have been led to believe that they would get this money and are entitled to have it will have it.

I do not say we are asking for a handout. This thing is brought onto us by an act of God, just like a flood in some other area. Actually, in my county, Morton County, Kans., we have had five and a half inches of rainfall in the last 18 months. Certainly something is going to have to happen and happen quick if we are to continue to exist out there.

Farm credit, FHA—it seems to me like an extension of time or refinancing is the only thing that is going to save many of them from foreclosure, and we have some foreclosure at the present time.

I spent 30 years in this particular area that is hardest hit now and I know that during the so-called dustbowl years that when people foreclosed on loans, everybody lost. The farmer lost and the loaning company lost. I also know that the ones that rode through, that refinanced and carried these people on indefinitely until times got better, were in the position where nobody lost any money.

Let me remind my colleagues that all through the forties this area of the United States was like the garden spot of the world. We were called on in this last world war as well as the First World War to help produce food to feed the entire Nation and the free world. We think it is an important country in the defense of this America of ours. We are not wanting to leave the country. When they say it shall all be planted back to grass, we are reluctant to leave it, because in reality it is an important area of the United States and it is the breadbasket of the world.

I am happy to join with my colleague in his remarks. Since I live on a ranch that is in the middle of the drought area, I feel that I do know something about this situation. I compliment the gentleman on his remarks.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield.

Mr. ALBERT. May I exercise the privilege of complimenting the gentleman upon the fine statement he is making to the House. He is making a real contribution. The gentleman shows that he has a comprehension of the problems of the farmers and the problems of the farm belt in general of this country. I commend the gentleman upon his good judgment.

Mr. McGOVERN. I thank the gentleman from Oklahoma for his kind comments. I also thank the gentlewoman from Minnesota for her very kind and helpful comments, which I especially appreciate because of the courageous battle she has waged for America's farm families. I appreciate also the remarks of my friend the gentleman from Kansas.

Mr. ANDERSON of Montana. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield.

Mr. ANDERSON of Montana. I want to thank the gentleman from South Dakota and I want to compliment him on his fine presentation this afternoon. I know he is going to represent well the people of his district. I agree heartily with everything he has said, and I join also in commending the gentlewoman from Minnesota and the gentleman from Kansas for their fine remarks.

I remember as a boy reading that the doctors of 300 or 400 years ago treated their patients by bloodletting. Whether it was diphtheria or smallpox or the plague, their cure was always the same—just bleed the patients. Nowadays, we find it difficult to conceive what manner of doctor could ever have followed such a fruitless practice. What manner of man, you ask, ever followed such a program? Well, we have such a man right here in Washington. In fact, the President has in his cabinet a Secretary of Agriculture who seems to be quite similar to that medicine man of long ago. For centuries the old doctors had one philosophy—bleed the patient. Likewise today, the Secretary of Agriculture has only one philosophy to treat the ills of agriculture and that is to bleed the farmers. The olden doctors had two well-known methods of bleeding their patients—one of them was to cut a blood vessel and let the blood run, and the

other was to apply a leech or bloodsucker over a vein or artery and let it suck the blood out. Mr. Benson has even more ways of draining the economic blood from the farmer. Our distinguished colleagues from South Dakota, Minnesota, and Kansas have listed many ways in which this medicine man is bleeding the farmers white. His favorite prescription is to cut the price. One version of bleeding the patient—that same prescription again—can be called flexible price supports, which is another way to bleed the patient. Cut the acres, force cross compliance, and modernize parity are all further ways to bleed the patient. And yet, no matter how anemic any part of our farm economy is, the Secretary has never suggested a blood transfusion except for the sheep and sugar-beet growers who abound in his own State of Utah.

Mr. HOFFMAN. Mr. Speaker, a point of order. As long as that kind of a tirade is going on, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count.

Mr. HOFFMAN. Mr. Speaker, I withdraw the point of order temporarily in order that some unanimous-consent requests may be made.

H. R. 348

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House today, the Speaker be authorized to sign the enrolled bill H. R. 348.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ADMINISTRATION'S POLICY IN NEAR EAST

Mr. BOYLE. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection?

There was no objection.

Mr. DINGELL. Mr. Speaker, I view the policy of the administration in the Near East as being neither intelligent, realistic, nor one which serves America's best interests.

Mr. Eisenhower took the air yesterday to discuss the possibility of pressures against Israel. There is no definition for this word but sanctions.

The President's statement shed light on his position, but not on the real situation in this most troubled area. The light shed on the position of the President reveals glaring inconsistencies and the double standard, which, to date, the administration has denied. The real fact is that the President said:

> I do not believe that Israel's default should be ignored because the United Nations has not been able to carry out its resolutions condemning the Soviet Union for its armed suppression of the people of Hungary.

The President then placed this statement on the supposedly valid pedestal that two wrongs do not make a right. That statement is a perfectly proper and correct ethical maxim, but it is inapplicable here. The reason is both simple and obvious. No sanctions against Russia have been considered by Mr. Eisenhower or anybody else.

What is the standard which the President applies to Russia? In the President's own words, Russia is subjected to moral pressure. Can anyone imagine a less moral nation, or a country less subject to moral pressure?

But what has been the treatment of Israel, to which the President is solicitous in his remarks? To date, Israel has witnessed a shutting off of all technical assistance and other aid from the United States. That, I might add, is a tremendously important item to a small struggling nation.

So the double standard is made clear. The President stands for sanctions for Israel and moral pressure for the Soviet. What a pretense of virtue and piety here in the White House and in the State Department.

The reason for Mr. Eisenhower's pique is set forth in his statement:

> But Israel seeks something more. It insists on firm guaranties as a condition of withdrawing its forces of invasion.
>
> This raises a basic question of principle. Should a nation which attacks and occupies foreign territory in the face of United Nations disapproval be allowed to impose conditions for its withdrawal.

Mr. Eisenhower says further that if we countenance Israel's position that we countenance the "use of force as a means of settling international differences and gaining national advantages.

To make the contradiction complete, Mr. Eisenhower says that the "United States fully realized that military action against Egypt resulted from grave and repeated provocations." In plain everyday English, "You are darn right it did." This soulful theme is repeated at least twice in the speech.

The truth is stated by the President in those words, but it fails to strike home to him. Between July 1949 and October 1955 the Mixed Armistice Commission dealt with 2,231 cases of armed attacks by Arabs against Israel, 5,467 cases of theft, 237 armed robberies, and 272 cases of sabotage. Israel has struck back and been condemned by the Armistice Commission 24 times during that period. Each time that the Armistice Commission condemned Israel, it noted that the Israeli's conduct was a result of extreme provocation. Or put more succinctly, what Israel did was done in self-defense. This program of vigorous self-defense was no different in Israel's recent military action against Egypt—a topic which I will develop more fully later.

Now, let us look at the recent history. Since the truce has been restored, Israel has agreed to comply with the U. N. resolutions as soon as proper safeguards for her national security are restored. What Israel has been offered has been a return to the status quo, both by the United States and by the U. N.

The United States and the U. N. both upheld the moral right of Israel to be free of the Egyptian blockade, to free access to the Suez Canal and to the Gulf of Aqaba. Israel's right to be secure from Egyptian fedeyeen raids and open military action was also recognized. But none of these wonderful recognitions by the United States and the U. N. did a bit of good in the past nor will help in the future, especially if Mr. Nasser's recent expressions on the subject are to be believed. Indeed, the post-military-action expressions of Mr. Nasser have taken much more vigorous form than the mere newspaper articles quoted in this country. There have been no fewer than 15 instances of Egyptian attack through the U. N. force charged with keeping of the peace. That force is so strong that on one occasion it had to be protected from the Egyptians by the British and French troops in the Suez Canal Zone.

The approach of Mr. Eisenhower appears to be a return to the status quo, and then United States support of Israel in the same lukewarm precrisis manner. Surely that is no way to keep the peace.

I intend to redevelop my ideas on the proper manner of restoring peace to the area in a special order which my good friend, the Honorable JAMES ROOSEVELT, of California, has arranged for next Tuesday, and I hope as many of my colleagues as possible will participate in that debate.

EXTENSION OF REMARKS

Mr. ANDERSON of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and that the gentleman from Montana [Mr. METCALF] may extend his remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

Mr. HOFFMAN. Reserving the right to object, Mr. Speaker, is this the gentleman speaking?

Mr. MCGOVERN. Yes.

Mr. HOFFMAN. I object, unless there is some understanding about what is going into the RECORD. My only reason for making a point of no quorum at this time—and I realize it is somewhat unusual—was that the gentleman to whom the gentleman from South Dakota [Mr. MCGOVERN] yielded was making what some of us consider a personal attack upon the Secretary of Agriculture. He was comparing the Secretary of Agriculture to a bloodsucker. On reflection, he will probably strike out the "bloodsucker" references.

But if that kind of talk is in order, it is all right with me; but I want a quorum present to hear it.

Mr. MINSHALL. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. MINSHALL. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. VAN ZANDT], may extend his remarks in the RECORD and include extraneous matter, and the same request for the gentleman from Pennsylvania [Mr. MCCONNELL], and the gentleman from California [Mr. WILSON].

The SPEAKER. Without objection, it is so ordered.

Mr. HOFFMAN. Mr. Speaker, I object. I made the point of no quorum. I also objected to the extension of remarks if that is what is going to be included.

The SPEAKER. That is all right if the gentleman is going to object to everybody extending his remarks.

Mr. HOFFMAN. I do not care how far you extend it; my objection will be made when thought necessary. You can have it unanimous if you want to; I am not making the requests, I am objecting to the extensions and continuation of the speech which the gentleman from Montana [Mr. ANDERSON] was making, not to what the gentleman from South Dakota [Mr. McGOVERN], who has the floor, was saying, but the gentleman to whom he yielded.

The SPEAKER. This question has not been put to any occupant of the chair before, to my recollection.

Mr. HOFFMAN. I can take it if the rest of us can, Mr. Speaker.

The SPEAKER. Does the gentleman from Michigan insist on his point of order?

Mr. HOFFMAN. I do.

The SPEAKER. Will the gentleman withhold it a moment?

Mr. HOFFMAN. Yes, certainly.

The SPEAKER. Does the gentleman from South Dakota desire to revise and extend his remarks?

Mr. McGOVERN. I do, Mr. Speaker.

Mr. HOFFMAN. Mr. Speaker, I object to that if he is going to include in the extension a continuation of the remarks that the gentleman from Montana [Mr. ANDERSON] to whom he yielded was making.

I realize that what the Speaker has just been saying is all too true; and that it may not appear in tomorrow's RECORD, and I realize that perhaps I have been one of the greatest offenders in criticizing members of previous administrations. I have a clear recollection of one occasion when I was criticizing a President. The Chair ruled I was out of order—not because I was misstating the facts but because the rules were being violated.

Ordinarily I would go along, and I surely appreciate the Speaker's advice. I realize how onerous it may be upon me personally, but when the gentleman compares a Cabinet officer to a bloodsucker it is too much. If that kind of thing is to go along, all right, but I want a majority present to hear it. I will venture the prediction that after he gets his charge to the press he will strike much of the "bloodsucker" from it.

I will take the consequences of my action; I can take it.

Mr. BAILEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BAILEY. Has the gentleman from Montana secured unanimous consent that he be permitted to revise and extend his remarks?

Mr. HOFFMAN. I do not want to be critical, Mr. Speaker. I realize the importance of this kind of action, but it does seem that if we are going to have anything fair and orderly at all I cannot go along with that bloodsucker business unless a quorum is present.

The SPEAKER. The gentleman has already said that; maybe he is not going to say it any more.

Mr. HOFFMAN. Mr. Speaker, I will withdraw the point if some of the other Members on this side who may want to reply are given an opportunity to express our opinion of what he is saying.

The SPEAKER. The Chair will recognize anyone to proceed as long as they want to this afternoon.

Mr. HOFFMAN. I withdraw the point of order.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. ANDERSON]?

There was no objection.

Mr. ANDERSON of Montana. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from Montana.

Mr. ANDERSON of Montana. I thank the gentleman from South Dakota for yielding to me. I see that there are a substantially larger number of Members here than there were when I initially made some remarks. Perhaps I should point out just the essence of what I had said up to this point. I said that I remember reading as a boy, that three or four hundred years ago the standard way of treating patients for every disease was to let their blood. I made the comparison that our present Secretary of Agriculture is utilizing a comparative method. I might suggest that he is a reincarnation of one of these oldtime medicine men because he has only one solution for any farm problem and that is to let the farmers' economic blood by one method or another, his most frequent method being by driving down the prices of all agricultural products.

Secretary Benson visited briefly in Montana last week, on the birthday of Abraham Lincoln—Honest Abe—and it was a particularly inappropriate day for the Secretary to make his oft-repeated but questionable claim that farm income is 5 percent higher than in 1955. This statistical claim just is not true and has been challenged by some of our Nation's top leaders alert to the grave economic dangers posed by Mr. Benson's one-track approach to this problem.

Statistics, properly interpreted by the one man who is supposed to uphold and maintain America's great agricultural economy, are being used by him instead to drive a great economic knife through the very body and soul of our millions of farm and ranch people. That same economic knife, so wildly and cruelly swung at agriculture, is going to slash and harm other segments of American economic life.

In my own great State of Montana, where agriculture, and primarily grain, is the No. 1 industry, our farmers and ranchers have just been handed a loss of millions of dollars this year on four grains which have had price supports lowered.

Now they face still another smash in their economic breadbasket through changes in the wheat standards scheduled June 1.

In the 4 years of Secretary Benson's low prices, our farmers in America have produced the biggest crops on record in an effort to get enough gross income to pay their bills. It is only logical to believe that the new lower price supports will inevitably result in heavier production, more surpluses, and a further worsening of the farm situation.

The Secretary of Agriculture at Billings, Mont., February 12, said that farm income is 5 percent higher than in 1955, yet 5 days previously his own Federal-State reporting service indicated Montana farmers and ranchers are in the poorest financial position they have been in since the pre-Korean war years of 1947–48. Prices received, according to the February 7 Montana report, were 19 percent below the 1947–49 base period, while prices paid by Montana farm families were 20 percent above this same period. That, gentlemen, is a huge gap.

Speaking for the wheat farmers of my district, I am protesting to Secretary Benson that his proposed changes in United States wheat grades and standards next June 1 is just another step to downgrade wheat to the farm, and hence it can result only in lower prices to wheat producers and lower income generally. I am for clean wheat but I feel that this problem is a function of the Food and Drug Administration as in the past.

