throughout the State of Connecticut and then into Rhode Island, New York, Massachusetts and shortly thereafter into all of the Eastern States. The growth continued until the organization reached its record membership of over 1 million members during the past year. Today, the Knights of Columbus has in force $650 million insurance, has paid insurance benefits of $120 million, and during the calendar year 1956 showed a net increase of insurance in force of $88 million, a new annual record.

Shortly after the institution of the organization its primary purpose of providing insurance protection for Catholic families was expanded by activities sponsored by local, State and supreme councils in the fields of social welfare, aid to religion, patriotic endeavor, civic activities, aid to education and similar projects.

While the original founders did not envision or contemplate the tremendous expansion of the program of the order, it is interesting to note that in the charter granted by the State of Connecticut that after the first principle of "rendering pecuniary aid to its members and beneficiaries of members" there was included the provision of promoting social and intellectual intercourse among its members and of promoting and conducting educational, charitable, religious, social welfare, war relief, and welfare and public relief work.

As a result of those provisions the Knights of Columbus has been able over the years to conduct such major projects as the establishment of graduate scholarships at the Catholic University of America, led the fight in the various Oregon and Michigan school cases resulting in Supreme Court decisions protecting the right of Catholic parents to educate their children in parochial schools, its outstanding work for the allied soldiers in World War I, the establishment of graduate courses for the training of professional boys' workers at the University of Notre Dame, the organization of youth-activity programs including a leisure-time program for Catholic boys of high-school age known as the Columbian Squires. These and hundreds of similar projects at the supreme-council level were supplemented by outstanding program work by State councils.

In more recent years the order established in 1944 a $1 million trust fund to provide a Catholic college education for sons and daughters of Knights of Columbus killed or permanently disabled in World War II. The benefits of this fund were further extended to the children of veterans killed or permanently disabled in the Korean war. It is interesting to note that long before the GI bill was ever dreamed of that the Knights of Columbus, following World War I, made available college scholarships to veterans of that war regardless of creed. Probably no single activity has attracted so much attention as has the Catholic advertising program organized on an orderwide level in 1948. Over 2,500,000 persons have written to the Knights of Columbus Religious Information Bureau asking for pamphlets explaining various points of Catholic teachings and over 250,000 persons have enrolled in religious instructions as a result of the advertisements published by the Knights of Columbus in magazines with a circulation of over 56 million persons and in hundreds of local newspapers where the advertisements have been sponsored by State and local councils. This program has drawn enthusiastic endorsement from members of the hierarchy, clergy, and from interested persons of many beliefs. In 1954 the basic program of the order was expanded to provide for youth-activity committees at the State and local council level. Presently, there are over 3,300 such committees in operation providing leadership, facilities, and services to youth on a positive basis, emphasizing the promotion of juvenile decency rather than the prevention of juvenile delinquency.

For centuries the scholars of Europe have had great depositories of manuscripts relatively close at hand but such facilities were not readily available to American researchers and scholars. The Knights of Columbus in 1951 established the Knights of Columbus Foundation for the preservation of historic documents at the Vatican Library and the Pius XII Memorial Library is being erected at St. Louis University to house the microfilms of these documents. Already some 800,000 feet of film containing nearly 10 million handwritten pages of these historic documents have been prepared and are available to American scholars through the depository at St. Louis. The printed books at the Vatican Library are also being microfilmed.

At the request of Pope Benedict XV and extended under Pope Pius XI and Pope Pius XII the Knights of Columbus have provided and operated playgrounds in Rome serving the youth of that city for more than 30 years.

The tremendous accomplishments for country, church, community, and fellowman throughout these 75 years is due to the unselfish service of the volunteer leaders, committee workers, and members in the 3,900 councils of the order. Such service goes on year in and year out, in unspectacular fashion, and the total of the benefits rendered is beyond computation.

Demonstrations of the order's devotion to the welfare of the country are reflected in such projects as the sponsorship of the adding of the words "under God" to the pledge of allegiance, its record of militant opposition to atheistic communism long before such opposition was popular, its present organized campaign on behalf of the Hungarian refugees and against the invitation to Marshal Tito of Yugoslavia to visit the United States.

Operating under the principles of charity, unity, fraternity, and patriotism, the Knights of Columbus has achieved a most commendable record during the 75 years of its existence. Every Knight of Columbus everywhere is dedicated to the objective that these accomplishments will be but the cornerstone of a much expanded program for the future. Pleasant as it may be to reflect on the record of these 75 years the leaders and members of the Knights of Columbus are working forward and upward to new peaks of achievement.

SENATE

MONDAY, APRIL 1, 1957

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

O Thou with whom one day is as a thousand years and a thousand years as one day, in Thy sight may we hallow this new gift of sunny hours in which to love and labor. Save us from giving to the tasks that await us anything less than our truest and best. Save us from allowing our minds to harbor defiling thoughts. Save us from any failure of self-control and from words spoken in haste or in passion.

With clear eyes may we see Thee as our Father, our fellows near and far away as our neighbors, and ourselves as our brothers' keepers. In that vision splendid of divine fatherhood and of human brotherhood may we dream our dreams, fashion our lives, enact our laws, build our Nation, and plan our world, until this shadowed earth which is our home rolls out of the darkness into the light, and it is daybreak everywhere. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Friday, March 29, 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.

PROPOSED EXTENSION OF PERIOD FOR TRANSMITTING REORGANIZATION PLANS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 145)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Government Operations:

To the Congress of the United States:

The Reorganization Act of 1949, as amended, under which the President is authorized to prepare and transmit to the Congress plans for the reorganization of executive agencies, states that no provision contained in a reorganization plan shall take effect unless the plan is transmitted to the Congress before June 1, 1957.

I recommend that the Congress enact legislation to extend the period for

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transmitting reorganization plans for 4 years.

The reorganization plan procedure authorized by the Reorganization Act is an essential means by which the President and the Congress can cooperate to assure the timely promotion of better organization and sound management of the executive branch of the Government. Under the act, the President may transmit to the Congress reorganization plans which become effective after 60 days of Congressional session unless disapproved by a majority of the membership of one of the Houses of the Congress. This method enables the President, who has direct responsibility for effective administration, to initiate improvements in organization, subject to review by the Congress.

Extensive accomplishments have been achieved under the Reorganization Acts of 1939 and 1945 and under the present statute, the Reorganization Act of 1949. The time for transmitting plans under the latter has been twice extended by the Congress: in 1953 and 1955.

The current act was adopted following the strong endorsement of the first Commission on Organization of the Executive Branch of the Government in 1949, which stated: "This authority is necessary if the machinery of government is to be made adaptable to the ever-changing requirements of administration and if efficiency is to become a continuing rather than a sporadic concern of the Federal Government." In December 1954, the second Commission on Organization of the Executive Branch of the Government unanimously recommended further extension of the act.

Accordingly, I urge the Congress to continue the practical arrangements contained in the Reorganization Act by which the Congress and the President can carry forward their cooperative endeavors to provide the best possible management of the public business.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 1, 1957.*

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5866) to amend the Atomic Energy Act of 1954, as amended, and for other purposes, and it was signed by the Vice President.

ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, under rule VIII, the calendar is to be called. I ask unanimous consent that the call be dispensed with.

The VICE PRESIDENT. Is there objection? Without objection, 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 transaction of bills and the submission of petitions and memorials. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON OVEROBLIGATION OF APPROPRIATIONS

A letter from the Administrator, Veterans' Administration, Washington, D. C., reporting, pursuant to law, on the overobligation of two appropriations in that Administration; to the Committee on Appropriations.

REPORT ON NATIONAL INDUSTRIAL RESERVE

A letter from the Secretary of Defense, transmitting, pursuant to law, a report on the National Industrial Reserve, dated April 1, 1957 (with an accompanying report); to the Committee on Armed Services.

AMENDMENT OF UNIVERSAL MILITARY TRAINING AND SERVICE ACT

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend the Universal Military Training and Service Act, as amended (with an accompanying paper); to the Committee on Armed Services.

STATISTICAL SUPPLEMENTAL STOCKPILE REPORT

A letter from the Director, Office of Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a confidential statistical supplemental stockpile report, for the period January–June 1956 (with an accompanying report); to the Committee on Armed Services.

AMENDMENT OF SMALL BUSINESS ACT OF 1953

A letter from the Administrator, Small Business Administration, Washington, D. C., transmitting a draft of proposed legislation to amend the Small Business Act of 1953 (with an accompanying paper); to the Committee on Banking and Currency.

COMMISSION AND ADVISORY COMMITTEE ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE

A letter from the Attorney General, transmitting a draft of proposed legislation to establish a Commission and Advisory Committee on International Rules of Judicial Procedure (with accompanying papers); to the Committee on the Judiciary.

REPORT ON AWARD OF CERTAIN MEDALS

A letter from the Attorney General, reporting, pursuant to law, that awards had been made of the Young American Medal for Bravery and the Young American Medal for Service, for the calendar year 1955; to the Committee on the Judiciary.

REPORT OF PROCEEDINGS OF JUDICIAL CONFERENCE OF THE UNITED STATES

A letter from the Acting Director, Administrative Office of the United States Courts, Washington, D. C., transmitting, pursuant to law, a report of the proceedings of the Judicial Conference of the United States, for the fiscal year 1956 (with an accompanying report); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Michael Angelo Valentine from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on May 15, 1956 (with an accompanying paper); to the Committee on the Judiciary.

ADMISSION OF DISPLACED PERSONS—WITHDRAWAL OF NAMES

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the names of Maria Dimitrius Vlavianos nee Spyliotopoulos and Fee Pun Chan or Wing Chan or Chan Fee Ping, from reports transmitted to the Senate on January 16, 1956, and January 15, 1957, respectively, pursuant to section 6 of the Refugee Relief Act of 1953, with a view to the adjustment of their immigration status (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Oregon; to the Committee on Appropriations:

"House Joint Memorial 1

"To the Honorable Senate and the House of Representatives of the United States of America, in Congress assembled:

"We, your memorialists, the Senate and the House of Representatives of the State of Oregon, in legislative session assembled, most respectfully represent and petition as follows:

"Whereas the Federal Government, through its construction of multiple-purpose projects, has become a major supplier of electric power to the Pacific Northwest; and

"Whereas the present and continued growth of the region, including Oregon, requires the further and immediate development of its low-cost power potential in order to provide the energy base for industries, job opportunities, and the needs of its people; and

"Whereas the John Day project on the Columbia River between Oregon and Washington is one of the major integral units in the overall plan of comprehensive development of the Columbia River and has already been authorized and approved as such by the Congress of the United States (81st Cong., 2d sess., H. Doc. No. 531); and

"Whereas its construction will complete slack water navigation from the mouth of the Columbia River to Pasco, Wash., a distance of some 328 miles; and

"Whereas it will provide approximately 500,000 acre-feet of storage for flood-control purposes and will also provide irrigation and recreational benefits; and

"Whereas such project will produce in excess of 1,100,000 kilowatts of low-cost power, fully integrated with the Federal grid and the Northwest power pool and close to Oregon loan centers; and

"Whereas the growth of the region requires over 500,000 kilowatts of new power capacity annually and such multipurpose projects as John Day must be started immediately in order to be completed and to avoid a serious power shortage by the early 1960's: Now, therefore, be it

"Resolved by the House of Representatives of the State of Oregon (the Senate jointly concurring therein), That the Congress of the United States be and it hereby is memorialized to appropriate immediately the funds necessary so that, upon completion of the preliminary planning, construction of the John Day project by the Federal Government can be initiated immediately; and be it further

"Resolved, That the secretary of state of the State of Oregon be and hereby is directed to send a copy of this memorial to the President of the United States, to the Honorable Fred A. Seaton, Secretary of the Interior of the United States, to the President and

Chief Clerk of the United States Senate, to the Speaker and the Chief Clerk of the House of Representatives of the United States, and to all members of the Oregon Congressional delegation in the Congress of the United States.

"Adopted by house February 1, 1957.

"Adopted by senate March 18, 1957.

"EDITH BYNON LOW,
"Chief Clerk.

"PAT DOOLEY,
"Speaker of House.

"BOYD R. OVERHULSE,
"President of Senate."

A joint resolution of the Legislature of the State of Washington; to the Committee on Interstate and Foreign Commerce:

"Senate Joint Memorial 16

"To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress assembled:

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas for the purpose of meeting wartime emergency necessity, the Congress of the United States enacted as excise taxes a levy upon the transportation of persons and property; and

"Whereas one of the principal purposes of levying such tax upon the transportation of persons was to discourage unnecessary wartime travel; and

"Whereas today, 12 years after the cessation of hostilities, there continues a 10 percent levy on the transportation of persons and a 3 percent levy on the transportation of property; and

"Whereas it is the opinion of the legislature of the State of Washington that excise taxes should not impose an unfair burden on the long distance shipper and the long distance traveler as does the present tax on the transportation of property and persons; and

"Whereas it should be a principle of Federal taxation to levy taxes in such a manner as to prevent them from falling as an unequal burden on citizens residing in different areas of the country; and

"Whereas the distances to, from and within the West impose an unfair burden on the western traveler and shipper; and

"Whereas the present transportation tax on property is unfairly burdensome upon the State of Washington as it adds what is in effect an additional tariff on the goods shipped from Washington to the eastern market; and

"Whereas the development and preservation of open markets leads to the efficient development and stimulation of the agricultural resources of the Nation; and

"Whereas the State of Washington is particularly interested in preserving the eastern market as an open market in which the agricultural products of Washington may compete freely without the hindrance of artificial barriers such as the present transportation tax; and

"Whereas the State of Washington is particularly interested in protecting and developing its vacation and tourist travel on an equal basis with other vacation travel areas; and

"Whereas the transportation of both persons and property plays such a vital role in the economic life of this country to the extent that the costs of transportation should always be kept at the lowest possible level; and

"Whereas transportation is in no sense a luxury, but is a vital necessity, and there is, therefore, sound reason for distinguishing between the transportation taxes and other excise taxes that are imposed upon luxury items; and

"Whereas it is the opinion of the Legislature of the State of Washington that the best interest of the country, and, particularly, the Western States, who are now discriminated against by the present transportation taxes, would be served by a repeal of those taxes; and

"Whereas there is presently pending before the Congress of the United States legislation which would repeal the tax on transportation of property and which would repeal the tax on transportation of persons: Now, therefore, be it

"Resolved, That the Legislature of the State of Washington respectfully memorializes the Congress of the United States to enact into law such legislation, or any other bill or bills, which would accomplish the same purpose; and be it further

"Resolved, That the secretary of the senate be hereby directed to transmit copies of this memorial to the President and Vice President of the United States and to each Senator and Representative from Washington in the Congress of the United States.