Secretary Benson's defense is that they will get more high quality wheat on the market. But changing grade will not create more high-quality wheat, it will just juggle farm income still lower, bleeding the farmer in one more way.

Now, in conclusion, I know many of you may remember Robin Hood. That jolly and gallant man of Sherwood Forest who submitted himself to the ministrations of a bogus bloodletter. Robin Hood's good, red blood pulsed forth under this ministration until life itself was drained from his body.

Likewise, the farmers of America have received the same treatment. In his more than 4 years as Secretary of Agriculture, Mr. Benson has bled millions of farmers. Now, more than a half million of them are gone—economically bled white, sick and discouraged, driven from their farms.

It is time for us to seek a skilled, modern physician for our agricultural illness.

Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. METCALF] may be permitted to extend his remarks following those of Mr. McGOVERN.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. HILL. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from Colorado.

Mr. HILL. I would like to ask the gentleman from Montana, if I may, a question. Now, I think a tirade against the Secretary of Agriculture is perfectly proper if you feel that way in your heart, but let me remind the gentleman from Montana that we think we are working under the finest, absolutely the very best sugar act which has ever been passed by the Congress. I wonder if the gentleman from Montana knows that he has sugar

beets in his State? That is a very fine attitude to take toward what I consider one of the finest bills we have ever had on sugar and it was passed by the 84th Congress.

Mr. ANDERSON of Montana. I do, indeed. I am thoroughly familiar with the sugar-beet program and the sheep program. I am a rancher. I raise some beets under the sugar-beet program and I raise sheep under the wool program.

Mr. HILL. The gentleman is not against the wool program, I hope.

Mr. ANDERSON of Montana. I am not. I indicated that in these two cases the Secretary has condescended to give the agricultural economy a transfusion, but in these two instances only.

Mr. HILL. The Secretary of Agriculture proposed the wool program. The Congress passed it. Let me ask the gentleman another question. What is the support price on wheat? You tell me the support price on wheat this very day. Just be fair with the Secretary of Agriculture. He needs no protection from me.

Mr. ANDERSON of Montana. In Montana?

Mr. HILL. Anywhere. I am talking about the support price on wheat. I have wheat in my area, too, and I expected to support the durum wheat bill that the gentleman proposes and the Secretary is against. But, when you make such an unfair attack as you are making today, you do not need to expect any help from me. Now, what is the support price on wheat? The gentleman does not answer, and he does not know the answer to that question. What is the support price on wheat?

Mr. ANDERSON of Montana. Mr. Speaker, do I have the floor? If I do I'll answer the gentleman's question.

Mr. HILL. No; the gentleman from South Dakota has the floor. I did not say I had the floor. The gentleman from South Dakota was kind enough to yield to me just to correct a misstatement. The Secretary of Agriculture has been kind to the gentleman's wheat people and he has been kind to the gentleman's wool people. Now, what are you bellyaching about is what I want to know.

Mr. ANDERSON of Montana. The wheat price in my county in Montana is $1.81 a bushel.

Mr. HILL. I did not ask the gentleman that.

Mr. ANDERSON of Montana. The support price?

Mr. HILL. Yes.

Mr. ANDERSON of Montana. I answered the question. The support price at our rail point is $1.81 a bushel.

Mr. HILL. I would like to ask another question directed to the gentleman from South Dakota. Does the gentleman think that $1.81 is fair or anywhere near fair for the price of wheat?

Mr. McGOVERN. I will answer that question without any hesitation. It is not a fair price.

Mr. HILL. What would be fair?

Mr. McGOVERN. The wheat farmers cannot operate under that kind of a support price.

Mr. HILL. How about $2 a bushel, if I tell you the facts.

Mr. McGOVERN. $2?

Mr. HILL. That is what it is.

Mr. McGOVERN. The actual facts are that in 1947 the farmers were receiving $3 a bushel for wheat, and we gradually permitted this program to be cut to the point where they cannot operate under the present price-support level. The gentleman from Montana has stated that the support price is not $2 as alleged by the gentleman from Colorado, but $1.81.

Mr. HILL. Is the gentleman aware of who passed the wheat legislation? I think I was a Member when most of that was passed.

Mr. McGOVERN. Yes.

Mr. HILL. Does the gentleman not know that the Democrats had charge of this House at that time?

Mr. McGOVERN. I know that the Democrats in the 84th Congress voted overwhelmingly to restore price supports to the 90 percent price-support level on all basic farm commodities. That action on the part of the Congress was vetoed by the administration.

Mr. HILL. But the gentleman knows that the Secretary of Agriculture supported the price of wool at the price that the gentleman from Montana [Mr. ANDERSON] complained about.

Mr. McGOVERN. I think what the gentleman from Montana is trying to say is that we want the same kind of consideration for other commodities that has been given to wool.

Mr. HILL. How in the world can the gentleman expect to get it, when he makes such an unkind attack on the Secretary as he has made.

Mr. McGOVERN. I might say that there seems to be an ample number of friends of the Secretary of Agriculture here to answer any unfounded criticism of his program.

Mr. HILL. I hope he does have friends. But it is the programs that we are interested in and not his friends; the program for wool and the program for sugar beets.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from Texas.

Mr. POAGE. Mr. Speaker, I wonder if the gentleman would make it clear in the RECORD that the program for wool which the gentleman from Colorado commends, is the identical program that the then Democratic Secretary of Agriculture, Charlie Brannan, proposed years ago? And would the gentleman also point out that the sugar program which Secretary Benson and the gentleman from Colorado both endorse was worked out and established by a Democratic Department of Agriculture and a Democratic Congress? Now would the gentleman go further and point out that the present Secretary of Agriculture has applied to wool and sugar and no other commodities the principles of direct production payments and that he has refused to even consider the application of this principle to the other commodities in the other States of the Union?

Mr. McCARTHY. Mr. Speaker, would the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from Minnesota.

Mr. McCARTHY. Mr. Speaker, I think it is commendable on the part of the gentleman from Colorado [Mr. HILL], to rise and defend the Secretary of Agriculture because he has been sadly wanting defenders in the Midwestern part of the United States since the middle of last summer. So I commend the gentleman from Colorado.

I think we ought to make it clear, however, that at least as I have understood the arguments here, no one has been attacking the Secretary for his support of the wool program or the sugar program. But what we have been asking for is a little bit in the way of consistency on the part of the Secretary.

It may be that he operates under a different set of standards from those imposed upon ordinary men. The Secretary of Agriculture did tell the people in Utah some time ago that he had received a witness from the Almighty that he was acting as he should in being Secretary of Agriculture. I do not suppose the gentleman from South Dakota [Mr. McGOVERN] can claim that. I do not know about the gentleman from Colorado [Mr. HILL]. I cannot establish any claim that I have that kind of witness. I have to proceed here according to whatever understanding I have and what knowledge I can get and, I hope, with a measure of good will. But the Secretary of Agriculture, we should keep in mind, claims that he has received a witness from the Almighty. If the gentleman from Colorado can sustain that, it would be helpful to the debate, I think. But if he cannot, I think he ought to permit us to go ahead and criticize this man Benson, as we have criticized Secretaries of Agriculture in the past and as, I hope, we shall continue to criticize them in the future.

The Secretary of Agriculture does not stop with claims to his own personal approval. I heard him at the grain exchange dinner in Minneapolis last fall, talking about the President and say that this man—the President—could reach out and put his hand on the unseen power and use it when he needed it.

Again I hesitate to criticize the President or his appointments, because I cannot claim that I have this kind of power and I cannot dispute with these men who claim that they have it. I would request the gentleman from Colorado to allow these Members on the Democratic side, or any other, to go ahead and make reasonable criticisms.

The original program of the Secretary was presented to us as one having four prongs. I do not know whether I should call them prongs. Maybe that would be objected to by the gentleman from Michigan (Mr. HOFFMAN). In any event, the Secretary said he was going to accomplish four things by his program, as I remember. He was going to raise farm income. He was going to lower the prices to the consumers. He was going to reduce the cost of the farm program to the taxpayers, and he was going to reduce surpluses.

Well, what did he accomplish? The cost to the consumer has gone up. Farm

income has gone down. The surpluses held by the Government have increased about four times, and so has the cost of the program, by about three times. In my opinion, despite any association with prophecy and special inspiration or approval, we ought to proceed to judge Mr. Benson and the President, who appointed him, on the basis of their works. It has been the custom throughout history to judge prophets by their works. If we look at the works of the Secretary of Agriculture on the four points on which he based his program, we find he has failed on every one of those four points. Until he can do something better we must question his inspiration or any prophetic powers or special powers or approval he may claim.

Mr. HILL. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from Colorado.

Mr. HILL. May I ask this question of the gentleman from Minnesota. What has a man's religion, the closest thing to his family and his home, got to do in any stretch of anyone's imagination with what we are talking about here? I resent, absolutely, mentioning anyone's religion, whatever it might be, or however little the gentleman would have in his own right to criticize any man for saying he had had inspiration or had had a feeling that certain things should happen.

Mr. McCARTHY. I do not criticize him for his religion. I just want proof, if we have to act on the basis of this kind of proof.

Mr. HILL. It is hard to prove some of the inspiration that men have gotten in the past, and from that inspiration they have upset the world. I think it farfetched for the gentleman or any one on this floor to question a man's sincerity in his religion, and that is exactly what the gentleman has done.

Mr. McCARTHY. Oh, no.

Mr. HILL. The gentleman questions the man's sincerity. I do not question any man's sincerity in his religion.

Mr. McCARTHY. I have not questioned his sincerity.

Mr. HILL. I would like to discuss that with the gentleman, if the gentleman from South Dakota would be good enough to yield for that purpose. We could mention illustration after illustration in the past history of this country where a man who had an inspiration was considered a fool. I could mention a lady, if the gentleman would like to know something, who was considered a fool and an upstart, an 18-year-old girl, but today she has been canonized by the very people who put her to death. What kind of a man do you think you are to have a right to criticize someone because he happens to believe a little of the unknown which the gentleman professes to know nothing about?

Mr. McCARTHY. I am not criticizing him for that.

Mr. HILL. What was the gentleman doing? Why did he bring religion into this debate?

Mr. McCARTHY. I do not question his sincerity.

Mr. HILL. I am glad the gentleman made that statement.

The SPEAKER. The gentleman will proceed in order. The gentleman from Minnesota has the floor.

Mr. McCARTHY. If the gentleman will look at the text, and I will leave it as I put it in the RECORD, he will note that I am not questioning the religion or sincerity of the Secretary of Agriculture or of anyone else. All I say is, I question their performance, and I say that they should not use as an excuse their own claims to inspiration or to special witness, or to set these up as reasons why we should not criticize their program. That is all that has been involved here on my part. It has been criticism of performance not of sincerity. Perhaps they are so sincere they cannot see their own faults or the failings of their own program. That is not the issue here. It is performance I am concerned about. That has been the concern of the gentleman from South Dakota and the gentleman from Montana.

If we want to discuss the issue of religion in politics we should get time. I should be glad to talk about it further. In the meantime, I assure him that Joan of Arc was not canonized for advocating flexible price supports.

Mr. HILL. Mr. Speaker, will the gentleman yield to me for a final question?

Mr. McGOVERN. Just one more question because I would like to proceed.

Mr. HILL. I will take the gentleman on any time he gets the time of the House. I will get time and give him all the time he needs about questioning a man's religion on the floor of this House anytime, anywhere and on any occasion.

Mr. McCARTHY. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from Minnesota.

Mr. McCARTHY. It should not be necessary to repeat what I just said to the gentleman from Colorado, but there has been no intention on my part to question the religion or the sincerity of the Secretary of Agriculture.

Mr. HILL. Will the gentleman from South Dakota yield to me, please?

Mr. McCARTHY. And there has not been any question of that. All I am doing is questioning his program.

Mr. HILL. How did religion get into this? Who got religion into it? Who brought it up?

Mr. McCARTHY. The gentleman from Colorado did, as I recall.

Mr. HILL. I never mentioned it. I am only trying to answer you.

Mr. McCARTHY. Well, if you did not bring it up, you have been concentrating on it since it was brought up.

Mr. HILL. You said the Secretary of Agriculture had received inspiration from heaven.

Mr. McCARTHY. I did not say he had. I said that he said he had a witness from the Almighty.

Mr. HILL. Who am I to deny that he did have?

Mr. McCARTHY. I just asked you a question. I would like to have some outside testimony in support of that. If it is true, I do not want to criticize the Secretary's program, but I want to have some proof. That is the point.

Mr. DENTON. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield.

Mr. DENTON. I notice a statement has been made that someone ought to say something in behalf of the Secretary of Agriculture. I do not know what I can say in his favor, but I cannot let this opportunity go by without thanking him for the assistance he gave me in my last campaign. He and his son and wife came to the district I represent and campaigned throughout the length and breadth of the district for one or two days. I only won by 696 votes, and I am sure that if I had not had the help of the Secretary of Agriculture in campaigning for my opponent, I could not have won. I want to thank him for the help he gave me.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I just want to say that while I have not taken part in this discussion that if, and when, the gentlemen do get time at some later date to discuss this agricultural program from the religious angle, I would like to represent the Methodists in that discussion.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from Oregon.

Mr. ULLMAN. I want to commend the gentleman from South Dakota for taking this time to discuss the very important farm issue. I also want to commend my friend from Montana and my friend from Kansas for joining in this discussion. I think it highly significant that the gentleman from South Dakota, the gentleman from Montana, the gentleman from Kansas, and I are all new Members of the Congress and that we all come from very important agricultural districts in this country. I think this is of particular significance. I would like at this time to add my thanks to the Secretary of Agriculture for helping me in this past election as I know he has helped the rest of the new Members from other Congressional Districts in the West.

Agriculture is of prime importance to the district in Oregon that I represent. It is a large district and one in which a great variety of agricultural products are raised. Wheat is an important crop in the north. In the east, we produce large quantities of excellent onions and other row crops. The Second District contributes significantly to Oregon's position as a major potato-producing State. Thus, we have a greatly diversified agricultural picture. Yet, while we have diversification of product, we are, nonetheless, unified in one important respect—we have all been hit and hit hard by the program or perhaps more properly I should say the lack of any farm program on the part of the administration during the last 4 years.

The Members of the House, I know, are well acquainted with the statistics which provide irrefutable evidence of the failure of the Benson approach to agriculture. Farmers net income has continued to drop steadily since 1952. At the same time, the prices which farmers

have had to pay for necessary items have continued to rise. It is an impossible situation and one which can only mean the total disappearance of our family-size farms. Yet, I can see no evidence or indication that the administration intends to change its present position.

Secretary Benson recently announced that the position of the American farmer had significantly improved since last year. According to Mr. Benson, the realized net farm income in 1956 was 5 percent above that of 1955. Unfortunately, Mr. Benson forgot that this 5-percent increase disappears once a necessary adjustment for the change in farm inventories is made. Net income thus remains practically the same, and, of course, when the rise in the price paid by the farmer for things he buys is taken into consideration, it is equally apparent that real farm income is lower than it was in 1955. Despite this fact, the Secretary of Agriculture further reduces parity support prices on crops.

I submit that such a move can only lead to even greater economic loss to the American farmer.

Mr. McGOVERN. Mr. Speaker, I want to say that in this maiden effort on the floor of the House, I had no intention of setting off the kind of explosion that has taken place here today. I am a little bit surprised at the extreme sensitivity of some of the Members on the other side of the aisle over what I think is legitimate criticism of the present administration's agricultural program. Considering the implications of treason that were aimed at former Democratic Presidents by Members of the opposition in recent years, I am at a loss to understand their extreme sensitivity to criticism of the policies of a department official. As a matter of fact, criticism of the Secretary of Agriculture has come from both sides of the aisle. I well remember a remark made by the senior Senator from my State some time ago in which he said the Secretary of Agriculture was doing such a poor job that he ought to resign. It has also been pointed out by numerous Members on both sides of the aisle that irrespective of the Secretary's sincerity, he simply does not understand the problems of modern agriculture which face our farmers today.

Mr. METCALF. Mr. Speaker, the gentleman from South Dakota [Mr. McGOVERN] has made an outstanding statement. Already he has shown a broad knowledge of the farm problem and a deep sympathy for our family farmers.

In the course of this debate, several phases of our farm program have been discussed fully. I have one addition. As our colleague from Montana [Mr. ANDERSON] has pointed out, the Secretary of Agriculture has been claiming that farm income in 1956 was higher than in 1955.

This is not the case according to statistics provided by the Department of Agriculture and published in the February 1957 Economic Indicators. Page 7 of the current issue is devoted to farm income. At the top of the page are these words:

> Gross farm income (seasonally adjusted annual rate) rose at the close of 1956 for the fifth successive quarter. Despite an increase in farm production expenses, net farm income was up $500 million in the fourth quarter of 1956.

As you read the columns of statistics on that page, you will note, however, that there was such an increase in net income only if you exclude net change in inventories. If you include net change in inventories, the statistics show that net farm income in 1956 was $11.6 billion, down $100 million from 1955.

Inventories are the livestock, the grain, and the other farm commodities which the farmer has on hand. They are like the goods on the storekeeper's shelves. A storekeeper who juggles his books to show that he is making a profit only by ignoring a decrease in his inventory, will not be in business long.

The net change in inventories cannot be ignored in figuring net farm income either. It means that our farmers had to sell off their livestock and their stored grain at prices which were below previous levels in order to get enough money to pay their bills.

By this statistical method, our farmers have 1 year of Benson prosperity left. They can sell their farms to pay their bills next year and still show a profit.

This claim that farm income actually rose last year is phony.

BROTHERHOOD WEEK

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at the conclusion of the remarks of the gentleman from Montana [Mr. METCALF] on the subject of Brotherhood Week.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KEATING. Mr. Speaker, brotherhood is an ideal we must never lose sight of, especially since the more stress and strain it is subjected to, the more important it becomes.

With this thought in mind, it has been pointed out that probably no week set aside for special observance is more significant than that of February 17–24, 1957. As all of us know, this period has been designated "Brotherhood Week," an annual observance sponsored by the National Conference of Christians and Jews. The national conference, the many local leaders who are carrying out special activities in connection with this week, and the leaders of all faiths who have spread the word of brotherhood from their pulpits are all to be commended for their efforts to promote the unity so essential to the preservation of our way of life.

Whatever our race, religion, or creed, this week serves to remind us that we are first and foremost Americans. It serves to remind us that we are members of the free brotherhood of Americans.

Brotherhood is the tradition of our forefathers. It is written into our Declaration of Independence and into our Constitution. Intolerance in any unreasonable form is an abrogation of our duties as Americans and is sabotage to the ideals of our Founding Fathers.

Mr. Speaker, we have won our preeminent place in the eyes of the world by making the spirit of brotherhood a living, working thing. Our booming industries, our thriving communities, our manifold activities which bring individuals together in cooperation and comradeship regardless of color, faith, or national origin—all these things are significant testimonial to the dynamic practice of brotherhood in America.

But like all great things of the spirit, brotherhood is a continuing responsibility. It cannot be achieved by a people resting on their laurels. Rather, we shall have to go on striving, day after day, year after year, to live up to our own high principles. That is the task Brotherhood Week reminds us of, and sets for us.

Let us, then, salute Brotherhood Week, and resolve that its spirit of unity will be kept alive in our hearts and reflected in our actions through all the years to come.

NATIONAL COMMISSION FOR FREE ECONOMIC DEVELOPMENT

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. TELLER] is recognized for 30 minutes.

Mr. TELLER. Mr. Speaker, I am today introducing a bill (H. R. 5190) aimed at combating the shocking increase in the concentration of economic power evidenced by the continued growth of huge business organizations and the steady destruction of small and medium-sized business organizations in our country.

My bill adopts a materially different approach to the problem of excessive bigness in business. Whereas the traditional approach has been to attack bigness where it constitutes a monopoly, my bill proposes to limit and reduce the size of giant business organizations which dominate and unduly restrict free and effective competition. My bill is designed not only to prevent further mergers and consolidations which result in forming unduly big business organizations, but also to reduce the size of existing corporate giants whose activities threaten the survival of small and medium-sized business.

For these purposes, my bill creates a National Commission for Free Economic Development, an administrative agency composed of five members in the executive branch of the Government. Contemplated business mergers or consolidations would require the Commission's prior approval. The Commission would also have the responsibility of initiating proceedings to reduce the size of unduly large business organizations. My bill is cast in the mold of an administrative law; it sets forth standards to which the Commission is required to conform, and it contains provisions for adequate hearings and review in the courts.

The Commission's jurisdiction would extend to any business having a combined capital, surplus, and undivided

profits of $10 million or more, or controlling more than 10 percent of an industry. Government studies have shown that corporations having $10 million or more of assets owned 70.8 percent of all the assets in 1951, and by 1956 such corporations owned 78.9 percent of all the assets. Such businesses would not necessarily be reduced in size by the Commission under my bill. Refusal to approve mergers of such a business, or directing its reorganization so as to reduce its size, would take place only where the Commission finds, under a series of prescribed tests specified in the bill, that the business in question is larger than required by economic efficiency or technology necessity, or is so large that it unduly restricts free and effective competition.

Political liberty is placed in jeopardy where economic power, instead of being diffused freely and effectively among the people, is concentrated in persons who control excessively large business organizations. The national economic and political interest requires the existence of a strong and independent middle class.

It is no accident that the middle class—that is, the owners of small and medium-sized industries—was eliminated in foreign countries upon the advent of totalitarian Fascist regimes. Here are the facts:

In Italy Mussolini's government encouraged industrial amalgamation. To this end, taxation on industrial mergers was abolished. Smaller concerns were absorbed in a few powerful corporations which controlled buying, manufacturing, and distribution.

In Germany all industry was cartelized as a result of the compulsory cartel law of 1933. About two dozen giant industrial trusts remained, half a dozen super banks, and the same number of insurance companies.

In Japan, as in Germany, compulsory cartels controlled the activities of almost every Japanese industry. A large part of the middle class was liquidated, devoured by the big business clan. One of the tasks of the Allied occupation of Japan was to break up the huge family trusts and restore the middle class to at least a measure of existence.

Our democratic system of representative government is based upon free private economic opportunity, on the one hand avoiding the Communist policy of government ownership and control, on the other hand refusing the Fascist invitation to merge all business for serving dominant economic interests. The alarming increase in the number of giant industrial empires in this country threatens our free institutions and facilitates tendencies to fascism or communism. My bill calls for aid and support by all those who despise these alternatives.

Excessively large business organizations, by their overwhelming bigness, tend to deter unduly or to exclude persons from free access to business opportunities, foster price discrimination against medium and small business organizations which imperil their existence, endanger the national defense by placing its existence in the hands of and dependent upon a few persons, facilitate the growth of patent pools which dominate vital areas of technology, and encourage anticompetitive practices such as price control, allocation and control of markets and limitations upon methods of production. In the last 2 years the Government placed $15 billion in defense business with a few favored corporate giants, and dispensed $1.5 billion a year in subsidies for development of new production techniques. Not only were these huge subsidies funneled to a few giant corporations, but they were allowed to control the patents which these subsidies produced.

The assumption that huge business is the most efficient business is not borne out by the studies made in regard to the subject. The National Industrial Conference Board, the Federal Trade Commission, the 20th Century Fund, and leading economists have made statistical analyses of the efficiency of business in relation to size. They appear to agree that companies of medium size are relatively more profitable or more efficient than very large businesses. Two main reasons seem to account for this. Undue bigness makes for unwieldy, overcomplex organization in which it is difficult to get things done. And where bigness is enhanced, competition is lessened, whereas competition is an important source of prompting to efficiency.

Alfred P. Sloan, while president of General Motors, put the matter in the following words:

> In practically all our activities we seem to suffer from the inertia resulting from our great size. It seems to be hard for us to get action when it comes to a matter of putting our ideas across. There are so many people involved and it requires such a tremendous effort to put something new into effect that a new idea is likely to be considered insignificant in comparison with the effort it takes to put it across. I can't help but feel that General Motors has missed a lot by reason of inertia. You have no idea how many things come up for consideration in the technical committee and elsewhere that are discussed and agreed upon as to principle well in advance, but too frequently we fail to put the ideas into effect until competition forces us to do so.

Dr. Clair Wilcox, in his encyclopedic study, Competition and Monopoly in American Industry, concludes that "a business may be too small to realize the economies that are implicit in modern technology; it may be too large to be administered with competence. Between these extremes there may be a size of optimum efficiency. But this size will differ from industry to industry." When to these considerations are added the sociological necessities for the diffusion of business enterprise, it is gratifying to know that competition has at least as much to do with business efficiency as bigness in business.

Our antitrust laws have proven ineffective to halt the growth of the excessively large business organization because they are traditionally addressed primarily to the prevention of monopoly and trade-restricting conspiracies, whereas our competitive economy is as unduly hindered by excessively large business organizations which are not necessarily monopolistic or conspiracies in restraint of trade within the meaning which the courts have given to the antitrust laws. Our present antitrust policy does nothing to assist the development of a strong, secure middle class. On the contrary, it encourages the growth of big business, for it condemns contracts and combinations between independent businessmen which restrain trade. Big business is the evasive answer to this policy. It restricts competition without combination. As stated by the Supreme Court in 1927 in the International Harvester Co. case, "the law, however, does not make the mere size of a corporation, however impressive, or the existence of unexerted power on its part, an offense, when unaccompanied by unlawful conduct in the exercise of its power."

Our antitrust laws are based on the assumption that if trade restraints and suppressive practices are boldly attacked, the economic system will by its own laws provide a broad base for wide participation in business ownership and operation. Little consideration is given to the fact that existing antitrust policy, by fostering the growth of bigness in business, is self-destructive of its ultimate objective. It is often said that Marx made a fundamental error in failing to foresee that capitalism would build a complex society of many interests, not simply a social order composed almost solely of dispossessed workers, and these interests would revolve around a middle class of businessmen, executives, managers, and professional persons. Yet nothing is done to insure the continued realization of this desirable society.

The ineffectiveness of our antitrust laws is abundantly brought out by their failure to halt the growth of giant business organizations and the mergers and consolidations which have brought these industrial giants into existence.

Between 1919 and 1954 over 13,000 manufacturing and mining corporations, large enough to be reported in the financial manuals, disappeared as competing entities as a result of mergers and consolidations.

The Celler-Kefauver Anti-Merger Act of 1950 plugged several loopholes in the Clayton law amendments to antitrust laws, but failed to halt the growth of big business enterprise; the merger wave of 1951–1954 eliminated more than 2,100 business concerns in the manufacturing, mining, trade, and service industries. At the end of 1954, corporate mergers were proceeding at a rate triple that in 1949. In 1955, 846 mergers were consummated.

The recently introduced Celler bill—H. R. 2143—if enacted into law will perhaps slow down these competition-destroying mergers and consolidations, since under the Celler bill advance notification to the Federal Trade Commission is required of proposed corporate mergers.

But the Celler bill does not go far enough, since it does not reach the existing corporate giants which threaten the very existence of a free and effective competitive economy in our country.

These corporate giants have extended their influence and activities to widespread areas of our economy. Three companies, for example, control 100 percent of the Nation's aluminum output;

three companies manufacture 95 percent of our linoleum; three companies control almost all of cigarette manufacture; three companies manufacture 95 percent of our Nation's tin cans and tinware. The net profit of General Motors last year, after taxes, $1,189,000,000, was greater than the combined profits, after taxes, of 82 percent of the corporate returns.

The lion's share of bank and insurance company assets, and now the investment funds, are being channeled off to the giant industrial corporations. Bigness, in other words, begets bigness; little is left for financing small and medium-sized business organizations.

Moreover, the merger movement has taken a strong hold in the banking field. Two hundred and fifty bank mergers occurred in 1955 alone—a 24-year record. We had 30,000 commercial banks in this country in 1921. Now, despite the enormous increase in our population since 1921, we have less than 15,000 commercial banks, and only 100 of these now have about one-half of the bank deposits.

There is little evidence to support the oft-heard contention that automation requires bigness in business. This may be true in some circumstances, but as a generality it does not necessarily stand up. New automation plants will tend to be smaller productive units. This means there will be more plants, not so dependent as now on large reservoirs of labor supply, hence more greatly dispersed. This is a result which may be in the national interest, since dispersion of plants in aerial and atomic warfare is desirable for national defense.