"I, Ward Bowden, secretary of the senate, do hereby certify that this is a true and correct copy of memorial passed on February 23, 1957.

"WARD BOWDEN,
"Secretary of the Senate."

A joint resolution of the Legislature of the State of Washington; to the Committee on Post Office and Civil Service:

"Senate Joint Memorial 24

"To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America in Congress assembled:

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent as follows:

"Whereas the need for a substantial salary increase for the rank and file of post office personnel has in recent years been generally recognized; and

"Whereas recent studies, such as set forth in the August 3, 1956, issue of U. S. News & World Report, indicate that in the past decade or more such personnel have made comparatively the lowest buying power-income gains notwithstanding that consumer price indexes have steadily risen in the same period; and

"Whereas the honorable the President of the United States, in a recent budget message indicated that the volume of post office business has increased 11 percent during the fiscal years of 1954 through 1957, and in his last state of the Union message stated that wage increases 'must be reasonably related to improvements in productivity'; and

"Whereas Post Office Department records show that the volume of mail handled from 1950 to 1955 increased 22 percent while personnel increased approximately only 10 percent; and

"Whereas in order to maintain a decent and respectable standard of living the great bulk of postal employees have been obliged to supplement their regular income for full-time work by additional employment, thereby extending their per-hour, per-week labor beyond what the times call for in virtually every other line of employment; and

"Whereas the general imbalance between services rendered and income earnable has caused most undesirable resignations from the service and has precluded the recruitment of desirable additions to the service:

"Now, therefore, your memorialists respectfully pray that the Congress and the President of the United States initiate and successfully complete such action as may be necessary to bring about a fair, reasonable, and equitable solution of the economic problem of postal employees generally; be it

"Resolved, That copies of this memorial be transmitted to the President of the United States, to the President of the United States Senate, to the Speaker of the House of Representatives of the United States, and to each member of the Congressional delegation from the State of Washington.

"I, Ward Bowden, secretary of the senate, do hereby certify that this is a true and correct copy of Senate Joint Memorial 24, passed on March 5, 1957.

"WARD BOWDEN,
"Secretary of the Senate."

Two joint resolutions of the Legislature of the State of Washington; to the Committee on Public Works:

"Senate Joint Memorial 14

"To the Honorable Senate and House of Representatives of the United States in Congress assembled:

"We, your memorialists, the members of the Senate and House of Representatives of the State of Washington, in legislative session assembled, do respectfully represent and petition as follows:

"Whereas the State of Idaho, adjoining the easterly border of the State of Washington, is approximately 550 miles in length from north to south and there are only 3 highways across the State of Idaho in an easterly and westerly direction; namely, United States Highways No. 2 and No. 10 in the north and United States Highway No. 30 in the south, the 2 highways last mentioned being at least 400 miles apart at the points where they cross the mountainous easterly borders of the State of Idaho; and

"Whereas in the event of hostilities involving the Pacific Northwest, highway facilities from the State of Washington in an easterly direction toward the Middle West would be of paramount and vital importance both from the standpoint of military defense and for the evacuation of civilians; and

"Whereas the Lewis and Clark Highway, when completed, will join the State of Washington, Idaho, and Montana, by a direct, water-grade route, and thus provide a fourth means of east-west travel between the Pacific Northwest and the Middle West; and

"Whereas the unconstructed portion of the Lewis and Clark Highway is only 25 miles in length and lies entirely within the State of Idaho; and

"Whereas the Lewis and Clark Highway when completed will traverse or closely parallel the route of the Lewis and Clark expedition, which opened up the Pacific Northwest over 150 years ago and would be a fitting memorial to those explorers: Now, therefore, be it

"Resolved, That we, the Senate and House of Representatives of the Legislature of the State of Washington, now in its 35th session, do respectfully and earnestly request the Congress of the United States to authorize and appropriate sufficient moneys to provide for the construction and completion of said unfinished link in said Lewis and Clark Highway at the earliest practicable date; and be it further

"Resolved, That the secretary of state of the State of Washington be authorized, and he is hereby directed to forward certified copies of this memorial to the President of the United States, the Senate and the House of Representatives of the United States, and to the Senators and Representatives representing this State in the Congress of the United States.

"Passed the senate February 27, 1957.

"JOHN A. CHERBERG,
"President of the Senate.

"Passed the house March 11, 1957.

"JOHN L. O'BRIEN,
"Speaker of the House."

"Senate Joint Memorial 9

"To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress assembled, and to the Secretary of Commerce of the United States:

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas in order to facilitate the flow of traffic across the State of Washington from centers of population south of the city of Seattle to the central and southwestern parts of the State, and to the States of Idaho and Oregon it is urgently necessary that a second highway be improved; and

"Whereas Washington State Highway No. 5, being United States Route No. 410, known as the National Park Highway is ideal for this purpose: Now, therefore, be it

"Resolved by the Senate and House of Representatives of the State of Washington in legislative session assembled, That we respectfully memorialize and petition the President of the United States and the Secretary of Commerce of the United States to take whatever steps that may be necessary to designate Washington State Highway No. 5, being United States Route No. 410, as an alternate to United States Route No. 10 and to incorporate State highway No. 5, being United States Route No. 410, into the National Interstate and Defense Highway System; and be it further

"Resolved, That copies of this memorial be transmitted to the President of the United States, the Secretary of Commerce of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from the State of Washington.

"I, Ward Bowden, secretary of the senate, do hereby certify that this is a true and correct copy of Senate Joint Memorial 9 passed February 19, 1957.

"WARD BOWDEN,
"Secretary of the Senate."

A joint resolution of the Legislature of the State of Colorado; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 9

"Joint memorial memorializing the Department of the Interior and the Department of Agriculture to complete soil classification, thereby permitting immediate construction of the Paonia project, Colorado

"Whereas construction of the Paonia project in Colorado has been authorized for nearly 20 years, and more recently has been reauthorized as a participating project of the Colorado River storage project; and

"Whereas although said Paonia project has been designed and a contract for the construction thereof was entered into in 1948 by the North Fork Water Conservancy District and the United States, the Colorado River Storage Project Act requires that a new soil classification of lands within the said district be made; and

"Whereas said required soil classification has not been made, and there appears to be delay sufficient to jeopardize the beginning of construction on the Paonia project during the 1957–58 fiscal year, even though all other qualifications have been met for participation under the Colorado River Storage Project Act: 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 it respectfully memorializes the Department of the Interior and the Department of Agriculture of the United States to rush to completion formal soil classification reports so that the Paonia project, long authorized in the center of arid lands requiring additional and supplemental water for irrigation, may be constructed during 1957 and 1958 as an initial phase of the development of the Colorado River watershed; be it further

"Resolved, That copies of this memorial be transmitted to the Secretary of Agriculture, the Secretary of the Interior, the Commissioner of Reclamation, and to the President of the Senate and the Speaker of the House of Representatives of the United States, and to the Members of the Congress from the State of Colorado.

"FRANK L. HAYS,
"President of the Senate.
"MILDRED H. CRESSWELL,
"Secretary of the Senate.
"CHARLES R. CONKLIN,
"Speaker of the House of Representatives.
"LEE MATTIES,
"Chief Clerk of the House of Representatives."

A concurrent resolution of the Legislature of the State of Idaho; to the Committee on the Judiciary:

"House Concurrent Resolution 6

"Concurrent resolution making an application to the Congress of the United States pursuant to article V of the Constitution of the United States for a convention for proposing an amendment to the Constitution of the United States

"Resolved by the house of representatives (the senate concurring), That the Legislature of the State of Idaho, pursuant to article V of the Constitution of the United States, hereby makes application to the Congress of the United States to call a convention for proposing the following article as an amendment to the Constitution of the United States in lieu of article V:

" 'ARTICLE —

" 'SECTION 1. The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or on the application of the legislatures of two-thirds of the several States shall call a convention for proposing amendments; or the legislature of any State, whenever two-thirds of each House shall deem it necessary, may propose amendments to this Constitution by transmitting to the Secretary of State of the United States and to the secretary of state of each of the several States a certified copy of the resolution proposing the amendment, which shall be deemed submitted to the several States for ratification when certified copies of resolutions of the legislatures of any 12 of the several States by two-thirds of each House shall have been so transmitted concurring in the proposal of such amendment; which, in any case, shall be valid to all intents and purposes as part of this Constitution when ratified by the legislatures of three-fourths of the several States: *Provided,* That no State, without its consent, shall be deprived of its equal suffrage in the Senate.

" 'SEC. 2. The act of proposal, concurrence in a proposal, or ratification of an amendment, shall not be revocable.

" 'SEC. 3. A proposal of an amendment by a State shall be inoperative unless it shall have been so concurred in within 7 years from the date of this proposal. A proposed amendment shall be inoperative unless it shall have been so ratified within 15 years from the date of its submission, or shorter period as may be prescribed in the resolution proposing the amendment.

" 'SEC. 4. Controversies respecting the validity of an amendment shall be justiciable and shall be determined by the exercise of the judicial power of the United States'; and be it further

"Resolved, That such amendment shall be valid to all intents and purposes as part of the Constitution of the United States when ratified by the legislatures of three-fourths of the several States; and be it further

"Resolved, That as the power of the sovereign States to propose amendments to the Constitution of the United States by convention under article V has never been exercised and no precedent exists for the calling or holding of such convention, the State of Idaho hereby declares the following basic principles with respect thereto: That the power of the sovereign States to amend the Constitution of the United States under article V is absolute; that the power of the sovereign States to propose amendments to the Constitution by convention under article V is absolute; that the power of the sovereign States extends over such convention and the scope and control thereof and that it is within their sovereign power to prescribe whether such convention shall be general or shall be limited to the proposal of a specified amendment or of amendments in a specified field; that the exercise by the sovereign States of their power to require the calling of such convention contemplates that the applications of the several States for such convention shall prescribe the scope thereof and the essential provisions for holding the same; that the scope of such convention and the provisions for holding the same are established in and by the applications therefor by the legislatures of the two-thirds majority of the several States required by article V to call the same, and that it is the duty of the Congress to call such convention in conformity therewith; that such convention is without power to transcend, and the delegates to such convention are without power to act except within the limitations and provisions so prescribed; and be it further

"Resolved, That such convention shall be called and held in conformity with the following limitations and provisions, and that the Congress, in the call for such convention, hereby is requested to and shall prescribe:

"(1) That such convention shall be held in the city of Philadelphia, in the State of Pennsylvania on the first Monday of the first December following transmission to the Senate and the House of Representatives of the Congress of the United States of application for such convention by the legislatures of two-thirds of the several States and, in honor of the Nation's founders and for invocation, shall convene at Constitution Hall, at Independence Square, at the hour of 10 o'clock in the morning of such day, and thereupon adjourn to more commodious quarters within said city for session as the convention shall determine;

"(2) That the several States shall have equal suffrage at such convention; that each of the several States shall be entitled to 3 delegates thereat and that each of such delegates shall be entitled to 1 vote; that the delegates to such convention from the several States shall be the highest officer of the senate and the highest officer of the house of representatives of their respective legislatures at the time of such convention, except that in States where the lieutenant governor is president of the senate, the president of the senate pro tempore or other highest officer from the membership of the senate shall be such delegate from the senate and in States having a unicameral legislature the 2 highest officers of its legislature shall be such delegates, which 2 delegates in each of the several States shall jointly designate a citizen of such State at large who shall be the third delegate from such State to such convention; that in case of a vacancy in the office of any delegate during such convention, not otherwise filled pursuant to law or by legislative act or as herein provided, such vacancy shall be filled by the governor of such State from the senate or house of its legislature or the State at large, respectively, as the case may be; that during

such vacancy and during the absence of a delegate from the floor of the convention the delegates present from such State shall be empowered to exercise the vote of the absent delegate or delegates from such State; that the legislature of any State may choose its delegates to such convention, other than hereinabove designated, in which case the delegates so chosen shall be certified to the convention by the secretary of state of such State and shall constitute the delegates of such State at such convention in lieu of the delegates otherwise hereinabove designated;

"(3) That such convention shall be limited and restricted specifically to the consideration and proposal of such amendment to article V, the choosing of officers and adoption of rules of procedure for the conduct of such convention and the maintenance of order thereat, the determination of any issue respecting the seating of delegates, adjournment from day to day and to a day certain and from place to place within said city as may be convenient, and adjournment sine die; and such convention shall not be held for any other purpose nor have any other power, and the delegates thereto shall have no power other than within the limitations herein prescribed;

"(4) That a permanent record shall be made of the proceedings of such convention, which shall be certified by the secretary of the convention, the original of which shall be placed in the Library of Congress and printed copies of which shall be transmitted to the Senate and the House of Representatives of the Congress, to the Secretary of State of the United States, and to each house of the legislature and to the secretary of state of each of the several States;

"(5) That the powers of such convention shall be exercisable by the States, represented at such convention by duly constituted delegates thereat, by majority vote of the States present and voting on such proposal, and not otherwise; and be it further

"Resolved, That this application shall constitute a continuing application for such convention under article V of the Constitution of the United States until the legislatures of two-thirds of the several States shall have made like applications and such convention shall have been called and held in conformity therewith, unless the Congress itself propose such amendment within the time and the manner herein provided; and be it further

"Resolved, That proposal of such amendment by the Congress and its submission for ratification to the legislatures of the several States in the form of the article hereinabove specifically set forth, at any time prior to 60 days after the legislatures of two-thirds of the several States shall have made application for such convention, shall render such convention unnecessary and the same shall not be held; otherwise such convention shall be called and held in conformity with such applications; and be it further

"Resolved, That as this application under article V of the Constitution of the United States is the exercise of a fundamental power of the sovereign States under the Constitution of the United States, it is requested that receipt of this application by the Senate and House of Representatives of the Congress of the United States be officially noted and duly entered upon their respective records, and that the full context of this resolution be published in the official publication of both the Senate and House of Representatives of the Congress; and be it further

"Resolved, That the Secretary of State of the State of Idaho prepare and certify copies of this resolution and transmit copies of this resolution forthwith to the Senate and House of Representatives of the Congress of the United States, to each Senator and Representative in the Congress from this State, and to the Secretary of State of the United States, and to each house of the legislature and to the secretary of state of each of the several States, attesting the adoption of this resolution by the legislature of this State."