I fully realize that a measure of bigness is often necessary, depending upon the product to be manufactured or the service rendered. Neither automobiles nor steel, for example, can be produced by small business enterprise. The matter would have to depend on the characteristics of the given industry. Capitalization would be a factor. So would the number of employees, or the percentage of the given company's sales in relation to the sales of the entire industry. The permissible extent of integration would also vary from industry to industry. Given the policy, however, and the factors of continued attention and administrative expertship, complications might possibly be surmounted more easily than might be supposed by those who believe against all evidence that things will work out all right if they are left alone.

In determining the permissible size of a business, weighty consideration must, of course, be given to the fact that small businesses hope to become large and are inspired to greater efficiency partly for this reason. Society benefits from this impulse to growth. It ought not be sacrificed lightly. But when size becomes so monstrous that all effort by other businessmen to grow is discouraged, it is not entirely baseless to contend that the time has come for the Government to step in to reinstate the fluidity of enterprise.

Substantial experience in reorganizing giant corporate organizations, so as to reduce their size, has been gained under the Public Utility Holding Company Act. A measure of experience, though smaller, also exists in the consent decrees made by courts under the Sherman antitrust law. My bill would extend this experience by providing for a systematic attack upon undue bigness in business under a declared and generally applicable policy.

I do not claim perfection for the bill which I am introducing today, or that it is a final answer. Rather, I introduce it partly as a basis for further and more intensive study, as a chassis upon which we may build a rational solution of the menace to political and economic freedom which the giant corporations have posed.

Increasing the opportunity to start a business is no less a social responsibility in a system of free enterprise than enhancing the chance to find employment. Yet, much of our intellectual climate in relation to the repugnant effects of the corporate giants seems inert, perched on the edge of an abyss, and nervously loquacious. All persons interested in the survival of our democracy should assist in building a strong society of many entrepreneur interests, revolving around a free and independent middle class.

COMMENT ON THE CRITICISM OF SECRETARY OF AGRICULTURE BENSON AND HIS RELIGIOUS BELIEFS IN CONNECTION WITH THE PRESENT FARM SITUATION

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the first thing I wish to set right is an error made by gentlemen on the other side when they charged that by making a point of no quorum I was objecting to the criticism of the Secretary of Agriculture by the gentleman who compared the Secretary to a bloodsucker. It may have sounded that way. Perhaps that is a legitimate understanding of what I said, I think not. That was not my purpose at all. I made the point of order that a quorum was not present so that there might be an opportunity for at least a majority of the House to hear what the gentleman who came with us in January had to say. Had a quorum been called, the result would have been that every Member of the House who wanted to do so would have had an opportunity to listen to what the gentlemen had to say. Often, very often indeed, older Members, who have been here for some time, are not as closely in touch with the feeling back home as are those who have recently spent more time there. New ideas, new interpretations of official acts should be and usually are welcome indeed. They are always interesting.

I have been as frank and bitter in criticism of members of this and previous administrations as anyone who has served here in the last 20 years. I have tried to stay within the rules. Never have I criticized any Member for any vote, for any expression of opinion which he may have made and I do not intend to do so; nor have I intentionally ever criticized the motive, the sincerity, or the patriotism of any member of any administration.

But when a Member, and one who has served less than 2 months in this House, takes the floor, apparently acting in concert with other Members on the Democratic side, and repeatedly gets into the RECORD a statement that the Secretary of Agriculture is following the old bloodletting practice of the medical profession in years gone by, back in Washington's time, and before, and uses the word "bloodsucker"—I do not refer to the gentleman from South Dakota [Mr. MCGOVERN], but to the gentleman from Montana [Mr. ANDERSON]. I think he was the one. Someone from the great wild and woolly West somewhere. I am not critical of where they come from. That is nothing—repeatedly compares Secretary Benson to a bloodsucker—well, I want the Democrat—yes, and the Republican—Members of the House to listen to the charge.

When the gentleman said that the Secretary of Agriculture is following a course that was usual for the old medical profession, and that the Secretary was putting a bloodsucker on every vein of the farmer and the farmers' activities—that is the inference carried by his remarks, though discretion may cause another version to appear in tomorrow's RECORD—I just insist a majority of the Members of the House hear it, especially when the charge comes from individuals who came here in January. They may get wisdom. They may get discretion and understanding. They may get a charitable feeling toward some of the officials in the Department.

I hold no brief for the Secretary of Agriculture, Mr. Benson. He needs none. His actions, ever since he came here, have been proof of his sincerity, of his overall knowledge of agriculture—not only of the growing crops, but of the dairying and other industries upon which the farmers' welfare depends. Well does he serve the Nation as a whole.

I do not know him. I never saw him before he was appointed. He was kind enough on one occasion to adopt a practice which has not to my knowledge been current among any previous administration officials. He called and wanted to know if he could see me. I said sure. I said, "All you have to do is to let me know when you have some leisure time, and I will come down. There is no use wasting your time coming up here." But apparently, being someone other than a professional politician, just an ordinary, decent Christian man, he said, "No. I want to come up to your office." To this day I do not know what he wanted to come up there for. Except as he sought to establish a custom of meeting all Members of the House, and no doubt of the Senate, face to face and in a friendly way, knowing that personal contact always brought better understanding. But I do know that I felt honored to have the Secretary of Agriculture call and desire to come to my office to see me, and not have some underling tell me I could come down and perhaps get an appointment for 5 minutes to see him sometime in the uncertain future. I had no problem to

discuss with him nor so far as I learned did he with me. It was just a "Hello. How are you?" That indicates to me that the man has a heart, a conscience, a deep and sincere desire to serve the people, and not intentionally will he ever adopt a policy designed to injure anyone or any group. The charge so often, so repeatedly made, and one wholly without foundation, that he is attempting to destroy the farmer, will never, when I am present, go unchallenged.

In this world of ours there is too little kindly feeling in our day-to-day conversations and actions. I have lived several years beyond the allotted span. I practiced law for a long, long time by trying jury cases where the issues were bitterly contested, where the conduct of attorneys and sometimes of witnesses required judicial restraint. Out of it all has come to me the belief and the full, firm conviction that an overwhelming majority of people are honest and decent. They do not designedly, as the Secretary of Agriculture was accused of doing, set out to injure or bring misfortune to an individual or any group of individuals. These complaints that have today come from folks on the other side of the aisle are far afield. Ever since it has been my privilege to serve here, the folks from the South, especially the farmers from Texas, have been knocking at the door for more and more Federal funds to assist them in their daily activities. Though Texas, for many good and sound reasons, is a rapidly growing and prosperous State—cotton, tobacco, peanuts—well, the amount of money, the number of dollars, that have been paid out on those crops to benefit those growing them is more than astonishing. The West and the Midwest received some of the money that was paid for the production or nonproduction of wheat and corn, of course, but the overwhelming volume of Federal funds paid out through subsidies has gone to folks from the South and at the cost of the consumers of the rest of the country. The absurdity of the situation struck me the other day, when the Texas and Oklahoma folks succeeded in getting through a bill to reimburse them for unsound farm practices which they had followed. Under this agricultural program on wheat, Michigan, situated as it is with Lake Superior on the north, cannot raise a great deal of wheat in the Upper Peninsula; in the Lower Peninsula with Huron on the east and Lake Michigan on the west and the straits on the north, we have too much moisture in the air and ground to grow wheat, and will have wheat below the established standard of moisture. What happened when we asked for a little special consideration? Soft wheat—that has too much moisture in it to compare with wheat raised in the Northwest—and it is true—so they said, "Nothing doing. No exception for you."

The southern gentlemen—and no one is criticizing their practice of looking after their own—they are isolationists when it comes to what they are doing down there, they do not want any interstate business. Soft wheat, they said, was out. And so are the Michigan wheat-growers. But there was special consideration for crops of different kinds, for different varieties of peanuts, for different qualities of tobacco. They have all had their hand out, and time and again the outstretched hands and, yes, the pocketbooks of the constituents of the gentlemen from the South have been filled.

And in my own State not only does the Agriculture Committee not do anything special on wheat but they have never given us anything on vegetables or fruit although those represent a large part of the income our farmers have had to depend upon. And they have successfully paddled their own canoes because they were so often made to grin and bear it and finally through hard work and frugality they have made a success where others would have failed.

Years ago when we wanted to grow sugar beets in Michigan and the restrictions were on—what did the New Deal Department do? They said, "You folks get out of the sugar beet business." Why? Because Colorado can grow beets with a higher sugar content than can Michigan. So we took a penalty. We took a penalty because somebody down in the Department had a theory and wanted to apply it the country over.

That New Deal Democratic Agriculture Department insisted it knew better what was good for the country as a whole than did the individual who desired to follow his own inclination. It is just possible that the Department in theory was right, but it sure destroyed the independence which our forefathers won in the battles of the Revolution. The policy was applied socialism.

We want to get a little help on grapes; they gave New York and Ohio a benefit payment of $10 a ton over what Michigan grapes got. I asked them why they did that. They said that the practice had an historical background. That is what they told us—no reason except that was the way it had been done before.

And then again when we wanted a little assistance on raspberries they put restrictions on us which did not apply to growers in other areas. And when we got to the Department what did they say? They said the Northwest should grow the black raspberries although we had been furnishing two-thirds of the crop for the entire country. They wanted to put us out of the raspberry market because someone had a theory that raspberries could more profitably be grown in the Great Northwest. See how it works when the visionaries have their way? See how it works when the boys from the South and the Southwest who control the Agriculture Committee have their way, as they have for the last 20 years? Their way may undoubtedly help their constituents at the cost of the rest of us, but why Republican members of that committee should adopt policies which discriminate against the farmers of the Midwest I just cannot understand.

But what I was complaining about today is that a majority of the House was not having the opportunity of hearing the gentleman's very instructive, very eloquent talk belittling the Secretary, questioning the integrity, the sincerity and the motives of Secretary Benson. Frankly, I thought all Members ought to hear just how far a Member of the Democrat side would go in attributing wrong motives to the Secretary, and this notwithstanding the statement of the gentleman's insisting that he was not doing that. I did not know what was in his mind, I do not now know what is in his mind; I could not possibly know. I only know what the inference was from the words which he used. That is all I know about it. Then we went along and the gentleman who had the floor yielded to the gentleman from Minnesota [Mr. McCarthy]. I did not get all of what he said but I did get the thought that he was complaining because the Secretary of Agriculture had claimed some time during the campaign previous to the last election that he, the Secretary—if I do not have it correct I hope somebody will correct me—had an inspiration, from on high which aided the Secretary in coming to a decision or conclusion. Does the gentleman deny that prayer does not sometimes inspire one to a righteous decision?

Oh, I have heard of gentlemen, big, strong healthy individuals who feel their strength and independence as long as the sun shines and the sky is cloudless. When the thunder rolls and the lightning flashes they get down on their knees and ask the Lord's help or crawl under the bed. Then there are others who get inspiration from and are better because of prayer. We had a governor once who used to pray often, sometimes publicly. He said on one occasion that he did not accept the nomination for—I have forgotten whether it was lieutenant governor or governor, for he was both—until he had gone down in his bedroom on his knees and sought the advice of the Lord. Then he said the advice came to him to accept the nomination. He did and was elected. I have no way of knowing whether the Lord advised him. I never saw the Lord. But I have heard and read about Him. I have never had reason to deny his existence, or His concern for our welfare. I remember what was said about the sparrow.

I prefer the statement of Longfellow, who told us:

> Life is real. Life is earnest.
> And the grave is not its goal;
> Dust thou art, to dust returnest,
> Was not spoken of the soul.

I will tell you one thing. I do not personally intend to take any chance of burning in hell by acceptance of a doctrine which in substance is that when I am buried that is the end of it. No, no. I still have a little faith in what mother used to teach me and that was that there is a hereafter. I prefer to believe that, even though nobody comes down through the ceiling and tells me or shows me the Lord. I am going to believe in the hereafter in religion, a Supreme Being and His overall care of us. I am going to believe in the efficacy of prayer. I intend to believe that from it man draws inspiration. I will not accept the doctrine that the earth covers all that was my mother and my father. I will go along with Longfellow.

I cannot and I will not ridicule or question the religious faith of anyone or any people nor doubt the source of his inspiration.

When a gentleman by inference questions the sincerity of the Secretary's statement that he received an inspiration, he is entitled to that opinion, but the rest of us do not need to agree with him and I for one just cannot. I am going to believe that the Secretary of Agriculture is an honest, patriotic citizen, willing to serve his country to the best of his ability and that that is his only desire.

There are politicians, they say—I have never met any of them—who have other ideas about public service. In my judgment, the most of us, the overwhelming majority of the Members of this House, is in favor of giving to any man when he expresses a religious view the thought he is sincere, that he is trying to do a decent job.

I will only repeat what I started out to say. When any Member on either side insists on comparing any present member of the Cabinet to a "bloodsucker," I will if I am on the floor insist that a majority of the House be present to hear just what he says.

Notwithstanding what may appear in tomorrow's RECORD, what the gentleman to whom the gentleman who had the floor had yielded was saying, when I made the point of no quorum, was in substance and to the effect that Secretary of Agriculture Benson had applied and was applying a "bloodsucker" to either every vein or every artery of the farmer, with the effect to destroy the farmer.

In my humble judgment, such a statement has no substance to justify it, and it was only fair that Members of the House on both sides of the aisle should themselves, here and then have opportunity to challenge the value of such a statement.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BOYLE, for 1 hour, on Tuesday next.

Mr. PORTER, for 1 hour, on February 28 on the subject of the disappearance of Lester Murphy in the Dominican Republic on December 3, 1956.

Mr. ROOSEVELT, for 1 hour, on Tuesday next.

Mrs. KNUTSON, for 30 minutes, on next Wednesday.

Mr. SIKES (at the request of Mr. BOYLE), for 20 minutes, on Wednesday next.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that the special order granted to me to address the House for 25 minutes today be vacated, and that I may have permission to address the House on Monday next for 30 minutes, following the legislative program and any special orders heretofore entered.

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

There was no objection.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. VANIK and to include extraneous matter.

Mr. ARENDS and to include an editorial.

Mr. SCOTT of Pennsylvania and to include extraneous matter.

Mr. DIXON and to include extraneous matter.

Mr. MCDONOUGH and to include extraneous matter.

Mr. DINGELL (at the request of Mr. BOYLE).

Mr. RODINO (at the request of Mr. BOYLE) in two instances and include extraneous matter.

ADJOURNMENT

Mr. BOYLE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 2 minutes p. m.) the House adjourned until tomorrow, Friday, February 22, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

521. A letter from the Administrator, Federal Civil Defense Administration, transmitting the 24th report on property acquisitions for the quarter ending December 31, 1956, pursuant to subsection 201 (h) of the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

522. A letter from the General Counsel, United States Information Agency, transmitting the 7th Semiannual Report covering the period from July 1 to December 31, 1956, pursuant to Public Law 402, 80th Congress; to the Committee on Foreign Affairs.

523. A letter from the Chairman, United States Atomic Energy Commission, transmitting a draft of proposed legislation entitled "a bill to amend Public Law 31, 84th Congress, 1st session, to increase the authorization for appropriation to the Atomic Energy Commission for the construction of a modern office building in or near the District of Columbia to serve as its principal office"; to the Joint Committee on Atomic Energy.

524. A letter from the Comptroller General of the United States, transmitting a report on review of Atomic Energy Commission contract No. AT(30-3)-222 with Yankee Atomic Electric Co.; to the Joint Committee on Atomic Energy.

525. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to grant to the Territory of Alaska title to certain lands beneath tidal waters, and for other purposes"; to the Committee on Interior and Insular Affairs.

526. A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation entitled "A bill to amend title 14, United States Code, entitled 'Coast Guard,' with respect to warrant officers' rank on retirement, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

527. A letter from the Chairman, United States Civil Service Commission, transmitting a draft of proposed legislation entitled "A bill to authorize the training of Federal employees at public or private facilities, and for other purposes"; to the Committee on Post Office and Civil Service.

528. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to extend the benefits of section 301 of the Tariff Act of 1930 to the Trust Territory of the Pacific Islands"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KIRWAN: Committee on Appropriations. H. R. 5189. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1958, and for other purposes; without amendment (Rept. No. 145). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H. R. 103. A bill to authorize the National Inventors Council to make awards for inventive contributions relating to the national defense; with amendment (Rept. No. 148). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY: Committee on Post Office and Civil Service. H. R. 4815. A bill to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes; without amendment (Rept. No. 149). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary: H. R. 277. A bill to amend title 17 of the United States Code entitled "Copyrights" to provide for a statute of limitations with respect to civil actions; without amendment (Rept. No. 150). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H. R. 4901. A bill to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes; with amendment (Rept. No. 151). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FEIGHAN: Committee on the Judiciary. House Joint Resolution 133. Joint resolution for the relief of certain spouses and minor children of citizens of the United States; with amendment (Rept. No. 146). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. House Concurrent Resolution 89. Concurrent resolution approving the granting of the status of permanent residence to certain aliens; with amendment (Rept. No. 147). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KIRWAN:

H. R. 5189. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1958, and for other purposes; to the Committee on Appropriations.

By Mr. TELLER:

H. R. 5190. A bill to limit and reduce the size of business organizations which are

larger than required by economic efficiency or technological necessity, or are so large as to be unduly restrictive of free and effective competitive activity, to create the National Commission for Free Economic Development, and for other purposes; to the Committee on the Judiciary.

By Mr. ANDERSON of Montana:

H. R. 5191. A bill to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. BENNETT of Florida:

H. R. 5192. A bill to allow members of Reserve components of the Armed Forces to serve brief periods of active duty for training while enrolled in certain courses under the Veterans' Readjustment Assistance Act of 1952, as amended, without such period of time being charged as absences in computing their educational and training allowances; to the Committee on Veterans' Affairs.

By Mr. BYRNE of Illinois:

H. R. 5193. A bill to provide for the issuance of a special postage stamp in commemoration of the 75th anniversary of the Knights of Columbus; to the Committee on Post Office and Civil Service.

H. R. 5194. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the personal exemption to which a taxpayer is entitled with respect to a spouse or dependent who is a student and whose educational expenses are paid by such taxpayer; to the Committee on Ways and Means.

By Mr. CELLER (by request):

H. R. 5195. A bill to amend sections 1 (29a), 64a (5), 67b, and 67c of the Bankruptcy Act, and for other purposes; to the Committee on the Judiciary.

By Mr. COLLIER:

H. R. 5196. A bill to amend the Internal Revenue Code of 1954 to provide that interest on series H United States savings bonds shall be excluded from gross income; to the Committee on Ways and Means.

By Mr. DAVIS of Georgia:

H. R. 5197. A bill to readjust postal classification on certain educational and cultural materials; to the Committee on Post Office and Civil Service.

By Mr. DINGELL:

H. R. 5198. A bill to repeal the cabaret tax; to the Committee on Ways and Means.

By Mr. FINO:

H. R. 5199. A bill providing a preliminary examination and survey of Hammonds Cove, entrance to Locust Point Harbor, Long Island Sound, N. Y.; to the Committee on Public Works.

By Mr. GREEN of Pennsylvania:

H. R. 5200. A bill to amend section 207 of the Legislative Reorganization Act of 1946, to provide that the Boards for the Correction of Military or Naval Records shall give consideration to satisfactory evidence relating to good character and conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals, and for other purposes; to the Committee on Armed Services.

By Mr. GUBSER:

H. R. 5201. A bill to further the economic and efficient operation of the business of the Post Office Department by the expansion of the existing research and development program of such Department and the establishment of a postal service automatic equipment program, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. JENKINS:

H. R. 5202. A bill to amend the Antidumping Act of 1921, and for other purposes; to the Committee on Ways and Means.

By Mrs. KNUTSON:

H. R. 5203. A bill to provide increases in monthly rates of compensation for service-connected disability payable under laws administered by the Veterans' Administration and to liberalize the requirements for awarding additional disability compensation to veterans who have dependents, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 5204. A bill to provide for family farm parity income for a fair standard of living among farmers of our Nation, by amendment of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. MACHROWICZ:

H. R. 5205. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. MURRAY:

H. R. 5206. A bill to authorize and direct the Postmaster General to estimate for each fiscal year certain expenses incurred by, and losses in revenues to, the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. NIMTZ:

H. R. 5207. A bill to provide that the next cruiser commissioned in the United States Navy shall be named the *South Bend*; to the Committee on Armed Services.

By Mr. PATTERSON:

H. R. 5208. A bill to amend paragraph 1541 of the Tariff Act of 1930, as amended, to provide that the rate of duty in effect with respect to harpsichords and clavichords shall be the same as the rate in effect with respect to pianos; to the Committee on Ways and Means.

H. R. 5209. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit educational institutions from certain excise taxes; to the Committee on Ways and Means.

H. R. 5210. A bill to amend title I of the Housing Act of 1949 to provide that no urban renewal project shall be finally approved thereunder until the people of the community concerned have been given an opportunity in a referendum to reject it; to the Committee on Banking and Currency.

By Mr. PILLION:

H. R. 5211. A bill to amend section (8) of the Civil Service Retirement Act of May 29, 1930, as amended, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. THOMPSON of Louisiana:

H. R. 5212. A bill to provide for the computation of annual income for the purpose of payment of pension for non-service-connected disability or death in certain cases; to the Committee on Veterans' Affairs.

By Mr. WILSON of California:

H. R. 5213. A bill to amend section (8) of the Civil Service Retirement Act of May 29, 1930, as amended, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HALEY:

H. J. Res. 246. Joint resolution requesting the President to submit to the Congress specific recommendations for cuts in the proposed budget; to the Committee on Government Operations.

By Mr. HARRISON of Nebraska:

H. Res. 175. Resolution to amend the rules of the House to limit expenditures for fiscal year 1958; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BERRY: Senate concurrent resolution No. 2, adopted by the Legislature of the State of South Dakota, 35th session, memorializing the Congress of the United States to provide equitable financial treatment to State governments with respect to aid provided under social-security programs to Indians living in this State; to the Committee on Interior and Insular Affairs.

By Mr. MOULDER: Memorial of the House of Representatives of the State of Missouri to the officers and men of the National Guard; to the Committee on Armed Services.

By the SPEAKER: Memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States to enact or amend legislation for the benefit of schools and roads, etc.; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States to make an appropriation and, if necessary, deduct the amount from the appropriation to the Department of Agriculture to pay the several States the amount that was illegally withheld by the Forest Service, and that this money be appropriated to the use of the several States, including Colorado; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relative to asking that acreages of experimental wheat be not counted in the allotted acreage set up for each farm and that the grower of experimental wheat be not penalized for this excess acreage; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relative to requesting passage of legislation to allow the construction of a sign to indicate a point of interest in the Helena National Forest near Frontier Town which is located in Lewis and Clark County, Mont., adjacent to United States Highway No. 10, north; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relative to requesting the Secretary of Agriculture to consider and evaluate agricultural commodities designated as "surpluses"; and to segregate sufficient amounts of such commodities to be called "reserves," to be in quantities comparable to other commodities and to be used in the event of crop failure or national emergencies; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California (by request):

H. R. 5214. A bill for the relief of Dr. Si Chiu Lou; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H. R. 5215. A bill for the relief of Hylin Golding; to the Committee on the Judiciary.

By Mr. CURTIN:

H. R. 5216. A bill for the relief of Maria Theodora Hagn Zoppi; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 5217. A bill for the relief of Silvio Rafael Cebellos y Pardo; to the Committee on the Judiciary.

By Mr. GARMATZ:

H. R. 5218. A bill for the relief of Arthur Sew Sang, Kee Yin Sew Wong, Sew Ing Lin, Sew Ing Quay, and Sew Ing You; to the Committee on the Judiciary.

By Mr. KEAN:

H. R. 5219. A bill to provide tax relief to the Heavy and General Laborers' Local Unions 472 and 172 of New Jersey pension fund and the contributors thereto; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 5220. A bill for the relief of the estate of Higa Kensai; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 5221. A bill for the relief of Jacqueline Henrietta Labrosse; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 5222. A bill for the relief of Gladys Arbutus Joel; to the Committee on the Judiciary.

By Mr. PATTERSON:

H. R. 5223. A bill for the relief of Demetra Vouvoulis (also known as Dimitra Voumvouli); to the Committee on the Judiciary.

By Mr. RADWAN:

H. R. 5224. A bill for the relief of O. J. Glenn & Son, Inc.; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 5225. A bill for the relief of Yuet Ngon (Wong) Chin; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 5226. A bill for the relief of Cho Kaji; to the Committee on the Judiciary.

H. R. 5227. A bill for the relief of Chan Lem Yp and Mrs. Chan Yu Shee; to the Committee on the Judiciary.

By Mr. WILSON of California:

H. R. 5228. A bill for the relief of the estate of Sinclair G. Stanley; to the Committee on the Judiciary.

H. R. 5229. A bill for the relief of Mrs. Angelita L. Baclagan; to the Committee on the Judiciary.

H. R. 5230. A bill for the relief of Yoshio Hanakoa, also known as Jimmy Moore; to the Committee on the Judiciary.

By Mr. ZELENKO:

H. R. 5231. A bill for the relief of Mrs. Wawara Dibert; to the Committee on the Judiciary.

By Mr. WALTER:

H. J. Res. 247. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Thomas Masaryk: Founder of the Czechoslovak Republic

EXTENSION OF REMARKS

OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1957

Mr. RODINO. Mr. Speaker, America has always been considered a bulwark for democracy. For this reason many oppressed people have found refuge in our great country. Here they have found hope; here they have had the opportunity to better themselves economically and socially; here they have obtained liberty allowing them to speak and worship without the fear of intimidation and oppression.

Thomas Masaryk the great Czechoslovak patriot was among those who fled from subjugation and sought shelter in our free country. It was during his stay here that Masaryk saw embodied many of the ideals of democracy which he hoped one day could be enjoyed by the Czechoslovak people. It was here that he visualized a free and independent Czechoslovakia patterned after the American system of government.

The formation of this new republic, however, was not to be an easy task. Nevertheless, much of the inspiration for the emergence of this new nation came from Thomas Masaryk. Before World War I, Masaryk had already gained international distinction for his courageous stand against oppression. As a member of the Austrian Parliament he resisted the encroachments of Germany in Austria. Consequently, with the outbreak of war he was forced to flee to Italy, Switzerland and later London. Finally, he found refuge in America—the "mother of exiles." Here he accomplished much of the work for Czechoslovak independence.

In our country, he was free to place the case of the Czechoslovak people before the eyes of the world. Here he met and gained the respect and admiration of President Wilson for his constant struggle. Here he convinced the Allies of the righteousness of the Czechoslovak cause. Here the Czechoslovak Republic was finally formalized. On August 23, 1918, the Foreign Relations Committee of the United States Senate declared the liberation of the Czechoslovak people as one of the conditions of peace. Later on November 18, when the Austro-Hungarian monarchy collapsed, the Republic was established and Masaryk was elected as the first President. Under his leadership Czechoslovakia became one of the foremost democracies in Europe.

Today, on the 107th anniversary of the birth of Thomas Masaryk, the Republic which he struggled so valiantly to establish is no longer free. The Kremlin has enslaved the people. However, the spirit of Masaryk lives on in Czechoslovakia. The people remember his teachings; they remember the benefits derived from a free society. These glorious memories serve as an inspiration to the people of this subjugated country.

This feeling was perhaps best expressed by President Benes at Masaryk's funeral in 1937 when he said:

> Though he passes on Masaryk is still with us * * * President-liberator, we will remain faithful to the heritage which you have laid in our hands.

The Late Honorable C. Wayland Brooks

EXTENSION OF REMARKS

OF

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1957

Mr. ARENDS. Mr. Speaker, I want the RECORD to show that I was privileged to be a close personal friend of the late Senator C. Wayland Brooks, known to all his many friends as "Curly." He was such an outstanding man, who meant so much to me personally and did so much for me as a friend, that I am constrained to make certain somehow, perhaps in this way, that now and for all time the people will know not only my personal feelings but also some measure of the contribution he made to Illinois and to the country as a whole.

Whatever one's political faith, whatever one's views on a particular legislative issue, all agree that no man served in the United States Senate who has shown more courage of his convictions than "Curly" Brooks and few men had the ability with which he was endowed to express so persuasively what he believed.

As great as he was as an attorney, as great as he was a Senator from Illinois, as great and as many his accomplishments in the practice of law and the making of law, for me his real greatness was his love of his fellowman, his understanding of other people's problems, his constant efforts to help them in arriving at solutions, and his complete humility regardless of the many honors he attained.