A resolution of the House of Representatives of the Territory of Alaska; to the Committee on Interior and Insular Affairs:

"House Memorial 11

"To the Honorable Dwight D. Eisenhower, President of the United States; the Congress of the United States; the Secretary of the Interior; the Attorney General of the United States; and the Delegate to Congress from Alaska:

"Your memorialist, the House of Representatives of the Territory of Alaska, in 23d session assembled, respectively represents that—

"Whereas approximately $250,000 per year in fines and forfeitures is collected in the United States commissioner's courts and United States district courts in Alaska, from Alaska citizens, for violations of Territorial laws and regulations; and

"Whereas these fines are presently paid into the Federal Treasury; and

"Whereas the Territory of Alaska has assumed the obligation and responsibility for providing law-enforcement protection in the rural areas of the Territory of Alaska by the organization and financial support of a Territorial police organization; and

"Whereas, the majority of the fines and forfeitures collected in the United States commissioner's court and the United States district courts in Alaska are for violations of Territorial laws for which prosecution was brought by officer of the Territory:

"Now, therefore, your memorialist, the House of Representatives of the Territory of Alaska, respectively prays that the 85th Congress of the United States adopt legislation permitting part of these funds to be covered into the general fund of the Territorial treasury for the purpose of meeting the expenses of the Territory in providing for the administration of justice in Alaska.

"And your memorialist will ever pray.

"Passed by the house March 22, 1957.

"RICHARD J. GREUEL,
"Speaker of the House.

"Attest:

"DOLORES D. GOAD,
"Chief Clerk of the House.

"Certified true, full and correct.

"DOLORES D. GOAD,
"Chief Clerk of the House.

"I certify that the above is a true, full and correct copy of House Memorial 11.

"WAINO E. HENDRICKSON,
"Secretary of Alaska."

A resolution adopted at a meeting of American Patriots, at Boston, Mass., relating to the censure of Senator MCCARTHY; to the Committee on the Judiciary.

A paper in the nature of a petition from Emmett B. Cocke, of San Antonio, Tex., relating to the general welfare; to the Committee on Labor and Public Welfare.

A resolution adopted by postal employees of Wood River, Ill., favoring the enactment of legislation to increase the salaries of postal employees; to the Committee on Post Office and Civil Service.

JOINT RESOLUTIONS OF NEW MEXICO LEGISLATURE

Mr. ANDERSON. Mr. President, I have just received from the New Mexico House of Representatives, House Joint Memorial 3, memorializing the United States Congress to pass legislation granting to the State of New Mexico and the other Western States all of the lands and minerals within their respective borders with the exception of lands within national parks, national monuments, national forests, and lands utilized for national defense and for the promotion of aviation and agriculture.

The joint memorial was passed by the New Mexico Legislature and signed by the Governor.

I ask unanimous consent that the joint memorial be printed in the RECORD, and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Interior and Insular Affairs, and, under the rule, ordered to be printed in the RECORD, as follows:

House Joint Memorial 3

Joint memorial memorializing the United States Congress to pass legislation granting to the State of New Mexico and the other Western States all of the lands and minerals within their respective borders with the exception of lands within national parks, national monuments, national forests, and lands utilized for national defense and for the promotion of aviation and agriculture.

Whereas the people of New Mexico recognize that the United States of America owns over 45 percent of all the lands within the borders of New Mexico; and

Whereas the people of New Mexico recognize that the United States of America owns a large proportion of the Western States as tabulated below:

	Percent
Arizona	69
California	45
Colorado	37
Idaho	64
Montana	36
Nevada	84
New Mexico	45
North Dakota	6
Oklahoma	8
Oregon	52
South Dakota	17
Utah	71
Washington	35
Wyoming	51

Whereas the people of New Mexico have long been aware of the inequitable lack of sovereignty and loss of revenue from the lands aforesaid and minerals contained therein; and

Whereas the Taylor Grazing Act of 1934 in its preamble states that its purpose is "to promote the highest use of the public lands pending its final disposal"; and

Whereas by the several acts of admission of the Western States enumerated above each State was admitted into the Union on an equal footing with the original States in all respects whatever, which is not the case in fact when the Federal Government owns the majority of the lands within the said Western States and the minerals contained therein; and

Whereas the Government of the United States has from time to time taken and continues to take more of the lands and minerals in addition to those already owned by it within the Western States, and thus deprives New Mexico and its citizens, and deprives the other Western States and their citizens further from the benefits of such lands and minerals: Now, therefore, be it

Resolved by the Legislature of the State of New Mexico, That the Congress of the United States of America be and it is hereby memorialized to promptly, diligently, and fairly consider and act upon at this session, legislation designed to grant to New Mexico and its citizens, and to the other Western States and their citizens, title to all of the lands and minerals presently owned by the Government of the United States within the

borders of New Mexico and of the other Western States, with the exception of lands in use, or needed in the immediate future for use, in the discharge of governmental functions, and of lands and minerals in national parks, national monuments, national forests, and of lands for national defense and for promotion of aviation and agriculture; and be it further

Resolved, That copies of this memorial be transmitted to the President and to the Vice President of the United States, to the Speaker of the House of Representatives of said Congress, and to each Senator and Representative from New Mexico in the Congress of the United States.

DONALD D. HALLAM,
Speaker, House of Representatives.
FLOYD CROSS,
Chief Clerk, House of Representatives.
JOE M. MONTOYA,
President, Senate.
GRACE MCAFEE,
Chief Clerk, Senate.

Approved by me this 22d day of March 1957.

EDWIN L. MECHEM,
Governor, State of New Mexico.

(The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of New Mexico, identical with the foregoing, which was referred to the Committee on Interior and Insular Affairs.)

Mr. ANDERSON. Mr. President, I have just received from the New Mexico House of Representatives, House Joint Memorial No. 17, memorializing the Congressional delegation of New Mexico and Arizona to exert their efforts on behalf of the establishment and construction of a flood-control and irrigation dam on the San Francisco River at the proposed Frisco Dam site, Reserve, N. Mex.

The joint memorial was passed by the New Mexico State Legislature.

I ask unanimous consent that the joint memorial be printed in the RECORD, and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Public Works, and, under the rule, ordered to be printed in the RECORD, as follows:

House Joint Memorial 17

Joint memorial memorializing the Congressional delegation of New Mexico and Arizona to exert their efforts on behalf of the establishment and construction of flood-control and irrigation dam on the San Francisco River at the proposed Frisco Dam site, Reserve, N. Mex.

Whereas the establishment and construction of a flood-control and irrigation dam at the Frisco Dam site on the San Francisco River in southwestern New Mexico would serve a multifold purpose; and

Whereas the establishment and construction of the proposed dam would prevent the recurrence of floods such as those of 1941 and 1949 that seriously damaged areas of Reserve, Alma, Glenwood, and Pleasonton in New Mexico and Clifton in Arizona, and many acres of valuable farmland along the banks of the Frisco and Gila Rivers; and

Whereas the controlled irrigation of such areas would be of untold benefit as the Frisco River in such areas practically dries up during the late summer months when the water is needed the most; and

Whereas if the dam is constructed at the proposed site on the Frisco River, known as the Frisco Dam site, the costs would be relatively small due to the height of the rock walls bounding the river and the narrowness of the river canyon at this point; and

Whereas if the dam is constructed at the proposed site, the people of the State of Arizona will cooperate with and welcome such construction as it will be of untold value to many of their citizens: Now, therefore, be it

Resolved by the Legislature of the State of New Mexico, That the congressional delegation of New Mexico and Arizona be hereby memorialized earnestly to exert their efforts on behalf of the establishment and construction of a flood-control dam at the Frisco Dam site on the San Francisco River at Reserve, N. Mex.; and be it further

Resolved, That copies of this memorial be transmitted to each member of the congressional delegation of New Mexico and Arizona.

DONALD D. HALLAM,
Speaker, House of Representatives.
FLOYD CROSS,
Chief Clerk, House of Representatives.
JOE M. MONTOYA,
President, Senate.
GRACE MCAFEE,
Chief Clerk, Senate.

Approved by me this — day of — 1957.

EDWIN L. MECHEM,
Governor, State of New Mexico.

STATEHOOD FOR ALASKA AND HAWAII—RESOLUTION

Mr. JAVITS. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the New York State Junior Chamber of Commerce, favoring the enactment of legislation to admit Alaska and Hawaii into the Union.

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

NEW YORK STATE
JUNIOR CHAMBER OF COMMERCE,
March 18, 1957.

To: Senator JAVITS.
From: Thomas D. Milligan, executive secretary.
Subject: Alaska and Hawaii—statehood.

The New York State Junior Chamber of Commerce convened in its quarterly board of directors' meeting at Syracuse, March 15–17, adopted the resolution presented below; 275 delegates representing 6,500 Jaycees attended:

"Whereas our national heritage has developed upon the principle of the people having a duly elected voice in the affairs of government; and

"Whereas administration of Alaska and Hawaiian Territorial affairs from the Nation's Capital is less than adequate for the needs of the citizens in the upbuilding of the Territories; and

"Whereas Alaskans and Hawaiians share the same standard of living to which we in the States are accustomed; and

"Whereas the methods and forms of governments for villages, municipalities, and the Territories are already functioning and are comparable to ours in the States; and

"Whereas the people of Alaska and Hawaii are United States citizens paying Federal taxes, subject to military service, and generally subject to the same Federal statutes as the citizens in the 48 States, but do not have representation in Congress: Now be it hereby

"*Resolved*, That the New York State Junior Chamber of Commerce, Inc., urge that our Representatives to Congress from New York State vote for pending House and Senate bills endowing statehood upon the Territory of Alaska and the Territory of Hawaii."

AMENDMENT OF THE CONSTITUTION RELATING TO THE TREATY-MAKING POWER—RESOLUTION

Mr. JAVITS. Mr. President, I present, for appropriate reference, a resolution adopted by the Long Island General Assembly, Fourth Degree (Patriotic), Knights of Columbus, of Brooklyn, N. Y., favoring the enactment of the so-called Bricker amendment, relating to the treaty-making power. I ask unanimous consent that the resolution be printed in the RECORD.

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

The following resolution was unanimously adopted by the members of the Long Island General Assembly, Fourth Degree (Patriotic), Knights of Columbus, Kings County, Brooklyn, N. Y., at their meeting on February 23, 1957:

"*Resolved*, That the Long Island General Assembly, Fourth Degree (Patriotic), Knights of Columbus, Brooklyn, N. Y., reaffirms its 1955 and 1956 support of the principles of the proposed Bricker amendment to our Federal Constitution, the objective of which is to further secure the individual American citizen's God-given rights and to prevent the undermining of our domestic law by treaty or other international agreement; therefore again petition the Congress of the United States to submit such an amendment to the States for ratification during the present session."

Sincerely yours,

JAMES F. MORGAN,
Faithful Navigator.

FEDERAL AID TO EDUCATION—RESOLUTION

Mr. THURMOND. Mr. President, I present, for appropriate reference, a resolution adopted by the board of directors of the chamber of commerce, of Spartanburg, S. C., protesting against the enactment of any legislation providing Federal aid to education. I ask unanimous consent that the resolution be printed in the RECORD.

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

Whereas in the first session of the 85th Congress at least two bills have been introduced (H. R. 1 and H. R. 3986) which would seek to establish a broad program of Federal aid to education; and

Whereas the American public school system is traditionally and distinctively a community affair in which the States and local school districts are charged with the responsibility for the financing and direction of their public schools, according to their respective needs; and

Whereas the discharge of these responsibilities is being ably and effectively carried out by the States and local school districts: Be is now, therefore,

Resolved by the board of directors of the Spartanburg Chamber of Commerce, That this organization be unalterably opposed to the passage of any Federal legislation which would permit the encroachment upon the rights of the States and local school districts through Federal aid to education; and be it further

Resolved, That the Spartanburg Chamber of Commerce give its wholehearted endorsement to the policy expressed by the Chamber of Commerce of the United States opposing Federal aid to education.

RESOLUTION OF BOARD OF DIRECTORS, WEST CENTRAL TELEPHONE ASSOCIATION, WADENA, MINN.

Mr. HUMPHREY. Mr. President, I present, for appropriate reference, a resolution adopted by the board of directors of the West Central Telephone Association, at Wadena, Minn., relating to the delivery of central office equipment scheduled for the towns of Sebeka, Menahga, Wolf Lake, and Verndale, Minn. The resolution calls upon Congress to investigate the delay in the matter of the Rural Electrification Administration in granting approval of certain loans for the improvement of telephone service. This resolution comes from a telephone association which serves a large area of western Minnesota. I ask unanimous consent that the resolution may be printed in the RECORD.

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

Whereas on November 15, 1955, West Central Telephone Asociation accepted bids on central office equipment for the villages of Verndale, Sebeka, Menahga, and Wolf Lake, in the presence of an REA field representative; and

Whereas Kellogg Switchboard & Supply Co. was the low bidder resulting in a contract for the central office equipment for the above-named towns; and

Whereas this contract was approved by the Administrator of the Rural Electrification Administration on February 2, 1956; and

Whereas the contract between West Central Telephone Association and Kellogg Switchboard & Supply Co. specifies that delivery of this equipment would be made within 240 days from the date of approval; and

Whereas representatives of Kellogg Switchboard & Supply Co. and representatives of the Federal Radio & Telephone Corporation, of Clifton, N. J., the manufacturers of the equipment sold by Kellogg Switchboard & Supply Co., have repeatedly, by letters, telegrams, and telephone conversations, as well as in personal conferences with representatives of West Central Telephone Association, assured the telephone association that delivery would be made within the specified time, and also after the specified time had elapsed, that delivery would be made in March 1957; and

Whereas delivery of the equipment has not been made in accordance with promises given by both the supplier and the manufacturer: Now, therefore, be it

Resolved, That the Administrator of the Rural Electrification Administration be requested to investigate this matter to determine the cause of the delay and also to do everything possible to expedite at the earliest possible date the delivery of the central office equipment covered by this contract; be it further

Resolved, That if satisfactory delivery is not forthcoming that the Administrator of the Rural Electrification Administration be requested to withhold approval of any and all contracts which may be written in the future between REA financed systems and Kellogg Switchboard & Supply Co. and/or Federal Radio & Telephone Co.; be it further

Resolved, That copies of this resolution be sent to the Administrator, and to Senators HUMPHREY and THYE, Congresswoman KNUTSON, and Representative FRED MARSHALL.

CERTIFICATE OF SECRETARY

I, Paul Richter, do hereby certify that: I am the secretary of the West Central Telephone Association (hereinafter called the "Cooperative"), that the attached is a correct copy of the original resolution adopted by the board of directors of said association at the special meeting held in the village of Wadena, March 25, 1957. A quorum of the board was present and acted throughout; the attached resolution has not been rescinded or modified.

In witness whereof I have hereunto set my hand and affixed the seal of the Cooperative this 25th day of March 1957.

[SEAL] PAUL RICHTER,
Secretary.

EXTENSION OF FAIR LABOR STANDARDS ACT—COMPULSORY INSPECTION OF POULTRY—LETTERS AND RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received two letters from the St. Paul Trades and Labor Assembly.

The first of these endorses an extension of coverage under the Fair Labor Standards Act.

The second supports S. 1128, my poultry inspection bill.

I ask unanimous consent that the communications and the attached resolution on S. 1128 be printed in the RECORD and appropriately referred.

There being no objection, the letters and resolution were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Labor and Public Welfare:

ST. PAUL TRADES AND LABOR ASSEMBLY,
St. Paul, Minn., March 26, 1957.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: The St. Paul Trades and Labor Assembly has been advised that there is legislation pending before Congress that would provide extension of coverage of the Fair Labor Standards Act. I believe this legislation is known as the Morse-Kelley bills S. 1267 and H. R. 4575.

The assembly is in favor of extending coverage to all wage earners under the Fair Labor Standards Act and the assembly has requested me to write and urge your support of this measure.

Very truly yours,
E. D. MCKINNON,
Secretary, St. Paul Trades and Labor Assembly.

To the Committee on Agriculture and Forestry:

ST. PAUL TRADES AND LABOR ASSEMBLY,
St. Paul, Minn., March 26, 1957.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: The St. Paul Trades and Labor Assembly went on record at their meeting on March 22, in favor of S. 1128 which we understand has for its purpose the improving of conditions in the processing of poultry.

A copy of the resolution adopted by the assembly is attached hereto.

Very truly yours,
E. D. MCKINNON,
Secretary, St. Paul Trades and Labor Assembly.

Whereas because of the deplorable conditions existing in some poultry plants throughout the country, the Amalgamated Meat Cutters has for some time been endeavoring to have proper inspection in the poultry industry by the passage of legislation requiring this industry to correct existing conditions; and

Whereas in many plants diseased and sick poultry is being processed and sold to the consumers with parts missing, and in cut-up form even though these parts have been exposed to disease, and in most cases this poultry has not been inspected; and

Whereas there is now pending in Congress, legislation which will provide proper inspection in the poultry industry and such legislation is being opposed by large poultry growers and associations without regard to the consumers; and

Whereas the Amalgamated Meat Cutters is keenly interested in providing clean, wholesome products to the public: Therefore be it

Resolved, That the St. Paul Trades and Labor Assembly lend its support to the passage of this legislation known as S. 1128 and to Senator HUMPHREY who, as a member of the subcommittee handling this bill, is doing an outstanding job in an effort to have the bill passed, even though being pressed by large groups in the industry to withdraw same; and further

That a copy of this resolution be sent to Senators THYE and HUMPHREY.

CITIZENS COMMITTEE TO STUDY FEDERAL AID TO EDUCATION—LETTER AND REPORT

Mr. HUMPHREY. Mr. President, I present, and ask unanimous consent to have printed in the RECORD, a letter I have received from Rufus A. Putnam, superintendent of schools of Minneapolis, Minn., and a report of the special committee to study Federal aid to education, which Mr. Putnam enclosed with his letter. I ask that the letter and report be appropriately referred.

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

MINNEAPOLIS PUBLIC SCHOOLS,
Minneapolis, Minn., March 29, 1957.

The Honorable HUBERT H. HUMPHREY,
The United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: On January 15, 1957, the board of education authorized the president of the board to appoint a citizens' committee to study Federal aid to education and to submit findings and recommendations to the board of education to be forwarded to the Congress of the United States for action.

At the meeting of the board of education which was held on March 26, 1957, the board voted to endorse and support the report which the citizens' committee presented to the board and to send copies of the report to the Minneapolis delegation in the Congress of the United States.

A copy of the report of the citizens' committee is enclosed.

Yours very truly,
RUFUS A. PUTNAM,
Superintendent of Schools.

REPORT OF THE SPECIAL COMMITTEE TO STUDY FEDERAL AID TO EDUCATION, APPOINTED BY MINNEAPOLIS BOARD OF EDUCATION, MARCH 25, 1957

To the Members of the Board of Education:

The members of your committee, appointed in accordance with your resolution of January 15, 1957, have considered the many facets of the problem of Federal support for the public schools.

This committee realizes and believes in the necessity and inevitability of Federal aid for publicly controlled and tax supported schools, and recommends:

1. Federal support for the public schools should be distributed solely on the basis of

the number of children of school age within each State.

2. Control of the public schools should remain the complete responsibility of the States and local school districts; and any funds derived from Federal sources should be channeled to the several States through the United States Office of Education and the respective State departments of education.

3. The basic responsibility for the financial support of the public schools should remain with the States and local communities; but it is in the national interest and entirely appropriate for the Federal Government to give continuing and extended partial support.

4. In addition to providing partial current support of education, and filling other educational needs, Federal funds should be used to construct and equip public school buildings.

5. The offshore oil and gas resources beyond the limits of State jurisdictions belong to all the people; and the proceeds from such resources should be dedicated to the use of publicly controlled and tax supported schools.

Respectfully submitted.

SPECIAL COMMITTEE TO STUDY FEDERAL AID TO EDUCATION,
JAMES B. LUND, *Chairman.*
Mrs. HOWARD S. KAHN, *Secretary.*

The recommendations of this committee have been established upon certain basic considerations which may be summarized as follows:

Proposals for Federal aid to schools now being considered by the Congress generally emphasize aid for school construction. These proposals are based on the premise that many school districts are unable to meet the classroom shortage through their own resources; consequently, these districts should be helped through Federal grants. Even though some of the proposals would distribute Federal funds among the States on the basis of the number of school children, each State would determine how the funds would be apportioned among the school districts. In most States, need and the ability to pay would be major factors in determining the amount allotted to each district.

Because Minneapolis has more taxable wealth per pupil than the average community in Minnesota or in the Nation, the Minneapolis schools would probably not benefit directly from any plan of Federal aid which was based upon equalization of need. The proposals now before Congress would be of indirect benefit perhaps, by providing some aid to other Minnesota communities whose needs might otherwise have to be financed from State taxes, a substantial part of which are paid by Minneapolis citizens.

In America, schools have been kept close to the people and there is general agreement that it is in the interest of democracy to keep them thus. Financial support is closely related to control over expenditures. There is general concern that Federal support should not by synonymous with Federal control. In a Federal program based on need, or equalization, there is a danger of Federal control. In order to preserve the fundamental principle of local control of public schools, therefore, any program of Federal support should be distributed on a purely objective, pupil population basis.

The Federal Government creates no wealth. It has no resources which are not available to States and local communities. However, with the growth of nationwide industries whose wealth-generating powers stretch across State lines, and with the corresponding growth of tax collecting powers and the increasing concentration of tax collections at the Federal level, greater equity is secured by assessing a part of the cost of education through taxing powers at the Federal level. These is also real justification for using the income from certain natural resources which belong to all the people, such as the offshore oil lands, for the benefit of all the people by using such income to improve the quality of schools throughout the Nation.

Because in a democracy all have equal votes in determining the affairs of government; because education is the foundation of high living standards; and because of the mobility of population within and between the States, it is in the interest of all communities and of all citizens that there should be no educational slums. Because good education for children in all parts of the country is a national concern, the Federal Government may properly be called upon to provide some support for the educational program. Because local control of schools is also important, the control and expenditure of such funds should be determined by the local district.

MEMBERSHIP, SPECIAL COMMITTEE TO STUDY FEDERAL AID TO EDUCATION

Lund, James B., chairman, 4854 Russell Avenue South; Kahn, Mrs. Howard S., secretary, 5133 Oliver Avenue South; Adams, Frank, 200 Court House; Drake, Benjamin, 543 Plymouth Building; Dunshee, Mrs. Donald, 5300 Bloomington Avenue; Granger, Shelton, 510 Northwestern Federal Building; Heggerston, A. I., 807 Northeast Broadway; Hill, Dr. Frederick W., 807 Northeast Broadway; Huebner, John, 3515 Fifth Street NE.; Langton, York, 7500 Excelsior Boulevard; McNulty, Kenneth F., 119 Fourth Avenue NE.; Mansfield, Mrs. M. L., 408 East 33d Street; Smaby, Mrs. A. J., 1531 East River Road; Watson, Dr. Wm. E., 704 Physicians and Surgeons Building, Wishart, Robert, CIO Hall, 724 Fourth Avenue South.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 1771. A bill to provide for a 1957 corn base acreage of 51 million acres, and for other purposes (Rept. No. 198).

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

S. 253. A bill for the relief of Josef Michael Adolf (Rept. No. 200).

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

S. 249. A bill for the relief of Theodora Hegeman (Rept. No. 201);

S. 257. A bill for the relief of Petronella Elisabeth Deimbeck Major (Rept. No. 202);

S. 368. A bill for the relief of Jose Medina-Chavez (Joe Medina) (Rept. No. 203); and

S. 570. A bill for the relief of Jeannine Therriaud Grantham (Rept. No. 204).

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

S. 126. A bill for the relief of Ljubischa Nikolich (Rept. No. 205).

By Mr. O'MAHONEY, from the Committee on the Judiciary, without amendment:

S. 560. A bill for the relief of Alec Ernest Sales (Rept. No. 199).

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. MURRAY:

S. 1767. A bill for the relief of Eileen Sheila Dhanda; to the Committee on the Judiciary.

By Mr. DIRKSEN:

S. 1768. A bill to incorporate the National Association of Colored Women's Clubs; to the Committee on the Judiciary.

By Mr. JOHNSON of Texas (for Mr. SMATHERS):

S. 1769. A bill to require common carriers to give passenger service information in daylight-saving time; to the Committee on Interstate and Foreign Commerce.

By Mr. BIBLE (for himself, Mr. BEALL, Mr. FREAR, Mr. MANSFIELD, Mr. NEELY, and Mr. MCCARTHY):

S. 1770. A bill to provide for the retirement of officers and members of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, and of certain officers and members of the United States Secret Service, and for other purposes; to the Committee on the District of Columbia.

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

By Mr. HUMPHREY (for himself, Mr. HICKENLOOPER, Mr. MUNDT, Mr. SYMINGTON, and Mr. THYE):

S. 1771. A bill to provide for a 1957 corn-base acreage of 51 million acres, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. IVES:

S. 1772. A bill to amend the Labor Management Relations Act, 1947, as amended, so as to clarify the authority of the States and Territories with respect to certain cases within the purview of such act; to the Committee on Labor and Public Welfare.

By Mr. BIBLE:

S. 1773. A bill to validate a certain conveyance heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, to the State of Nevada, involving certain portions of right-of-way in the city of Reno, county of Washoe, State of Nevada, acquired by the Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356); to the Committee on Interior and Insular Affairs.