I shall miss "Curly" Brooks. I shall miss his wise counsel and advice. I shall miss him as a man for whom I had great affection as a friend.

Brotherhood Week

EXTENSION OF REMARKS

OF

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1957

Mr. VANIK. Mr. Speaker, the week of February 17 to February 24 is being observed throughout America as Brotherhood Week. It is sponsored by the National Conference of Christians and Jews and is designed to spread the spirit of brotherhood throughout the land.

Throughout America, under the sponsorship of the National Conference of Christians and Jews, every community is conducting an event set aside to stimulate our national struggle against intolerance. Intolerance is the greatest enemy of our democratic institutions and has no place in our American democracy. The National Conference of Christians and Jews renders a tremendous service in organizing the fight against intolerance and clearing the way for a stronger and more sturdy union of the American people.

Every year the National Conference of Christians and Jews designates recipients of the national human relations award granted by the conference to some individual distinguished for his devotion to brotherhood.

On Sunday, February 24, Mr. A. M. Luntz, president of the Luntz Iron & Steel Co., of Cleveland and Canton, Ohio, will be awarded the national

human relations award of the National Conference of Christians and Jews at a civic dinner which will be attended by over 1,000 persons at the Hotel Carter in Cleveland. The award, the highest honor of the conference, is being made for Mr. Luntz' lifetime of devotion to the cause of the brotherhood of man under the fatherhood of God and his assistance to all peoples regardless of religion, race or nationality.

The dinner will also mark the close of the 1957 Brotherhood Week under the national chairmanship of another Clevelander, Louis B. Seltzer, editor of the Cleveland Press. It is the first time in the history of the National Conference that both the national award winner and the National Brotherhood Week chairman come from the same city. Cleveland also has the distinction of being the only city in the United States to have three citizens who have received the National Human Relations Award. In addition tc Mr. Luntz, John A. Greene, president of the Ohio Bell Telephone Co., won the citation in 1956 and Mr. Seltzer in 1951.

Addressing the Luntz dinner will be national personages from every walk of life including Senator John F. Kennedy, of Massachusetts, Senator Frank J. Lausche of Ohio, Henry A. Roemer, board chairman of Sharon Steel, Gov. C. William O'Neill of Ohio, Mayor Anthony J. Celebrezze of Cleveland, Mayor Carl Wise of Canton, Ohio, Dr. Everett R. Clinchy, National Conference president, Rabbi Abba Hillel Silver of The Temple, Cleveland; Rt. Rev. Nelson M. Burroughs, bishop of the Ohio Episcopal District; Msgr. Albert J. Murphy, pastor St. Ignatius Church, Charles F. McCahill, senior vice president, Forest City Publishing.

We in the Cleveland community are proud of Mr. Luntz and the honor which will be bestowed upon him for his devotion to the cause of brotherhood. We are also proud of the tremendous service which has been rendered by Mr. Louis B. Seltzer, editor of the Cleveland Press, as national chairman of the National Conference of Christians and Jews.

Brotherhood Week

EXTENSION OF REMARKS
OF
HON. HUGH SCOTT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 21, 1957

Mr. SCOTT of Pennsylvania. Mr. Speaker, as you know, Brotherhood Week will be observed this year from February 18 to February 22. Numerous speeches will be delivered and many editorials written extolling brotherhood.

Two thousand miles from this Capitol there is an organization which is not merely giving lip service to the subject of brotherhood. It is practicing brotherhood. I would like to tell you a little about this fine old institution, the National Jewish Hospital at Denver.

Back in the eighties and nineties there was a steady procession of victims of tuberculosis from the slums of the East to the clear, healthful heights of Denver. In those days climate was an important factor in the treatment of this scourge. Many tuberculosis sufferers journeyed to the West by covered wagon. However, when they reached their destination in Denver, large numbers literally died in the streets. There were no hospitals, sanatoria, or other facilities to care for them.

In this situation the Jewish community of Denver founded the National Jewish Hospital. The first building was completed in 1892 but because of a depression the trustees were unable to open it. The building remained unused until 1899 when B'nai B'rith, the Jewish service organization, provided funds for operating expenses.

The first patient was a Catholic girl from Chicago. From that day, the hospital has never considered religion, race, or national origin in its admission of patients.

Here is a living example of brotherhood. In its patient population National Jewish Hospital at Denver has Catholics, Protestants, and Jews. It has white Anglo-Saxons from New England, Negroes from Texas, Spanish-Americans from Arizona, and Indians from South Dakota. Although Israel and her neighbors are at sword's point, Jewish nationals from Israel and Moslem patients from Indonesia receive their medication, side by side, at the famous medical center. For the tubercle bacillus which causes the dreaded tuberculosis can afflict anyone regardless of color, nationality, religious persuasion, or economic status. This organism is completely without prejudice, even as is National Jewish Hospital.

I should tell you that despite a widespread misconception and despite great progress that has been made in the last decade, tuberculosis remains a formidable health problem. Approximately 15,000 of our fellow Americans died of this disease last year and nearly 100,000 new cases were reported to public health authorities. For every reported case there were an estimated two unreported cases.

You will agree that much remains to be done in this area by the research scientists and doctors at National Jewish Hospital at Denver. Meanwhile, however, the personnel of this great, nonsectarian institution is deeply involved in other medical programs. The hospital treats all diseases of the chest. Recently it expanded its programs of treating heart defects which can be corrected by surgery. This cardiac program, like all others at the hospital, is completely without charge to the patient.

National Jewish Hospital at Denver is supported almost entirely by voluntary contributions from the public. Warmhearted citizens who practice what they preach about brotherhood make possible its lifesaving work. The hospital slogan is and always has been, "None may enter who can pay; none can pay who enter." For 58 years National Jewish Hospital has given its patients some four million days of care for which these patients paid not one cent.

It is appropriate to review the policies and activities of National Jewish Hospital at Denver on the occasion of Brotherhood Week. Here is a monument to brotherhood which all of us might well study and try to emulate.

Repeal of Federal Cabaret Tax

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 21, 1957

Mr. DINGELL. Mr. Speaker, I am introducing today a bill to repeal the Federal cabaret tax.

Before attempting to discuss the effects of this legislation, I shall, first of all, give a few brief facts about this tax.

At the present time the Federal Government imposes a tax of 20 percent on amounts charged for "admission, refreshment, service—including checkroom service—or merchandise at any roof garden, cabaret, or other similar place furnishing a public performance for profit by or for any patron or guest who is entitled to be present during any portion of such performance."

Before the outbreak of World War II the rate of this tax was as low as 3 percent with an exemption granted to charges under $2.50. During this war, when Federal revenue requirements were sharply increased, this rate was increased to as high as 30 percent in 1944. The following year it was reduced to 20 percent, which is the current rate prevailing today. Some reductions in existing amusement taxes were effected by the Excise Tax Reduction Act of 1954; but the Federal cabaret tax has remained unchanged since the war.

Revenues from the Federal cabaret tax reached their highest peak in 1946. Since that time they have steadily declined until today this tax brings in only about half of what it produced in 1946. The total amount collected each year in my own State of Michigan and in the United States as a whole since 1946 is as follows:

[In thousands of dollars]

Fiscal year—	Federal cabaret tax receipts	
	United States	Michigan
1946	72,077	3,312
1947	63,350	2,968
1948	53,527	2,765
1949	48,857	2,673
1950	41,453	2,266
1951	42,646	2,423
1952	45,489	2,138
1953	46,691	2,276
1954	38,312	1,832
1955	39,271	1,617
1956	42,255	1,686

I strongly recommend the repeal of the Federal cabaret tax for the following reasons:

First, repeal of this tax will stimulate business and employment in the entertainment field. Because of this high tax,

there has been a marked reduction in patronage which has caused numerous places of entertainment in hotels, restaurants, et cetera, to close. The American Hotel Association has reported that because of this tax the number of entertainment rooms declined from 700 in 1946 to 250 in 1950. The closing of these places of entertainment has brought about the unemployment of thousands of entertainers, waiters and waitresses, cooks, kitchen help, and other personnel.

The abolition of this tax would tend to stimulate the patronage of these cabarets since many individuals would then be able to afford this type of entertainment. This would bring about the reopening of many additional entertainment rooms providing employment for musicians, waiters, cooks, and others. The National License Beverage Association estimated in 1954 that repeal of this tax would encourage 2½ times as many establishments to use live entertainment. It has also been estimated that such repeal would cause payrolls for music and entertainment to double in volume. Repeal of this tax would stimulate business and increase employment not only in cabarets, but also in other lines of enterprise, since consumers would have to pay less for entertainment and would have more money available for other purposes.

Secondly, it is not believed that there would be any net loss in Federal revenues if this tax were repealed.

The increased employment of musicians, entertainers, and other personnel would provide additional income tax revenue to the Federal Government. This would offset the loss in cabaret tax receipts which would result from the abolition of this tax. As may be seen in the figures on collections presented above, since 1946 this tax has produced diminishing revenue.

Total collections have declined $30 million from an alltime high of $72 million in 1946 to $42 million in 1956. Similarly, collections in Michigan have been cut in half, having decreased from $3.3 million to $1.7 million in this same period.

Thirdly, continuation of the Federal cabaret tax is no longer justifiable in peacetime. Only in time of such national emergency as war when the Government must tap every possible source of income, and where the curtailment of an activity may even be desirable for manpower or austerity reasons is such tax defensible. More than 11 years have elapsed since the close of World War II, and we find this tax still on the statute books. There is no present justification for this tax.

Fourthly, repeal of this tax would create a more favorable economic climate for the training and development of musicians and other entertainers who have a real contribution to make to American culture. This tax has worked a real hardship on these individuals in the past. Continuation of it will tend to discourage gifted individuals from embarking on such an uncertain career. In time, the entertainment world would suffer a shortage of real talent.

Finally, the repeal of the cabaret tax will encourage the opening of more desirable places of entertainment for our young people.

With the closing of so many entertainment rooms in hotels, young people, seeking a place to dine and dance, have been compelled to patronize less desirable taverns and night clubs for their amusement. Repeal of this tax will enable many hotels to open rooms which will offer more wholesome surroundings for our Nation's youth.

Repeal of this tax is now long overdue. I, therefore, strongly urge immediate adoption of my bill which will bring this about.

The Problems of Disarmament—a Speech by Hon. Kenneth Keating at Bangkok, Thailand, at Meeting of Inter-Parliamentary Union

---

EXTENSION OF REMARKS
OF

HON. GORDON L. McDONOUGH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1957

Mr. McDONOUGH. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I would like to include the thoughtful, important address delivered by Congressman KENNETH B. KEATING of New York at the November meeting of the Inter-Parliamentary Union in Bangkok, Thailand. I do this with considerable enthusiasm because I am reliably informed that both speeches given in Thailand for the distinguished delegates to the Inter-Parliamentary Union by our friend, the Honorable KENNETH B. KEATING, were judged to have been among the most meaningful presented for the consideration of the world gathering of statesmen. The principles and the facts emphasized by Representative KEATING may be looked upon as an affirmative hopeful program for eventual disarmament with security, justice, and peace for all the peoples of the earth. The address follows:

SPEECH OF REPRESENTATIVE KENNETH B. KEATING ON THE PROBLEMS OF DISARMAMENT

Mr. President and fellow delegates, the Committee on Reduction of Armaments is to be congratulated for the splendid report which so well summarizes the history of disarmament efforts ever since the first known treaty on this subject in 1817 limiting the naval forces maintained between the United States and Canada on the Great Lakes. Men have been thinking of disarmament for at least the century and one-half since that treaty. The committee's report is most illuminating as to the efforts of our governments in the four decades since the end of World War I and the creation of the League of Nations.

Surely no one can read this chronicle, of committees, commissions, and debates and drafts resolutions, without admitting that the efforts of our governments have been tremendous. And yet the chronicle is one of failure upon dismal failure. All efforts have produced precisely nothing. Our committee rightly concludes that there is a lack of trust and confidence among the negotiators—and that this lack is fatal to any real possibilities of agreement. Our committee implies, I fear, that the situation is hopeless.

To this I say we cannot abandon hope. We must carry on our efforts, and double them and double them again. I do not know the way. I fear that none of us in this great assembly will be able to point the way with clearness and certainty. But in my heart, there is good will. In my heart there is determination, to go on struggling with this Gordian knot until some one of us, or all of us together, find a way to lay it open.

In the sessions of the Interparliamentary Union this year and in the previous years I have seen and felt the same good will, the same high determination, all around me among our fellow delegates. I think we are brought closer, as spokesmen in this great assemblage from so many nations, by the very strains and stresses that threaten so blackly to pull our world apart. It is my personal hope—even a quiet prayer—that we shall meet again next year, and in succeeding years, with more harmony, more freedom of action, and ever more of the very mutual trust and confidence which are so rightly emphasized in this report.

Now I wish to offer briefly for these debates some observations about the problems of disarmament which seem most important and most troubling to me. Some of our negotiators, particularly in recent years, have become more and more like hagglers in the market place who do not really want to buy or sell. The good price, the fair bargain, and the sincere offer are scorned and cheapened just as lustily as the outrageous proposition. If the buyer nods agreement to a price, the seller shifts what he is offering and changes his terms. Yet, this is the most crucial series of negotiations being conducted in the whole range of human activities on the face of the earth today and the need for bargains that will stick—to make disarmament work—is plainly more urgent than it has ever been in all times past since we began recording the history of mankind.

For the simple, inescapable truth is that disarmament has become the practical equivalent of peace. The weapons we command today are so frightfully destructive that men cannot live at peace with them. The fireball itself has assumed the proportions of a mortal enemy, an evil genie who may be no respecter of the master who uncorks him.

My country has the bomb. My country has pressed forward with the awesome testing needed to keep pace with developments in the laboratories of our scientists. But let no one believe for an instant that we would not give it up and have done with the whole undertaking. Thoughtful leaders among my countrymen have long since realized that this is a burden and a responsibility from which no one can profit. We recognize it as a great liability, and we shall go on straining to find some way in which it can be safely put aside forever.

I would be less than candid if I did not note that my country's persistent efforts have not been matched in other quarters. Immediately after the war, when the United States alone held the secret of nuclear fission, we urged a plan for international control of all fissionable material, with controls to prevent the production of weapons and inspection to enforce the controls. This plan encountered the stone wall of Soviet opposition and drew a Soviet veto when it was proposed to the United Nations Security Council. Ban the bomb first, the Russians said, and then we will talk about controls.