By Mr. STENNIS (for himself and Mr. EASTLAND):

S. 1774. A bill for the relief of Yee Suey Nong; to the Committee on the Judiciary.

By Mr. MALONE:

S. 1775. A bill to authorize private transactions involving the sale, acquisition, or holding of gold within the United States; to the Committee on Banking and Currency.

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

By Mr. STENNIS (for himself and Mr. O'MAHONEY):

S. J. Res. 79. Joint resolution permitting the Secretary of the Interior to continue to deliver water to lands in the Heart Mountain division, Shoshone Federal reclamation project, Wyoming; to the Committee on Interior and Insular Affairs.

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT 139, ENTITLED "TECHNICAL ASSISTANCE"

Mr. GREEN submitted the following concurrent resolution (S. Con. Res. 24), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on Foreign Relations 2,500 additional copies of Senate Report 139, current Congress, entitled "Technical Assistance."

RETIREMENT OF CERTAIN DISTRICT OF COLUMBIA POLICEMEN AND FIREMEN

Mr. BIBLE. Mr. President, on behalf of myself, the Senator from Maryland

[Mr. BEALL], the Senator from Delaware [Mr. FREAR], the Senator from Montana [Mr. MANSFIELD], and the Senator from West Virginia [Mr. NEELY], I introduce, for appropriate reference, a bill to provide for the retirement of officers and members of the Metropolitan Police Force, Fire Department, and District of Columbia United States Park Police, White House Police, and certain officers and members of the United States Secret Service.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1770) to provide for the retirement of officers and members of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, and of certain officers and members of the United States Secret Service, and for other purposes, introduced by Mr. BIBLE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the District of Columbia.

Mr. BIBLE. The bill contemplates a complete overhaul of the Police and Fire Pension system, which has long been overdue. The present retirement system was enacted and is still predicated upon 1916 legislation. Since that time revolutionary changes in thinking relative to retirement systems are evident throughout both private industry and Government. However, police and fire pensions have remained constant, and this has resulted in their being surpassed in many factors. From a position once held—that of the leader in this field—police and fire pensions now compare unfavorably with the liberalized features of the Civil Service Retirement Act. This has resulted in a police and fire career no longer being attractive to many young men of the caliber desired for recruitment. For example, of the men now seeking positions in the police and fire departments, only 1 in 7 possesses the qualifications necessary to pass the elementary entrance examination. Resignations have been numerous, and recruitment is difficult. The proposed legislation would be a long step toward correcting the condition existent today.

The proposed legislation offers as an attraction to the younger man a 20-year retirement option with a reduced annuity. That is followed by the offer of an incentive to the experienced man to remain with his department after he is qualified to retire—thereby giving his respective department the advantage of his knowledge and years of experience. It also gives them the privilege of computing previous military and Government service toward retirement provided civil service employees. Furthermore, it extends to the men on the forces the similar disability provisions enjoyed under civil service retirement. Due to the increase in deductions from 5 percent to 6½ percent there will be no immediate cost. In fact, the first 5 years of operation will result in a saving to the Government. There is a cost thereafter.

Because of the hazardous nature of their occupations it has long been held that police and fire pensions should be among the best. The enactment of the proposed legislation will accomplish this and at no immediate cost to the Government.

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

Mr. BIBLE. I am happy to yield to the distinguished Senator from Montana.

Mr. MANSFIELD. I am delighted to join as a cosponsor of this proposed legislation. I wish to assure the Senator from Nevada that I hope under his leadership we shall be able to do something for the policemen and firemen of this city.

As the Senator so ably pointed out, the value of a career as a firemen or a policeman is receding more and more into the background, as compared with the many benefits which are the attributes of civil service employment. All of us are aware of the magnificent work done by the Police Department during the bus strike a year or so ago. We know some action was taken then to rectify the situation.

I sincerely hope this retirement and disability bill, introduced by the Senator from Nevada, will pass, and I hope it will not be too long before we will be able to introduce and consider seriously legislation seeking to raise the salary schedules for policemen and firemen in the District of Columbia. I think it is a shame that in this, of all cities, the policemen are being treated so shabbily as they are at the present time.

Mr. BIBLE. I thank the Senator from Montana. I appreciate his interest in the bill, and I share his views.

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

Mr. BIBLE. I yield to the Senator from Wisconsin.

Mr. McCARTHY. I ask the Senator to yield for this purpose: While I normally do not add my name to a bill as a cosponsor, I heartily approve of the bill introduced by the Senator from Nevada. I think it should go further. I should like to be listed as a cosponsor of the bill.

Mr. BIBLE. I am very happy to have the cosponsorship of the Senator from Wisconsin.

PRIVATE TRANSACTION RELATING TO SALE OF GOLD

Mr. MALONE. Mr. President, in the years 1933 and 1934 two momentous occurrences took place in the United States Congress which opened the door to international socialism and an everspiraling inflation.

In 1933 we followed England off of the hard-money standard and in the following year Congress passed the 1934 Trade Agreements Act. Either one of these two events would have been enough singly to shake the very foundation of our economy which had been so carefully and wisely planned by the framers of the American Constitution in article I, section 8. We in Congress should from time to time reorientate our thinking around the basic tenets of our representative form of government by restudying this document.

EXCERPTS FROM ARTICLE I, SECTION 8, OF THE UNITED STATES CONSTITUTION

Mr. President, I should like to take a moment of the time of the Senate to read a brief portion of this document to my colleagues. Article I, section 8, of the Constitution states:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the departments and provide for the common defense and general welfare of the United States; * * *
>
> To regulate commerce with foreign nations, and among the several States, and with the Indian tribes; * * *
>
> To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures.

THE NEVADA STATE REPUBLICAN CENTRAL COMMITTEE TAKES STAND FOR HARD MONEY

Senators on both sides of the aisle are familiar with my long and impassioned fight to return to the Congress of the United States its authority and responsibility on the hard money and free-trade issues. The citizens of the United States are demanding that we again resume this responsibility.

On December 15, 1956, the Republican State Central Committee met in Fallon, Nev., and passed the following resolution reaffirming the three basic principles of government embodied in the Constitution of the United States:

> The Republican Party of the State of Nevada strongly advocates the return to constitutional government by adopting the following principles which have been the basic tenets of the Republican Party since its inception more than 100 years ago.
>
> We believe the Republican Party must advocate a free market for gold, with removal of all restrictions upon its purchase, sale, and ownership, and a return to the traditional hard-money standard using gold and silver certificates redeemable in the respective metals.
>
> We believe the Republican Party must urge the Congress of the United States to resume its constitutional responsibility of regulating foreign commerce through the adjustment of duties, imports, and excises, through its agent, the Tariff Commission, and allow the so-called Reciprocal Trade Act, which transferred such responsibility to the President, to expire in 1958.
>
> We believe the Republican Party should urge Congress to respect the rights of the individual States in all those matters which have been historically matters of State concern.

Mr. President, gold is a commodity and, like any other commodity, the owners of it should have the right to possess and sell it as do owners of any other industry or economic group that produces commodities.

NOT THE CASE WITH GOLD

This is certainly not the case. Gold is the only commodity the marketing of which has been completely and totally taken over by the Government as a monopoly. The gold producers in the United States can only sell their gold to the Government or to parties licensed by the Government. They must sell their product at a fixed price established by the Government. This price is $35 per fine ounce, and it has remained unchanged since 1934.

Mr. President, in accordance with these beliefs and statements I introduce for appropriate reference, a bill to au-

thorize private transactions involving the sale, acquisition, or holding of gold within the United States. It is in accordance with the resolution passed by the Nevada State Republican Central Committee for the protection of our American economy. I ask that a copy of the bill be printed in the RECORD.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. CASE of South Dakota. Does the Senator's bill establish a free market for gold in this country?

Mr. MALONE. It does.

Mr. CASE of South Dakota. I want to commend the Senator for the introduction of the bill.

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

The bill (S. 1775) to authorize private transactions involving the sale, acquisition, or holding of gold within the United States, introduced by Mr. MALONE, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That notwithstanding any other provision of law gold in any form, mined subsequent to the enactment of this act, within the United States, its Territories, and possessions may be melted, smelted, concentrated, or otherwise treated so as to prepare it to be sold, or held and stored as is, or has been customary with gold and it may be bought, held, sold, or traded upon the open market within the United States, its Territories and possessions for any purpose whatsoever without the requirement of licenses and it may be exported without the imposition of duties, excise taxes, the requirement of licenses, permits, or any restrictions whatsoever.

SEC. 2. Gold imported into the United States after the date of enactment of this act may be held, bought, sold, or traded upon the open market within the United States, its Territories, and possessions, for any purpose whatsoever and may be exported without the imposition of duties, excise taxes, the requirement of licenses, permits, or any restrictions whatsoever.

SEC. 3. All gold held or bought by the United States Treasury, or mints, or assay offices, or by the Federal Reserve banks, shall be construed to be monetary gold. Such gold shall not hereafter be sold for commercial use or for the arts, and such gold shall not hereafter be sold by the Treasury or by the Federal Reserve banks (or for the account of either), directly or indirectly, in any free gold market in the United States, its Territories or possessions, for the purpose of depressing such market and thereby lessening the price and value of gold: *Provided*, That the United States Treasury shall purchase as monetary gold any gold mined after the date of enactment of this act in the United States, its Territories or possessions, which is offered to it for sale at the rate of $35 an ounce.

HUMANE SLAUGHTER OF LIVESTOCK AND POULTRY—ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the Senator from Maine [Mrs. SMITH] be added as a consponsor of the bill (S. 1497) to require the use of humane methods in the slaughter of livestock and poultry in interstate and foreign commerce, and for other purposes. I wish the RECORD to note that it was an error on my part that her name was not included as one of the cosponsors at the time I introduced the bill on March 5, 1957. I deeply regret the mistake I made, and I ask that the RECORD indicate that the Senator from Maine [Mrs. SMITH] is a cosponsor and one of the vigorous supporters of the proposed legislation.

The VICE PRESIDENT. Without objection, 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. BUTLER:

Statement prepared by him on the 12th anniversary of the Soviet enslavement of Rumania.

By Mr. KUCHEL:

Statement by the Secretary of the Interior on statehood for Alaska.

By Mr. HUMPHREY:

Address delivered by him to a group of New Jersey gasoline dealers, at Haddon Heights, N. J., on December 13, 1956.

THE MILITARY BUDGET, WASTE, AND THE LACK OF AN ADEQUATE STRATEGIC DOCTRINE

Mr. SYMINGTON. Mr. President, in a short time the Congress will be asked to approve force levels in the military services, along with the money necessary to implement them, as recommended by the executive branch of the Government. To this end, if one includes foreign military aid, atomic developments and strategic stockpiling, more than $43 billion of new obligational authority and more than $43 billion in expenditures, are being requested of the Congress.

The theory of Field Marshal Montgomery that the free world will go broke unless it starts building its defenses on the basis of progress, instead of tradition, was never more clearly illustrated than by these new budget requests; because in them are requests for vast sums of money which involve unnecessary duplication, and even triplication, always at the taxpayers' expense. In fact, Mr. President, we are now being requested to approve sums, substantial portions of which are predetermined as waste.

The primary reason for this sad condition is the continuing failure on the part of the excutive branch to decide how best to defend this country in case it is ever attacked.

As a brilliant article said recently:

An adequate strategic doctrine is therefore the basic requirement of American security.

More and more of our people are beginning to realize the basic fact that we have no such strategic doctrine.

In this connection, Mr. President, I ask unanimous consent that a part of a recent, brilliant article entitled "Strategy and Organization," written by Mr. Henry Kissinger, and published in Foreign Affairs for April 1957, be inserted at this point in the body of the RECORD. Never has the problem some of us have been presenting for years been so well and clearly presented.

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

STRATEGY AND ORGANIZATION

(By Henry A. Kissinger)

Whatever the problem, whether it concerns our military strategy, our system of alliances, or our relations with the Soviet bloc, the nuclear age demands above all a clarification of doctrine.

At a moment when technology has put within our grasp a command of nature never before imagined, we are driven to realize that everything depends on our ability to use power with subtlety and discrimination.

In the absence of concepts that define the nature of power, its purpose, and its relation to policy, the possession of it may serve merely to paralyze the will. All the difficult choices of the nuclear period, the nature of its weapons systems, the risks diplomacy can run, the issues for which to contend, presuppose a doctrinal answer before they can find a technical one.

This is particularly true of military strategy. Because we have won two world wars by outproducing our opponent, we have tended to equate military superiority with superiority in resources and technology. Yet history demonstrates that superiority in strategic doctrine has, at least as often, been the cause of victory as has superiority in resources.

Superior doctrine enabled the Germans in 1940 to defeat an allied army superior in numbers and, at least, equal in equipment but wedded to an outmoded concept of warfare. Superior mobility and the use of artillery, a better relationship between fire and movement, furnished the basis of Napoleon's victories. Similar examples were the victories of the Roman legions over the Macedonian phalanx, of the English archers against the medieval knights. All these were victories not of resources but of strategic doctrine: The ability to break the framework which had come to be taken for granted and to present the antagonist with contingencies which he had never even considered.

Strategic doctrine translates power into policy. Whether the goals of a state are offensive or defensive, whether it seeks to achieve or prevent a change, its strategic doctrine must be able to define what objectives are worth contending for and to develop the appropriate force for achieving them.

By establishing a pattern of response in advance of crisis situations, strategic doctrine permits a power to act purposefully in the face of challenges. In its absence a power will constantly be surprised by events. An adequate strategic doctrine is therefore the basic requirement of American security.