From that day to this, the Communist leaders have flatly refused to countenance any limitations based on mutual rights of inspection. It is painfully obvious that with the development of fission and fusion weapons of total destruction, the advantage of surprise, enjoyed by treacherous aggressors, has also become total. Therefore, the need for direct assurances about the war preparations of one's potential enemies has also increased to a near-absolute degree.

In the last decade the production of these atomic weapons has gone forward to a point where it would no longer be practical to limit production alone. There are too many stockpiles, capable of being hidden away until they are needed. So any inspection system upon which confidence can be based must also include regular observation of what the experts call "delivery systems." We must watch each other's guided missiles sites, and the activities of bombers and submarines and fighter squadrons, to have full protection against the dangers of a sudden knockout blow.

Our efforts to share the secrets of the atom for peaceful uses, launched in 1953 in President Eisenhower's ringing speech to the United Nations General Assembly, were obstructed from the outset by Russian opposition to any kind of open-handed disclosure. The President's open-sky proposal at the Geneva meetings in July of last year were met with the same Communist insistence on exchanged promises without exchanged inspectors and observers. At present my country is strenuously urging an interchange of teams of observers for limited inspection missions; as well as experimental inspections in small strips of territory dedicated for the purpose by each nation. We have also offered to exchange advance notice of every movement involving our Armed Forces abroad, in international territory or on foreign soil. But the opposition still says: "Ban the bomb; take our word that we will do the same; and then we will talk about controls."

In our efforts to achieve reductions of conventional armaments, we have encountered the same frustrating techniques: our Soviet rivals are willing to talk only of cuts in manpower, not of reductions in the number or potency of their weapons; and they keep urging fractional cuts in their standing forces while at the same time absolutely refusing to tell us the number against which the fractions are to be applied.

I have strayed a little into this explanation of the frustrating deadlock that grips my own country. But I think the problem merits emphasis. In my opinion, until we throw down the walls and expose ourselves to free observation by our neighbors, there can be little of the mutual trust and confidence on which the report we are considering grounds so much. Full, open, free, and honest inspection is needed to separate the empty claims of propagandists from those offers and protestations which may constitute real steps toward peace.

Now I shall turn to one of the more general points I wish to make—namely, that many nations may soon have these frightful weapons. Some years ago, the United States, and with those nations who share our heritage of freedom, held the bomb in an uneasy monopoly. This was short-lived. Now, there is not a nation in the world community, once possessed of the secrets which cannot be guarded very long, which would find itself unable to produce this weapon. Ultimately, and perhaps not too far in the future, many many national leaders will share the awesome responsibility of having total destruction at their command. What will happen to mutual trust and confidence then? What will happen to the traditional processes of diplomacy? And what will then be the plight of the troubled citizen watching the sky in constant anxiety lest this new lightning shall destroy his world? If we do not force a resolution of the stalemate now, we may find our problems multiplied to infinite and hopeless lengths.

Next, I would like to observe that in my opinion our basic premise with respect to armaments becomes each year less valid. Most nations have believed that an adequate level of armaments meant security. We made ourselves strong so we could resist attack and protect our vital interests in the community of nations. I submit that this no longer works as it did for our predecessors. The security which any nation can fashion for itself by excelling in modern armaments may prove illusory, because such excellence now means vastly disproportionate insecurity for everybody else. With the conventional arms of half a century ago, to be powerful and well prepared for war meant only to assert a moderate threat against those with whom you might compete. If they were powerful and well prepared too, they threatened moderately in return. In a test of arms, there would be injury inflicted, losses and probably some devastation, and a separation between the victors and the vanquished.

I question whether this is true for us today. He who threatens, threatens absolutely. There may be no victors and no vanquished, but only victims and insufferable devastation. So I think we should recognize that the menace of armaments, and the resulting insecurity of those who are threatened, has greatly weakened the usefulness of the concepts of security by strength and alliances which are traditional in our thinking about international relations.

Another point which should be emphasized is the inefficiency of modern armaments to solve any of the real problems that beset us today. At peace, the burden of modern armaments is crushing to everyone who carries it. The costs have mounted and mounted, until far more than half the total costs of all of our governmental and social services are drained off for weapons and the specialists of modern warfare. This means food for the hungry, medical care for the sick, education for our children and more of the good things of life for everyone, diverted and drained off for the uneconomic and nonproductive functions of increasing our military potential.

And could the super bombers or the guided missiles ever solve the problem that really concern us? Of course, they could not. There are fundamental ideological differences between the totalitarian and democratic forms. They cannot be resolved by guns. There is a competition between the Soviets and the Western world in the economic sphere. Both they and we are dedicated to different methods of the production and distribution of the things men want and need. We feel that our system is the best that men have ever devised. We have produced abundance, and we have faith that we can go on upholding a better, richer way of life than that achieved by the Communists. But could that competition be resolved by warfare? Would anyone gain if their system were forced upon our country, or ours on them, at bayonet point? Of course not.

But would the world gain if we could achieve a lusty honest competition of economy with economy? Would we threaten each other if we undertook to prove that the good things of life flow more freely in our economy than in theirs? If we could ever turn to it, and get into that kind of competition, we would enter it with great confidence but all the world would win no matter who achieved the laurel wreath. So the positive aspects of disarmament are as important as the negative. If we can put the burden aside, there is no limit to the wonders of the golden age we might achieve.

Lastly, there is another point which we might as well face squarely, that time is running against us. The cruel reality is that we have achieved disarmament twice in this century, by the catastrophic expedient of dissipating our armaments in global warfare. We have reduced the tensions and diminished our strength by knocking ourselves prostrate in the aftermath of each of these Armageddons. And it is in these aftermaths that the possibilities of disarmament look best.

In 1919, President Wilson caught the imagination of the world with his leadership in the League of Nations. In 1945, the beginnings of the United Nations at San Francisco were auspicious and the world was full of hope. Must we wait for such an opportunity again? Or will it be possible to change the course and interrupt the cycle? Let us bend every effort here and now, this day and tomorrow and in the immediate future, to expose the truths about this problem of disarmament, then to face them realistically and find a way to do something about them.

Felix Ullrich, Jr., of Newark—An Outstanding Young Scientist

EXTENSION OF REMARKS

OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1957

Mr. RODINO. Mr. Speaker, next week in Washington, we will have the 40 most promising young scientists in the United States. They have been selected in the 16th annual talent search from high schools all over the Nation to come here to participate in the 5-day Science Talent Institute. I am proud to say that Felix Thomas Ullrich, Jr., a young man from my district in Newark from Barringer High School—the same high school that I attended—is included in this outstanding group. Felix intends to become a physicist or an electrical engineer.

These young people will compete for the Westinghouse scholarship in the finals of the science talent search directed by science clubs of America which are administered by Science Service. The winners have passed difficult aptitude test, submitted scholarship records and recommendations, and written a report entitled "My Science Project." One of these outstanding young men and women will win a $2,800 scholarship and the runner-up will receive a $2,000 scholarship. In all, scholarships totaling $11,000 will be awarded to this group.

The story of Felix Ullrich, Jr., must give heart to all Americans. At 17 years of age he has already distinguished himself in the field of his choice. He is an outstanding example of a young man seeking knowledge to prepare himself for an important future in a science-minded age. On his own, he has studied theoretical physics and mathematics during his vacations. For a science project, he has designed and built a small radio frequency heating unit which he used to heat material in a vacuum. His accomplishments have led him to be elected to the National Honor Society. He is also a member of the Science Clubs of America and a mathematics club. He hopes to attend the University of California at Berkeley. The fact that Felix is a member of the Ground Observer Corps shows that he is a good citizen as well as a good scientist.

Felix Ullrich, Jr., is an example of the fine young men and women included in the Scientific Talent Institute here this week. I am sure that we are all well aware of the crucial need for scientists.

The role that these young people will play in the future of our Nation is an ever growing one. The young scientists in this group are stepping forward to help their country in an era of great scientific competition. The Soviet Union is known to be placing great emphasis on scientific advancement and the nations behind the Iron Curtain are making large strides in this field. We are dependent on the young scientists of America to provide for our national survival by their contributions to a competitive and very important field. I wish to commend these young scientists on their accomplishments.

America's Economic Responsibilities in the World's Crisis

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Thursday, February 21, 1957

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a speech which I delivered in Washington on February 12, 1957, before the Fourth National Conference on International Economic and Social Development, be printed in the RECORD.

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

SPEECH BY SENATOR HUBERT H. HUMPHREY BEFORE THE FOURTH NATIONAL CONFERENCE ON INTERNATIONAL ECONOMIC AND SOCIAL DEVELOPMENT, WASHINGTON, D. C., FEBRUARY 12, 1957

Ladies and gentlemen, my good friends of the Fourth National Conference on International Economic and Social Development, you have asked me to say a few words at your opening luncheon on the topic "America's Economic Responsibilities in the World's Crisis." There could be no more timely topic.

Rethinking our foreign economic aid, a process which is going on these days all over Washington, is merely part of a needed broader reexamination of American foreign policy. This reexamination has been prompted by a series of changes in the world situation. If you will permit me at this point in your day's program, I would like to sketch some of these world changes, as I see them.

Since 1951 nearly all our foreign aid, totaling about $25 billion in 6 years, has gone to arm and maintain a circle of allies around the Communist bloc. No matter what else the Republicans or anyone else may call it, this is our policy of containment. We have sought to establish a ring of pacts, of military bases, a ring of standing armies, a ring of political and economic strong points, a ring of information, pamphleteering and propaganda for freedom. Consequently, about 60 percent of our foreign aid went for military hardware, another 25 to 30 percent for budgetary and financial support of governments which were maintaining armies otherwise beyond their means, and approximately 10 percent for technical and developmental assistance.

It is fair to say, I believe, that we have never really had a definite policy for speeding up the economic growth and development of friendly non-Communist countries. Whatever we have done along this line was basically only incidental to our military containment policy. Hence, the appropriateness of the term defense support for much of our development aid.

Last summer some Members of Congress, I among them, thought it was time to reexamine the basic premises of our foreign aid program, which had remained unchanged since the start of the Korean war. It was time we took a look at the changes in the world which might require alteration of our aid programs. In 1956 this call for a reexamination led to the creation of the Fairless Committee by the White House, and to separate investigations by the House Foreign Affairs and Senate Foreign Relations Committees.

Frankly, I think it is important that we all understand the world change that many in Congress had in mind. Many of these changes have no connection with economic development. Yet the changes in policy which they suggest may very well affect economic development. Here are some of them that bothered many of us last year when the reexamination began:

First, the Russians had achieved an extraordinary break-through in developing a long-range Air Force and the intermediate missile, which brought into question the usefulness of many of our overseas bases. While this was happening, Congress chopped $900 million off the foreign military budget and added the same amount to our domestic Air Force.

Second, the American development of tactical atomic weapons raised very serious questions about the development and size of the NATO ground forces in Europe.

Third, the Russian propaganda for coexistence had seriously weakened the bonds among our North Atlantic allies.

Fourth, the rapid growth of the Russian economy had permitted the Communist bloc for the first time to offer a steel mill to India, to pave the streets of Kabul, to build a technological institute in Rangoon, and even to dicker tentatively with Egypt about the Aswan Dam. This raised the question whether we should try to outbid the Russians. In fact, it was a panic of outbidding that produced the original offer to finance the Egyptian dam, just as it was our subsequent reversal, very clumsily done, which immediately precipitated the Suez crisis.

Fifth, the growing unrest in the satellites brought into doubt our East-West trade rules, which treated these puppet governments exactly the same way we treat the Russians.

Sixth, Soviet participation in the United Nations technical-assistance program caused some Members of Congress to oppose our participation, or at least they wished to scale down our contribution. That was a factor in the amendment to limit American participation to one-third of the funds.

Seventh, and finally, there was a wave of nationalist fervor among African and Asian nations which challenged and exposed some of our political attitudes toward colonialism and neutralism, and raised serious questions about the adequacy and purpose of our economic programs.

This is not an exhaustive list of the world changes that affected our aid programs, but it will serve as a sufficient backdrop for the points I wish to make.

Different Members of Congress have reacted very differently to these seven changes. For me, they pose one overriding question: Is "gunboat diplomacy" an adequate policy for the leader of the free world.

Even if we bring up to date that Coolidge-era phrase about gunboats, and call this "H-bomb diplomacy," or "military pact diplomacy," or "massive retaliation diplomacy," my question remains: Is this an adequate policy for the United States?

I do not question the need for adequate defense; I support it. For some time, however, I have publicly doubted whether the United States has begun to develop the kind of affirmative and constructive policies, which show what we are for, as well as what we are against—policies which can draw together the forces of freedom everywhere, policies which can ultimately establish a secure world climate for the freedoms we cherish here at home. Our foreign policy needs a new emphasis. It needs the emphasis of economic growth, and progress, along with national independence for free people and nations. Military containment must give way to economic and social development.

This dynamic policy can be compounded of many elements. The policy includes a vigorous support of the United Nations and its agencies, in deed as well as in word. It includes a rethinking and reemphasis of our educational exchange programs, of our information programs, of our diplomatic representation, to make them adequate to the new world situation. We need to back up openly the new plans of the Western European union, Euratom, and the common market. We must support the embryonic North African Federation, the regional stirrings in Africa south of the Sahara. We need to speak out in responsible Jeffersonian language on the subject of colonialism and national independence, and Wilsonian idealism on self-determination. The rest of the world honors two Americans above all others in the 20th century: Woodrow Wilson and Franklin D. Roosevelt. It is high time that the United States Information Service and the Voice of America mentioned them once in a while.

Our disarmament efforts must be more than posturing and slogans; they must be serious, practicable, and believable. We need a much broader program for stimulating private trade, private investment, public loans; and we need to take a new look at a public investment program.

All of these things the Eisenhower administration endorses in its forward-looking speeches. And some actions have been taken. But for the most part, these ideas remain generalized slogans.

This brings me back to the subject of this conference. A vigorous approach to world economic growth has been advanced as one of the important tools in a dynamic American offensive for freedom. I agree. This is one of the keys to a practical and effective foreign policy.

I don't mean the kind of half-hearted effort we have undertaken in the past, hidden under a label of military containment. I mean the kind of bold, affirmative proposal which could capture the imagination of the entire world. Such a plan has been supported by some of you on humanitarian grounds. It has been defended by economists on economic grounds. There is good justification for each position. But I suspect the approach to world economic development that has the greatest chance for political action in the United States is the one which stresses positive American leadership in the free world.

So, if I may sum up what I have thus far said in a roundabout way: World economic development is but part of a much broader discussion about the adequacy of American foreign policy, and an economic-aid program offers one of the most important ways to demonstrate a positive leadership.

My second point is closely related to my first: There will be no significant departure in our economic development programs in 1957 unless President Eisenhower gives us both a proposal bearing his name, and more than his customarily mild, detached leadership.

I have heard some optimistic opinions about the magic effect of a Vandenberg-type resolution in the Senate, or a Stimson-Paterson type committee to stir up public support

for a new policy, or something like the Harriman and Krug committees of 1948 to gather the facts for a new program. As you know, these steps played a significant part in the launching of the Marshall plan. But sober political thinking must make us realize that without General Marshall's speech at Harvard, without President Truman's prompt and vigorous support, without the meeting of European representatives to draw up a European Recovery Program, there would have been no Marshall plan. Then, as now, the leadership of the top officials of the executive branch was the critical element.

Yet, frankly, I find no evidence today that President Eisenhower is preparing a recommendation for a bold departure in foreign economic policy. The Fairless Committee, according to all present reports, is prepared to recommend a reduction in foreign aid. The House Foreign Affairs Committee is already studying a report by its recently retired chairman, Mr. Richards, which proposes a reduction in foreign aid. I will not presume to speak for the other members of the Senate Foreign Relations Committee, since we are scheduled to submit recommendations on the same subject within a month or two.

I am convinced that the United States will sooner or later be driven to a more far-reaching foreign economic policy, if not by the logic of groups like yours, then by successful Russian economic penetration of the free world, or by a series of political disasters in Asia and Africa, which can only be ameliorated by bold economic action.

Let me say a word about the so-called Eisenhower doctrine in this connection. All of us know that in the Middle East there are real and present dangers of regional war, subversion, and poverty. Nothing in the Eisenhower doctrine atempts to meet these real dangers except for the request for discretionary reallocation of some economic aid already appropriated. We do not even know where that economic aid is to go, to what governments, and for what purposes. In fact, I may say that I am gravely worried that the economic-aid aspect of the Eisenhower doctrine may do the cause of economic assistance generally grave harm.

I am a champion of economic assistance for underdeveloped nations when there is a realistic probability that this assistance will be used for economically and socially progressive results. In places like India, Burma, Pakistan, and Turkey—nations where hopeful, democratically oriented, welfare-conscience governments are in power—the case for economic assistance is a strong and persuasive one. The state which most conspicuously offers that kind of opportunity in the Middle East, Israel, presumably will not benefit from the economic assistance aspects of the Eisenhower doctrine. Indeed it appears that the nations of the Middle East most likely to receive new financial benefits from the United States are those nations ruled by the most feudal and reactionary regimes.

By deliberately asking a Congress, already increasingly skeptical of economic-assistance programs, for authority apaprently to bribe feudal Middle Eastern potentates under the guise of an economic-assistance program, President Eisenhower may well have done a disservice to the cause of economic assistance generally.

I have never been known as a pessimist. I hope I am wrong about what I have just said, as well as about the chances for a new program this year. But I believe your discussions at this conference will be more realistic if they are based on the hard, discouraging outlook that there is not likely to be a substantial change in American foreign policy leadership this year. I think this is deplorable, but I believe it is the fact of the matter.

This leads me to my third point. I also believe that forward-looking groups such as yours can perform a service in advancing ideas and establishing a favorable climate for a new American economic leadership. I suggest this can be done best by identifying those key issues, those leading questions, on which a shift in American policy must be based. I have not studied this subject at length, as some of you have, and I am sure this list of issues can be improved by your discussions. In a very abbreviated form, here are my suggestions on those key questions, and my personal answers to them.

Question No. 1: Have underdeveloped countries, especially those in Asia and Africa, acquired a new importance to the United States and the free world that requires us to work out policies of accommodation to their legitimate needs, just as we have long worked out accommodations with Western Europe?

My answer is an unqualified yes. No one privileged to serve on our American delegation to the United Nations, as I have been at the current session, can fail to grasp that these new and developing nations of Asia and Africa, now numbering 27, control over a third of the votes in the General Assembly. By the end of the year, two more may be added, that is, Ghana, formerly the Gold Coast, and Malaya. Almost all future additions to the family of free nations will lie in Asia and Africa. The outcome of the great struggle between freedom and communism will unquestionably be decided by the turn of events in these countries.

Question No. 2: Is economic development the most important relationship which the United States can employ to build a position of trust and respect among developing nations?

Unquestionably it is. All the more reason, therefore, why the new economic approach must be accompanied by more sensitive attitudes toward neutralist foreign policies and toward the remnants of colonialism.

Question No. 3: Is it a fact that the developing countries need, and can wisely use, a substantially larger flow of outside capital?

I have talked to no reputable economist who does not confirm this fact. One of the ablest authorities on the subject, Professor Rostow of MIT, has been advising our Senate committee, and is appearing on your program. When you think back on the large amounts of capital which the United States found it necessary to import from Europe in launching its own development process, it is not surprising that these newly developing countries likewise look to older economies for their initial capital.

Question No. 4: Can private investment provide a sufficient capital flow for these purposes or must we look also to public investment?

The United States has not done nearly enough to encourage its citizens to invest abroad. More private investment is certainly possible. But I never heard of a private investor prepared to finance hospitals, malaria control, a teacher training school, a county agent operation, or a community development project. We know that these steps are often necessary before private investment can go into an area. The conclusion seems inescapable that public investment must supply a substantial portion of the capital, at least in the early years.

Question No. 5: Have we fully explored the use of our abundance of food and fiber as an integral part of a general economic assistance program?

Recognizing the political difficulties confronting a large-scale economic assistance program, it is all the more important that we explore the possibilities of increasing our activities by means of programs such as the Agricultural Trade and Development Act of 1954. Congress originally spelled out the use of foreign currencies accruing from the food and fiber sales under Public Law 480 as follows: (1) to expand international trade; (2) to encourage economic development; (3) to purchase strategic materials; (4) to pay United States obligations; and (5) to foster in other ways the foreign policy of the United States.

Merely to list these objectives answers the question of whether we have used this law to its fullest extent. The answer is clearly no. Both in my role as a delegate to the United Nations General Assembly, and as a member of the Senate Agriculture Committee, I have recently proposed increasing this type of program, including the actual extension of Public Law 480 for a 2-year period with an authorization for $3 billion.

Already we have gained practical experience under this program in India, Turkey, Spain, and certain South American countries. Further development of national food and fiber reserves, coordinated with the program of the Food and Agricultural Organization, operating under the auspices of the United Nations, remains to be explored. We have merely scratched the surface of the real possibilities in this field.

Question No. 6. Should we look to national governments like the United States, or international bodies like the United Nations, to adminsiter such a program?

I fail to understand why this question is so often posed as an either-or proposition. We need both. But I do think the greatest gap in our present economic development machinery is an international fund which can finance sound projects in underdeveloped countries. That is why I have always supported the Special United Nations for Economic Development (SUNFED), though I recognize that the present proposals for the capitalization of SUNFED are wholly inadequate. We need a good deal more thinking on what the relationship of such a fund should be to the International Bank and the International Finance Corporation, for unless that question is worked out satisfactorily, there will be little inclination of the donor countries to entrust funds to an international body. Nor should we neglect the possibility of regional economic development authorities, especially in the Middle East.

Question No. 7: How long will this proposed development program continue?

The only honest answer is that it will continue throughout our lifetime, and probably throughout the lives of our children. Our initial commitment should not be for less than 4 or 5 years. If we think this is a quickie job for political expediency, we would do better to keep the money in our pockets and forget the proposal.

Question No. 8: What would this proposal cost?

There have been many estimates. Last year the Committee for Economic Development suggested from $500 million to $1.5 billion in new capital each year, over and above the present flow. The most detailed estimate I have seen was that advanced by the MIT study project, which came up with a total cost of $2.5 billion a year, of which some part would be borne by other industrialized countries, part could be financed with American farm surpluses, and the balance of about $1.5 billion a year would be provided by American public funds. This represents a little less than we are now spending on so-called economic aid, though, of course, under the MIT proposal this amount would go entirely for economic development, rather than military support.

Question No. 9: Can we afford it?

In 1956 the United States spent 1.1 percent of its gross national product on foreign aid. Nine years ago, during the first year of the Marshall plan, we spent 1.7 percent of our gross national product, a proportion half again higher. Can you blame the United Nations members for hanging their heads in embarrassment when our Government told the Economic Committee 2 weeks ago that we cannot support SUNFED because we cannot afford it? Actually two U. N. members—

Canada and France—are making larger contributions to international development, in relation to their present economies, than is the United States. Western Europe and Canada combined are making larger net investments in foreign countries than is the United States.

The question has never been whether we can afford it, but whether our national interest will assign a sufficiently high priority to this foreign policy leadership to justify the use of our resources. It is one of the purposes of this conference, I trust, to help establish that priority.

In closing, let me quote the speech of President Eisenhower, delivered 3 weeks ago at his second inauguration. It was one of his great utterances. He said:

"We must use our skills and knowledge and at times our substance to help others rise from misery, however far the scene of suffering may be from our shores. For wherever in the world a people knows desperate want, there must appear at least the spark of hope, the hope of progress—or there will surely rise at last the flames of conflict." The President concluded: "We are called to meet the price of this peace."

I should like to conclude with the hope that he will help us meet it, with the active leadership the situation so urgently requires. If such leadership is forthcoming, I need not tell the President that you and I and all others devoted to the cause of a more enlightened foreign policy will support his efforts wholeheartedly.

Meatpackers Amendment

EXTENSION OF REMARKS
OF
HON. HENRY ALDOUS DIXON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1957

Mr. DIXON. Mr. Speaker, in President Eisenhower's economic report transmitted to Congress January 23, 1957, he emphasized the importance of a competitive economy in producing the abundance we have enjoyed in America.

The report states:

The preservation and strengthening of competition must, therefore, be a leading objective of public policy. * * * Vigorous enforcement of the antitrust laws is basic to the obtainment of this objective, for threats of encroachment on competition are always present and assume constantly changing forms.

Most of us in Congress are in agreement with this objective. However, there is an important area of our economy which for decades has escaped antitrust scrutiny or enforcement. This is the meatpacking industry.

In the years prior to 1921 the Federal Trade Commission was vigorously investigating monopolistic practices among the packers. The Justice Department brought antitrust suits against the Big Five packers, and to escape prosecution they signed a consent decree in 1920 by which their activities were restricted.

In 1921 the Packers and Stockyards Act transferred monopoly and fair-trade control from the Federal Trade Commission to the Department of Agriculture. However, Congress has never given the Department of Agriculture an appropriation for an enforcement staff. Thus, meatpacking is the only industry in America which escapes Government supervision of unfair trade practices by which giant companies can force small competitors out of business or artificially lower prices for produce sold to them.

Today, Congressman EMANUEL CELLER, chairman of the House Judiciary Committee and its antitrust subcommittee, and I are introducing identical bills to amend the antitrust laws so as to vest in the Federal Trade Commission jurisdiction to prevent monopolistic practices in the meatpacking industry. Senators ARTHUR V. WATKINS and JOSEPH C. O'MAHONEY are introducing the same bill in the Senate.

Strict antitrust enforcement is urgently needed, because the packing industry is heavily concentrated. This puts the consumers, the small independent meatpackers and the cattlemen in a vulnerable position. Ten national packers slaughter 50 percent of the cattle, 60 percent of the calves, 70 percent of the hogs, and 77 percent of the sheep under Federal inspection.

Secretary of Agriculture Ezra Taft Benson is to be commended for his recent announcement that the Department is making a survey of activities and problems concerning unfair trade practices. Secretary Benson has also indicated he expects to ask for funds to build an enforcement staff if that function remains in his Department.

However, more economic and effective antitrust enforcement against the packers over the long run would result from transferring enforcement to the Federal Trade Commission for the following reasons:

First, the FTC could do the job with little or no expansion of staff, with consequent economy to the taxpayers. It has been estimated that for the Department of Agriculture to adequately assume this enforcement would require an additional staff of as high as 60 people.

Second, scrutiny of unfair buying or selling practices would likely be accomplished with considerably greater efficiency by an agency with decades of experience in antitrust enforcement than by a newly established organization.

Third, over the long run the Department might be restrained from pushing antitrust enforcement, because the success of some Department activities, such as marketing news services and Federal meat grading, requires cooperation of the meat packers.

During the summer and fall of both 1955 and 1956 I spent considerable time visiting with stockmen from most of the 25 counties in my congressional district in Utah. These men are almost universally requesting vigorous enforcement of the antitrust laws against the meat packers. In addition a growing list of powerful regional and national organizations is taking a strong stand in favor of the bill, which I am introducing to transfer authority from the Department of Agriculture to the Federal Trade Commission. These include the National Milk Producers Federation, the Western States Meat Packers Association, the National Wool Growers Association and the United States Wholesale Grocers Association.

Passage of this bill should mean added protection to livestock producers, meat consumers, and independent packers.

SENATE

FRIDAY, FEBRUARY 22, 1957

Rev. Donald O. Hornung, pastor, Grace Methodist Church, Millsboro, Del., offered the following prayer:

Almighty God, our Heavenly Father, as on this day we recall once again the story of our Nation's birth and our first President, George Washington, we would be mindful of our great heritage of freedom. We would be mindful before Thee and grateful that in every generation many have alined themselves for a better community. We rejoice in our country and thank Thee for all who have labored for cleaner and better government.

Grant strength and good understanding to these Senators and make them willing followers of Thy commandments and servants of the people's need. May they know in whom to trust and make their decisions in accordance with Thy holy will.

We pray for the United Nations that it may seek to enfold the earth with arms of loving concern and to create everywhere a steadfast, enlightened brotherhood that will be victorious over fear, suspicion, and hostility.

We pray in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Thursday, February 21, 1957, was approved, and its reading was dispensed with.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

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

The PRESIDENT pro tempore. If there be no reports of committees, the nominations on the calendar will be stated.

NATIONAL LABOR RELATIONS BOARD

The legislative clerk read the nomination of Joseph A. Jenkins, of Texas, to be a member of the National Labor Relations Board for a term of 5 years from August 27, 1956.