It may be argued, of course, that we do possess a strategic doctrine expressed in the decisions of the Joint Chiefs of Staff and of the National Security Council on the basis of which the force levels of our Armed Forces are determined by Congress. But the decisions of the Joint Chiefs and of the National Security Council give a misleading impression of unity of purpose.

The officials comprising these bodies are either service chiefs in the case of the Joint Chiefs of Staff or heads of executive departments in the case of the National Security Council. As administrators of complicated organizations, they must give most of their attention to reducing the friction of the administrative machine both within their department and in the relation of their department to other agencies.

The heads of departments do not stand above the battle of the bureaucracy; they are spokesmen for it. In fact, the departmental

viewpoint is sometimes purposely exaggerated in order to facilitate compromise.

As a result, the conclusions of both the Joint Chiefs of Staff and the National Security Council reflect more the attainable consensus among sovereign departments than a sense of direction.

Because agreement is frequently unattainable except by framing conclusions in very general language, decisions by the Joint Chiefs of Staff or the National Security Council do not end interdepartmental disputes. Instead they shift them to an interpretation of the meaning of directives. And departments or services whose disagreements prevented the development of doctrine in the first place will choose the exegesis closest to their original point of view.

The seeming unanimity of our policy-making bodies only defers the doctrinal dilemma until some crisis or the budgetary process forces a reconsideration under the pressure of events.

Mr. SYMINGTON. Mr. President, I plan at another time to insert in the RECORD additional parts of this article, so that, prior to this year's decision by the Senate with respect to the military budget, everyone will realize just how, and where, and to what degree, we shall be voting for waste.

Some people now believe that those who are formulating the policies of this country are, in effect, taxing us out of the free-enterprise system.

That may or may not be true; but every citizen will agree that the high cost of our Military Establishment, in the face of the growing strength of communism, demands maximum defense for each dollar spent.

From the standpoint of a sound economy, therefore, as well as from the standpoint of the Nation's security, it is increasingly necessary for America to have an "adequate strategic doctrine."

Inasmuch as more than 4 million citizens of the United States are now in the Defense Establishment, and inasmuch as several hundred thousand more foreign nationals are being paid by the American taxpayer through the Pentagon, I hope every Member of Congress who plans to vote on the new defense budget will first read the article by Mr. Kissinger.

Mr. President, I turn now to another subject.

The VICE PRESIDENT. The Senator from Missouri has the floor.

QUESTION OF SUPPLY OF SUPERSONIC BALLISTIC MISSILES

Mr. SYMINGTON. Mr. President, as a result of a colloquy on a recent telecast between the distinguished junior Senator from Florida [Mr. SMATHERS] and myself, a news story yesterday quoted me as saying, "this country now has a limited supply of supersonic missiles in operational use but not enough to give away." This quotation, without the entire context of the broadcast, might be misleading.

Mr. President, there are four main categories of missiles, namely, air-to air, air-to-ground, ground-to-air, and ground-to-ground.

In yesterday's New York Times, in an article entitled "Missiles for Britain: Where United States Program Stands Now," Mr. Hanson Baldwin said in part:

The Russians are known to have test-fired about 50 rockets at a range of about 800 miles. Nothing is known about the accuracy of this weapon, but the number of test firings would indicate that Moscow may soon be ready to standardize and start production of an intermediate-range ballistic missile.

Mr. President, I ask unanimous consent to have certain additional portions of the article by Mr. Baldwin printed at this point in the RECORD.

There being no objection, these portions of the article were ordered to be printed in the RECORD, as follows:

The Russians are known to have test-fired about 50 rockets at a range of about 800 miles. Nothing is known about the accuracy of this weapon, but the number of test firings would indicate that Moscow may soon be ready to standardize and start production of an intermediate-range ballistic missile.

* * * * *

Because these missiles and their larger brother—the intercontinental ballistic missile, with a range of 5,500 miles—are the world's least stoppable weapons and because they can carry hydrogen warheads capable of devastating any city on earth, they are viewed as the ultimate in rocketry.

* * * * *

The Russians seem, therefore, to have a development lead in the IRBM category. Even though the range of the weapon they are testing is only 800 miles this is sufficient to put virtually all of the allied bases and positions in Europe, including Britain, within range of positions now occupied by Soviet troops.

These facts and the threat of rocket bombardment of Great Britain and France voiced by Moscow at the height of the Suez crisis last fall explain the reasoning behind the Bermuda decision. The British want a counterdeterrent to rocket bombardment in the form of rockets capable of reaching Moscow from British bases. This country's IRBM when perfected will have the range to do this.

Mr. SYMINGTON. To the threats against Britain and France can now be added the more recent threat against Norway, and the even more recent threat against Denmark.

Presumably in the minds of the British—just as primarily in our own minds—is a ground-to-ground ballistic missile, one which flies faster than modern planes, and has a range in excess of the Nazi V–2, originally fired in 1942—15 years ago. If that is the missile under consideration, Mr. President, at this time we not only do not have any such missile for the British or French, but we have not any for ourselves; and we shall not have any in operational quantities for a long time.

The fact that, as Mr. Baldwin points out, the Communists appear well ahead of us in at least a part of this field, is a major reason why we must be sure of the strength of the planes, the personnel, and the bases of our Strategic Air Command. As the head of that command, General LeMay, said recently:

Peace in these times cannot be successfully waged unless this Nation continues to maintain an effective deterrent force—and that means a force in being everlastingly combat ready and clearly capable of winning the air battle.

To the extent Bulganin knows this to be true, to that extent also he will tend to refrain from carrying out his recent threats against such countries as Britain, France, Norway, and Denmark.

Mr. President, we compromised our wishes when we agreed to the Korean armistice, the terms of which we know the Communists are now violating every day. Later on, at least to some extent, we compromised our position in Formosa; and also we compromised it heavily in Indochina.

Now that the United States is apparently bowing to the wishes of Nasser in the Suez controversy, it would appear more important than ever to maintain our deterrent capacity, not only in case we decide to live up to our foreign commitments, but also in order to defend this country in case we are attacked.

J. CHESTER WILFONG

Mr. MANSFIELD. Mr. President, I should like to join the distinguished majority leader and the distinguished minority leader, as well as my other colleagues, in expressing regret at the retirement of Chester Wilfong, one of the Official Reporters of Debates of the Senate, and in wishing him the best of luck in the years ahead.

In the Washington Star of March 29 appeared an article, under the heading "The Rambler," in which a statement was made and a story was told relative to the value and the worth of Chester Wilfong. One of his favorite quotations seems to be that from Gray's Elegy, "The short and simple annals of the poor."

Mr. President, I think the last paragraph of this worthwhile story is worth repeating, and I now repeat it:

Poor? Reporting word for word on the issues of guilt or acquittal, death or life, war or peace, a long life, a 50th wedding anniversary (2 years ago), 5 children and 7 grandchildren—this reporter thinks Mr. Wilfong has had it pretty rich.

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD.

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

THE WASHINGTON STAR RAMBLER—FOR 53 YEARS HE GOT IT ALL

Visitors in the Senate gallery often are as impressed by the shorthand reporters as by the Senators. Sightseers watch the reporter, notebook in hand, walk behind a Senator as he strides about the Chamber loosing a torrent of words.

One of the reporters is putting in his last day today, 53 years after he started to work for Uncle Sam.

He is Chester Wilfong. He will be 74 in May. He can catch it as fast as they can pitch, but he is getting to be a little hard of hearing and he thinks it's about time to retire.

The way he learned his reporting skill sounds Lincolnesque—doing the Pitman exercises under an oil lamp at his father's truck farm near Tuxedo, Md.

As to his life and work, he quoted Gray's elegy, "Just 'the short and simple annals of the poor.'"

Like most Maryland farm boys of his generation, he did not go beyond seventh grade, but he has never stopped reading.

He started at Interstate Commerce Commission during Teddy Roosevelt's first administration. His early big workout was on hearings on the Terra Cotta wreck, when 44 persons were killed on the B. & O. on December 30, 1906.

He became a court reporter and did the trial of Edward L. Doheny which followed the Teapot Dome investigation. In the summer of 1942 he was called to the Justice Department and sworn to maintain lifelong secrecy on the trial he was about to report. It was the courtmartial of the eight Nazi saboteurs landed by submarine. He has never talked about it to this day.

Back in the twenties he did the hearings held in cities across Canada to the Pacific coast on the proposed St. Lawrence Seaway. Near the end of the war he reported the hearings of the Senate Foreign Relations Committee that led to formation of the United Nations.

A lifelong Republican, he did not realize that there were many good Democrats until he became a floor reporter in the Senate 10 years ago. Among those he admires on the left side of the aisle is Senator FULBRIGHT, of Arkansas, although "he does talk very fast."

"Just the short and simple annals of the poor," he said again.

Poor? Reporting word for word on the issues of guilt or acquittal, death or life, war or peace, a long life, a 50th wedding anniversary (2 years ago), 5 children and 7 grandchildren—this reporter thinks Mr. Wilfong has had it pretty rich.

Mr. NEUBERGER subsequently said: Mr. President, I came to the Senate floor today likewise prepared to request the printing in the RECORD of the excellent article from the Washington Evening Star about the outstanding career of Chester Wilfong.

It is a pleasure to join the distinguished Senator from Montana in congratulating Mr. Wilfong upon his deserved retirement, and in wishing him much success, happiness, and good fortune in the years ahead.

HISTORY OF UNITED STATES-CROW TRIBE TREATIES

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD, immediately following my remarks, a newspaper article entitled "History, United States-Crow Tribe Treaties Just Sorry Tale of Expediency, Bad Faith." This article appeared in the Park County News, published in Livingston, Mont., by Fred Martin. He is a former executive secretary to the Honorable Hugo Aronson, Governor of Montana, who has joined my colleague, the junior Senator from Montana [Mr. MANSFIELD], Representative METCALF, and myself in advocating a $5 million payment to the Crow Tribe for land and right-of-way which would permit construction of the long-delayed Yellowtail Dam and Reservoir on the Big Horn River in Montana.

The article is based upon a report entitled "The Laws and Treaties Affecting the Crow Indians," by Howard M. Gullickson, one-time Montana attorney general and later district counsel for the Indian Bureau at Billings, and Fred B. Woodard, assistant attorney. Additional research was done by Joe Montgomery, of Lewistown, a student of Montana history.

The Park County News reports that "an examination of the facts" concerning the history of relations between the Crow Tribe and the Federal Government "turns one down paths of subterfuge, expediency, doubletalk, and broken promises—just the opposite of the original policy outlined for Indians west of the Mississippi by Gen. William Clark of the Lewis and Clark expedition, later Superintendent of Indian Affairs."

The Treaty of Fort Laramie was negotiated in 1851. It was considered by officers of the United States at that time not to have been ratified. Subsequently discovered memoranda and court cases showed that the treaty was ratified, and held to be binding.

However, in 1868 another treaty was signed at Fort Laramie with the Crows, who were forced to relinquish "more than three-fourths of the land granted them by the treaty of 1851." Consideration to the Crows for this vast expanse of land "was apparently not thought of by the officers of the Government; there is no suggestion of any consideration to be paid."

In 1875 a 20-mile strip of land adjoining the reservation was set over by executive order to the Crows. The language of the order would seem to convey a vested right. Yet, reports the Park County News:

> On the same page is an Executive order of March 8, 1876, which revokes the above order and restores the land to the public domain. If an Indian tribe had a vested right under an Executive order; then it is beyond the power of the President to revoke such an order and restore the land to public domain without proper compensation to the Indians.

The Park County News, quoting from the Indian Bureau report, states that in 1882 the Crows agreed to sell to the United States a portion of land for which—

> The Crows were to receive $30,000 a year for 25 years ($750,000). The title of the Crows to this land was not better than that * * * granted by the treaty of 1851.

There followed another sale by the Crows, in 1882, for railroad right-of-way, "for which they were to be paid the sum of $25,000." In 1891 an agreement with the Crows was enacted by Congress and the Crows were to get $946,000. And what happened to this money?

According to the Indian Bureau report, "whether it was subsequently paid or whether it was held on deposit in the Treasury Department" was apparently undetermined.

Mr. President, on February 27, 1956, the Secretary of the Interior gave me his views on the resolution of my colleague and myself to provide for the $5 million payment to the Crows in connection with the Yellowtail Dam site. Concerning the factors to be taken into consideration in establishing a fair and just price for the Crows, the Secretary wrote, as follows:

> In considering a matter of this kind, each case is, to a very considerable degree, sui generis. No single measure of what is reasonable, applicable to all cases, can be devised. The objective in all cases should be to strike a balance between the rights and interests of the general public in the achievement of the purposes of the project and the acquisition of land necessary therefor at a reasonable cost, on the one hand, and the rights and interests of the Indian tribe on the other. * * * Whatever method of valuation is utilized, it, in itself, can be no more than an aid in reaching a conclusion as to reasonable compensation which is premised largely on broad concepts of fairness and equity in dealing with the Nation's Indian wards.

Mr. President, the Senate has already approved the resolution which would give the Crows $5 million in payment. That is a modest enough sum. If the total amount were distributed as a per capita payment among the approximately 3,500 Crow Indians each would receive approximately $1,400. I would hope that all the $5 million would not be distributed as a per capita payment, but that at least a portion would be set aside by the tribe for education and community purposes.

I should like to emphasize to my colleagues in the Senate, and most particularly the Members of the other House, which has not yet considered this resolution, that the history of relations between the Crow Tribe and the Federal Government is indeed a history on the part of the Federal Government of expediency, bad faith, subterfuge, doubletalk, and broken promises. Certainly, by those "broad concepts of fairness and equity in dealing with the Nation's Indian wards," which the Secretary of the Interior mentioned, the $5 million payment is more than justified.

The VICE PRESIDENT. Is there objection to the unanimous-consent request?

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

HISTORY UNITED STATES-CROW TRIBE TREATIES JUST SORRY TALE OF EXPEDIENCY, BAD FAITH

News dispatches today and in recent weeks make this review of Crow treaty history timely in view of the discussion regarding the Crow demand for $5 million for permitting construction of Yellowtail Dam on the reservation.

History has been written for the ruler, not the people.

The legend of The Great White Father in Washington, the kind, understanding, fatherly, old gentleman who is the friend of Indians everywhere has come to be taken for granted, but an examination of the fact turns one down paths of subterfuge, expediency, doubletalk, and broken promises—just the opposite of the original policy outlined for Indians west of the Mississippi by Gen. William Clark of the Lewis and Clark expedition, later Superintendent of Indian Affairs. (See Clark's story this issue.)

Since Park County once was a part of Indian territory this will be limited to Crow treaties with the basic information quoted taken primarily from a report, The Laws and Treaties Affecting the Crow Indians, by Howard M. Gullickson, onetime Montana attorney general and later district counsel for the Indian Bureau at Billings, and Fred B. Woodard, assistant attorney. This report was graciously loaned the News by M. A. Johnson, acting area director. Other basic preliminary research can be credited to Joe Montgomery of Lewistown.

The first treaty entered into between the Crow Tribe and the United States of America

was dated August 4, 1825, at the Mandan village with Brig. Gen. Henry Atkinson and Maj. Benjamin O'Fallon, aides of General Clark, as United States negotiators. "The treaty is declared to be for the purpose of perpetuating the friendship which has heretofore existed between the Crow Tribe of Indians and the United States. This treaty makes no reservation of any lands and there is no mention of lands except that the Crows admit that they live within the territory of the limits of the United States and acknowledge their (the United States) supremacy and claim their protection (7 Stat. 266; II Kappler 244)."

Then apparently came the start of subterfuge, expediency, doubletalk, as indicated by the Treaty of Fort Laramie, Indian Territory, negotiated by D. D. Mitchell and Thomas Fitzpatrick, September 17, 1851, which, "though never proclaimed," just about split up the area west of the Mississippi, certainly west of the Missouri. "The treaty of 1851 was considered by officers of the United States at that time not to have been ratified and was not believed to be binding either on the Indians or the Government. Consideration, therefore, to the Indians for this relinquishment (in the next treaty on May 7, 1868, at Fort Laramie, then in Dakota Territory and signed by Lt. Gen. William T. Sherman, the same general who marched to the sea in the South during the Civil War) "of more than three-fourths of the land granted them by the treaty of 1851, was apparently not thought of by the officers of the Government * * * there is no suggestion of any consideration to be paid."

However, "in IV Kappler, 1867, there is a copy of an Indian Office memorandum relative to the treaty of September 17, 1851, at Fort Laramie, by the chief law clerk of the Indian Bureau, William R. Layne, and shows the full proceedings of the ratification of this treaty, which had been considered an unratified treaty and not binding on either party. The questions concerning this treaty were considered by the Court of Claims in the case of the *Fort Berthold Indians* v. *The United States* and was in that case held to be binding on all parties."

But General Sherman's treaty of 1868 put hobbles on the white folks, just as it defined the borders of the Indian reservationists, because it included the clause that this (Crow) territory:

"Shall be, and the same is, set apart for the absolute and undisturbed use and occupation of the Indians herein named, and for such other friendly tribes or individual Indians as from time to time they may be willing, with the consent of the United States, to admit amongst them; and the United States now solemnly agrees that no persons, except those designated and authorized so to do, and except such officers, agents, and employees of the Government as may be authorized to enter upon Indian reservations in discharge of duties enjoined by law, shall ever be permitted to pass over, settle upon, or reside in the territory described in this article for the use of said Indians, and henceforth they will, and do hereby relinquish all title, claim, or rights in and to any portion of the territory of the United States, except such as is embraced within the limits aforesaid."—Quoted from History of the Yellowstone Valley.

This was adopted after the discovery of gold in Emigrant Gulch, after many families had settled in the area, the discovery of minerals in the Cooke City area, and the area included in the reservation was bisected by the Jim Bridger and John Boseman Trails—it actually was a roadblock to the east to settlement.

Then, to add to the ridiculousness of the situation was this: On October 20, 1875, a 20-mile strip of land adjoining the reservation on the north (of the Yellowstone River extending perhaps from Shields River on the west to the present eastern boundary of the Crow Reservation) was set over by Executive order to the Crows * * *. The language of this order would seem to convey a vested right. On the same page is an Executive order of March 8, 1876, which revokes the above order and restores the land to the public domain. If an Indian tribe had a vested right under an Executive order, then it is beyond the power of the President to revoke such an order and restore the land to public domain without proper consideration to the Indians (I Kappler 857).

But (and this is not included in the Indian Bureau's report) on January 31, 1874, President Grant issued an order establishing the Crow Reserve, setting off the territory, roughly the area south and east of Fort Benton and extending beyond Lewistown, drained by the Judith, Arrow, and Dog Rivers and extending to the Missouri River, the northern boundary. This set off the Montana Legislature, but to no avail from 1874 to 1882. Leeson's (1885) History of Montana declares:

"Such opinions, however, had no weight with the general government, when a course opposed to the interests of the people, and even the Indians, might tend to enrich a clique, and the reservations were allowed to stand an obstruction to peace and progress until 1883, when the Mountain Crows were removed to a new reserve. General Sheridan, in his report in 1882, pointed out the absurdity of holding 6 million acres of valuable land for a whole Crow Nation of 3,470 souls and recommended its sale.

"During this year (1882) Congressman Maginnis (Montana) placed the matter before Congress in such practical form as to gain attention from that body. * * * In May 1883, the Secretary of the Interior directed a recognition of mining claims of settlers upon the public lands in Montana ceded by the Crow Indians under agreement made June 12, 1880, and ratified by Congress April 12, 1882."—End Leeson quote.

"By the act of Congress on April 1, 1882," the Indian Bureau report states, "the Crows agreed to sell to the United States the tract of land (all that portion of Park County east and south of the Yellowstone River). * * * For this tract, the Crows were to receive $30,000 per year for 25 years ($750,000). The title of the Crows to this land was not better than that * * * granted by the treaty of 1851.

"The next act affecting the Crows is that of July 10, 1882, by which the Crows agreed to the sale of 4,384 acres for railroad right-of-way for which they were to be paid the sum of $25,000.

"On March 3, 1891, an agreement with the Crows was enacted by Congress in which the Crows ceded the tract of land (extending from the Stillwater River to the present western boundaries of the Crow Reservations—portions of Stillwater, Carbon, and Yellowstone Counties south of the Yellowstone River) for which they were to receive the consideration of $946,000. Whether it was subsequently paid or whether it was held on deposit in the Treasury Department after the 20 years time is not disclosed either by the act of Congress or any subsequent legislation. It will be noted that the payment of $12 a year to each member of the Crow Tribe would amount to approximately the interest at 4 percent on the $522,000.

"The act of April 27, 1904, ratified an agreement formerly made with the Crow Indians. The lands ceded * * * (the area of Huntley project between the present northern boundary of the reservation and the Yellowstone River) * * *. Article 2 of this act provides for the payment to the Indians of $1,150,000 * * * to bear interest at the rate of 4 percent per annum; and interest to be added annually to the principal, and an annual payment of $12 per capita shall be paid in cash to every man, woman, and child, having rights upon the reservation * * *. From a computation of the various sums, it would appear that there was in the neighborhood of $400,000 to be set up as an annuity fund as above set forth."

Then, there is the act of April 15, 1930, which "provides compensation to the Crow Indians for the Custer Battlefield National Cemetery."

With the amounts still due on the principal, the piling up of back interest, the claims on the entire territory which might be valid, there may be something to that saying: "Let's give the country back to the Indians," not because of the Indians but because of the bungling and the failure to heed the policy of William Clark.

(EDITOR'S NOTE.—Authorities, helpers, and prodders on this story include Joe Montgomery, of Lewistown; Wallis Huidekoper, of Big Timber; Dudley White, of Columbus; Sam Strickland, of Wilsall, the editor's wife, and her pioneer relatives and heritage, lots of other folks and just plain curiosity.)

USE OF FIFTH AMENDMENT BY LABOR LEADERS

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram which I sent to Walter Reuther. I sent a copy of it to the vice president of the AFL–CIO, to presidents of the various unions, and also to Mr. Meany, president of the AFL–CIO. By some unfortunate oversight, Western Union omitted the first line of the message, which makes it a rather insulting telegram to those who received it. Western Union has very kindly consented to correct the message and send the true copy, but, in the meantime, so that there can be no doubt in the minds of those who received the telegram, I shall insert it in the RECORD in its entirety.

The VICE PRESIDENT. Is there objection to the unanimous-consent request?

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

MARCH 29, 1957.

Following is copy of wire this day sent to Walter Reuther:

"Having listened to hundreds of witnesses before Congressional committees investigating communism who have had something to hide I can say that your wire of March 29 reflects a debating technique all too familiar to me. You have attempted to conceal in a torrent of personal abuse leveled against me the factual issue I have raised with you—namely, the obvious discrepancy in your attitude toward use of the fifth amendment by a labor leader whom you would like to destroy, and the use of the fifth amendment by persons suspected of Communist activities.

"I have two comments in connection with your wire. First, your statement that my candidacy for the United States Senate was supported by Communists is a falsification of facts that are of course well known to you. This charge is completely fabricated, and has been disproved hundreds of times: but this has not prevented its being used, over and over again, by those who want to discredit attempts to expose the Communist conspiracy. You mention one name, Mr. Christoffel. The fact, which I assume you must know, is that Mr. Christoffel vigorously opposed my candidacy for the Senate.

"Second, would you kindly enumerate the instances in which you have publicly criticized reliance on the fifth amendment by persons who are under suspicion of Communist activities. I will be glad to pay for your stenographic expenses in preparing the list

since I assume you will have nothing to prepare. The record is clear that you and your ideological colleagues have strongly sympathized with attempts via the fifth amendment technique to frustrate Congressional investigations of communism and treason.

"While I strongly disapprove of Dave Beck's use of the fifth amendment, I think the country is entitled to an explanation as to why you trumpet, with righteous indignation, your horror at Beck invoking the fifth amendment when you have never before given the slightest hint of a similar revulsion to fifth amendment-Communists. I repeat that this double standard of morality is something you must have picked up during your school days in Moscow. In my opinion, you have long been a disgrace to the workingmen whom you claim to represent. Your conduct in this matter only confirms that judgment.

"JOE MCCARTHY,
"United States Senator."

CANDIDATES FOR OFFICE SHOULD BE RELIEVED OF NEED TO RAISE LARGE CAMPAIGN FUNDS

Mr. NEUBERGER. Mr. President, at the end of the last meeting of the Senate, on last Friday afternoon, the senior Senator from Kansas [Mr. SCHOEPPEL] presented a lengthy analysis of the recent report on 1956 election expenses prepared by the Subcommittee on Privileges and Elections. The Senator's analysis was designed to show various inaccuracies in the statistical compilations which form the basis for this report, so as to throw doubt upon the overall conclusions and implications which inevitably arose from the facts shown by the subcommittee's report. The distinguished Senator from Kansas, who is also the chairman of the Senate Republican Campaign Committee, was joined in his discussion of the allegedly misleading nature of the so-called Gore report by the junior Senator from Nebraska [Mr. CURTIS] and the junior Senator from Arizona [Mr. GOLDWATER].

I read with care the speech of the Senator from Kansas, and his discussion with the other Senators, as they appeared in the CONGRESSIONAL RECORD last Saturday morning. I very much regret that I was not on the floor to hear this discussion in person and to participate in it. I might say that, insofar as any slight element of partisanship might be said to have entered into the presentation of the issues in that discussion, the interests of Senators on this side of the aisle were well protected by the presence of the eloquent junior Senator from Minnesota [Mr. HUMPHREY], who also participated in the discussion; and any such possible implications of partisanship have no bearing on my purpose in speaking briefly on this subject today.

That purpose is only to remind the Senators, who last Friday showed such concern about the important problem of reform in election financing, that there is available to us one method of reform which I believe to be the only one that will reach the fundamental cause of the present unsatisfactory, undemocratic, and sometimes scandalous state of political financing. That fundamental reform which alone goes to the root of the problem is to eliminate any excuse for the present reliance of campaigns on large funds collected from private contributions, by substituting some public funds for private funds in meeting the heaviest expenses of modern political campaigns.

Mr. President, the Senator from Kansas and the Senator from Nebraska and the Senator from Arizona have all expressed particular horror and indignation at the participation of trade-union organizations in political campaigns. Not only do they claim union dues have been illegally channeled into election campaigns for Federal office in large amounts, but they are even more dismayed at the specter of hundreds of union members devoting their time and energy to active participation in election drives on behalf of candidates for office whose views on issues and policies they share. They point out that the man-hours of organized effort thus devoted to political action in their own self interest by working people may be far more valuable to the candidate in whose behalf they are used than any calculable amount in campaign funds, and yet this sort of contribution has not been included in the report of the elections subcommittee.

Mr. President, any number of answers may be offered to this concern over the election activities of trade union political committees. For example, the fact indisputably remains that the election campaigns of those who are so critical of union political activities nevertheless are uniformly far more heavily financed than are campaigns of their opponents. Or, as the junior Senator from Minnesota ably pointed out, that these activities are the actual, political actions of American men and women—not the donations of money—and that it now appears that one party in this country is not satisfied to have the overwhelming bulk of all the election financing, they now begrudge the rest of us the fact that we might have the majority of the people. Finally, I doubt that the election-time activities of many executives and other personnel of industrial, financial, and business corporations will stand equally close analysis, as far as strict and rigid adherence to the rules against the use of corporate funds in political campaigns is concerned. The report of the elections subcommittee describes a revealing example of one such situation from my own State of Oregon last year.

DEPENDENCE ON LARGE CAMPAIGN FUNDS IS BASIC EVIL

It is not my intention today to debate the detailed conclusions of the Gore report and the question of the participation in our democratic process of working people who belong to trade unions or of the executives and managers of business corporations. Whatever their own proper role in that democratic process may be, I have consistently argued that the fundamental evil in our political campaigns is the dependence of the candidates' campaign itself on having to collect large campaign funds from private sources to be able to reach the electorate at all.

Mr. President, I believe that dependence on campaign funds raised from labor organizations is bad. I believe that dependence on campaign funds raised from wealthy owners of business and industry and corporations is bad. I believe that, in our democracy, the public is entitled to access to the views, record, and personality of any candidate for public office, on terms of at least a minimum of equality, without that candidate's first having to find a group or organization of backers who are willing to raise the very substantial funds necessary for even the most modest election campaign in our modern day.

I brought specific proposals for reform before the Senate last year. I have presented them this year to the Special Committee To Investigate Political Activities, Lobbying, and Campaign Contributions, on which the Senator from Arizona serves. I intend to introduce them again in the 85th Congress.

Mr. President, I renew my invitation to the Senators who last Friday expressed their concern over flaws in our present campaign spending methods and laws to join me in sponsoring this legislation, which alone can furnish the essential basis for a thoroughgoing reform of our entire method of financing our elections. I think the public will be interested to see whether those people who have consistently enjoyed the advantages of vast financial superiority, in carrying on their campaigns for election to public office, are really interested in any measure which will tend toward more nearly equalizing the funds available to the opposing candidates in our political campaigns; and which will thus give the public a fairer chance of judging, on more nearly equal terms, the merits of the candidates, their views and the issues at stake in our democratic elections.

CAPITOL CLOAKROOM RADIO PROGRAM

Mr. SALTONSTALL. Mr. President, I am informed that the radio program Capitol Cloakroom is in its 10th year as a public service presentation of important news and questions of the day. As one who has been on this program once or twice, and who has seen how it is conducted and the fairness and the thoroughness of the questions that are asked, I feel the program has rendered a fine service to the public by its contribution to the effort to keep the American people better informed.

ANTITRUST LEGISLATION

Mr. DIRKSEN. Mr. President, for several weeks the Senate Antitrust and Monopoly Subcommittee, under the able chairmanship of the Senator from Tennessee [Mr. KEFAUVER], has been conducting hearings on Senate bill 11 and Senate bill 1211. During the course of these hearings we have heard testimony from many witnesses, both for and against these two bills. At the appropriate time excerpts from the testimony of witnesses for and against these bills will be inserted in the CONGRESSIONAL RECORD for the information of the Members of the Congress.

At this time I wish to ask permission to have printed in the RECORD prepared statements by representatives of the executive branch of the Government who have appeared as witnesses before the subcommittee on these bills. I should like to point out that the Commissioners of the Federal Trade Commission, in a letter to the subcommittee, asked for the approval of Senate bill 11. However, when appearing before the subcommittee, Commissioner Sigurd Anderson stated that there is both good and bad in Senate bill 11.

Commissioner William Kern, when submitting his remarks to the subcommittee, stated that this bill may lead to price rigidity.

Commissioner Edward Tait abstained from voting, and Chairman John W. Gwynne submitted a vigorous statement in opposition to Senate bill 11. Assistant Attorney General Victor Hansen submitted a paper against Senate bill 11. Mr. Frederick C. Nash, General Counsel, Department of Commerce, submitted a statement in opposition to Senate bill 11.

Mr. President, I ask unanimous consent that the statements of the views of the majority and the minority from the Federal Trade Commission; the statement of Mr. Frederick C. Nash, general counsel of the Department of Commerce; and the statement of Mr. Victor Hansen, Assistant Attorney General, Department of Justice, be printed in full at this point in the RECORD.

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

FEDERAL TRADE COMMISSION,
Washington.

HON. ESTES KEFAUVER,
Chairman, Antitrust and Monopoly Subcommittee, Committee on the Judiciary, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: This is in reply to your letter of March 2, 1957, requesting the Commission's views regarding S. 11, 85th Congress, 1st session.

Section 2 (a) of the Clayton Act, as amended by the Robinson-Patman Act, in part, declares certain price discriminations to be unlawful "where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them. Sections 2 (d) and (e) of the act make it unlawful to discriminate in the payment for services or facilities furnished by customers or in the furnishing of services or facilities to customers.

Section 2 (b) of that act, as construed by the Supreme Court in *Standard Oil Company* v. *Federal Trade Commission* (340 U. S. 231 (1951)), provides as an absolute defense to a price discrimination otherwise violative of section 2 (a), the showing that the lower price was made in good faith to meet an equally low price of a competitor.

The subject bill would amend section 2 (b) of the Clayton Act so as to deny to a seller the defense of a good faith meeting of an equally low price of a competitor (or the services or facilities furnished by a competitor) to a charge of discrimination made under that act, when the effect of the discrimination "may be substantially to lessen competition or tend to create a monopoly in any line of commerce." The defense would be retained, however, with respect to discriminations which may have only the other effects prescribed in section 2 (a). In addition, a proviso would be added to section 2 (b) to the effect that nothing contained in that section should be construed to alter the law applicable to freight absorption.

Aside from the question of whether the Supreme Court's Standard Oil decision correctly reflects the intention of Congress in enacting section 2 (b), it would appear that the current construction of that section is inconsistent with the basic principles of the Clayton Act, as amended, and the Sherman Act. The underscored portion of the provision of section 2 (a) quoted in the second paragraph of this letter appeared in the original Clayton Act and reflects the basic purpose of the antitrust laws—to prevent monopoly and substantial lessening of competition, which is tantamount to bringing about monopoly. Whereas the Sherman Act outlaws monopoly without regard to the practices whereby that situation has been effected, the Clayton Act supplements the Sherman Act and prohibits discriminations in price as the prohibition of a particular practice where that practice may bring about monopoly.

Section 2 (b), construed as a complete defense to all discriminations otherwise violative of section 2 (a), places the interest of an individual seller of meeting the price of a competitor by discriminating in price without cost justification, over the obviously more important public interest that such a discrimination which may have the effect of substantially lessening competition or tending to create a monopoly should not be allowed. The proposed amendment does no more than to make it clear that where the effect of the price discrimination may be so serious as to substantially lessen competition or tend to create a monopoly, the right of the public not to suffer such consequences shall prevail over the business interests of the individual seller. On the other hand, where the price discrimination would have only the less serious effect of injuring competition with the grantor or recipient of such discrimination or with customers of either of them, the right of the seller to meet the equally low price of a competitor is clearly stated.

The Supreme Court's decision in the Standard Oil case, followed by the opinions of the Court of Appeals (7th circuit) in the same matter, 233 F. 2d 649 (1956), and the courts of appeals in *Balian Ice Cream Co.* v. *Arden Farms* (231 F. 2d 356 (C. A. 9, 1955)) and *Brown* v. *Standard Oil Co.* (238 F. 2d 54 (C. A. 5, 1956)), make it clear that section 2 (b) provides an absolute defense to all price discriminations regardless of the seriousness of the probable effect. The Commission is of the opinion that the objectives of H. R. 11 and H. R. 398 are of sufficient importance to the effective operation of the Clayton Act that such legislation should be enacted without awaiting further case by case development under section 2 (b) as presently worded.

The Commission does not view the proposed change in the "meeting an equally low price" defense of section 2 (b) as altering the law applicable to freight absorption. At the same time, no objection is interposed to the inclusion of the additional proviso appearing at page 3, lines 3–5, of the bill in order to preclude the possibility of a contrary interpretation.

Chairman Gwynne does not join in this statement and will submit separate views.

Commissioner Tait did not participate herein for the reason that he has not been a member of the Commission for a sufficient length of time to have an informed judgment on the merits of the proposed bill.

This report has not been cleared with the Bureau of the Budget.

By direction of the Commission:

ROBERT M. PARRISH,
Secretary.

STATEMENT OF THE INDIVIDUAL VIEWS OF JOHN W. GWYNNE, CHAIRMAN, FEDERAL TRADE COMMISSION, ON S. 11, ANTIMONOPOLY SUBCOMMITTEE OF THE SENATE JUDICIARY COMMITTEE, MARCH 11, 1957

I am unable to agree with the views of the majority of the Commission on S. 11 and hereby submit my individual views.

In summary, section 2 (a) of the Clayton Act relating to discriminations now provides:

"It shall be unlawful * * * to discriminate in price between different purchasers * * * where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them."

Then follows a list of matters which a respondent may show by way of justification, the burden being on a respondent to so prove. The last sentence of 2 (b) is:

"Provided, however, That nothing herein contained shall prevent a seller rebutting the prima facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor."

It is to the modification of this sentence that S. 11 is directed. In substance it establishes the right to prove meeting of competition in good faith as a defense, unless the effect of the discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce in any section of the country.

There is still dispute as to what Congress intended when it originally adopted amended section 2 of the Clayton Act. To me the legislative history on that point is inconclusive. In any event, that is not particularly important, because there have developed two conflicting views on what the law should be and we are faced with the necessity of choosing between them.

In *Standard Oil Company* v. *FTC* ((1951) 340 U. S. 231), the Commission held that the matter of good faith was not material and did not "constitute a defense in the face of affirmative proof that the effect of the discrimination was to injure, destroy, and prevent competition with the retail stations operated by the said named dealers and with stations operated by their retailer-customers." On appeal the Supreme Court reversed the Commission and asserted that the fact of meeting competition in good faith in the existing situation was a complete defense. Other cases have been decided by various courts. While there still exist some questions as to the proper interpretation and application of the meeting competition defense provided in section 2 (b), nevertheless certain propositions have been reasonably well established.

(1) The defense covers only situations where the prima facie proof of a discrimination as defined in 2 (a) has already been met. It is the second chapter in a lawsuit, the first chapter of which has to deal with the all-important feature of establishing a discrimination in the first place. It is not concerned with a situation where a seller, in order to meet a lower price, reduces his price to all competing customers. Nor is it concerned with price differences which may be cost justified, or which are permissible under other provisions of 2 (a).

(2) The defense is an affirmative one and the burden of establishing it is upon the person claiming it. See *Corn Products Refining Company* v. *FTC* (324 U. S. 726).

(3) The defense is good only where the reduction in price is to meet the lower price of a competitor. It cannot be used to justify a price below that of a competitor. The

defense does not permit predatory price reductions to destroy an individual competitor or the competition in a limited area. See *Moore* v. *Mead's Fine Bread Company* ((1954) 348 U. S. 115).

(4) The defense is good only in meeting individual competitive situations. It cannot be used to justify discriminatory pricing systems based on some vague theory of meeting competition generally.

In *FTC* v. *Staley Manufacturing Co.* (324 U. S. 746, 752 (1945)), the Supreme Court stated:

"Prior to the Robinson-Patman amendments, section 2 of the Clayton Act provided that nothing contained in it 'shall prevent' discriminations in price made in good faith to meet competition.' The change in language of this exception was for the purpose of making the defense a matter of evidence in each case, raising a question of fact as to whether the competition justified the discrimination."

In *FTC* v. *Cement Institute* (333 U. S. 683 (1948)), the Supreme Court held:

"Section 2 (b) permits a single company to sell one customer at a lower price than it sells to another if the price is 'made in good faith to meet an equally low price of a competitor.' * * *

"This does not mean that section 2 (b) permits a seller to use a sales system which constantly results in his getting more money for like goods from some customers than he does from others. * * *

"We held to the contrary in the Staley case. There we said that the act 'speaks only of the seller's "lower price" ' and of that only to the extent that it is made 'in good faith to meet an equally low price of a competitor.' The act thus places emphasis on individual competitive situations, rather than upon a general system of competition."

Again, this was recently stated by the Court of Appeals for the Seventh Circuit in the case of *C. E. Niehoff & Co.* v. *FTC*, decided on January 9, 1957, when it said:

"The Commission found that Niehoff did not establish any price or prices as a response to a particular competitor, and that, once the base price structure was established with reference to general competitive conditions, Niehoff did not deviate to meet the prices of particular competitors. It also found that the net prices accorded by Niehoff were a reflection of its nationwide pricing system formulated to meet competition generally and not designed to meet any particular competitor's prices. On the basis of this finding the Commission rejected the claim that Niehoff's price discriminations were justified under the good faith (meeting of an equally low price of a competitor) proviso of section 2 (b)."

The Court upheld this finding.

(5) The defense can be used only in defensive situations, that is, to retain a customer and not to gain a new one. While there is an area of disagreement surrounding this premise, I believe that careful examination of the statutory intent plus adjudication will bear this out.

Before the Clayton Act, a seller could seek to attract new customers by offering a lower price than a competitor. He could do this even if it resulted in discriminations against some of his own customers. The Clayton Act, then the Robinson-Patman Act, sought to put an end to discrimination. Thus, the absolute right to discriminate was taken away. It must be interpreted to mean that he can reduce the price to new customers only if he does not violate section 2 (a). The only way section 2 (b) can have any meaning is to limit this right to self-defense; otherwise, you have entirely nullified section 2 of the Robinson-Patman Act.

The Standard Oil case, while confronted only with the situation of retaining customers, apparently limited the proviso to defensive competition, that is, to retain an old customer rather than to obtain a new one. It is stated at page 242: "* * * the actual core of the defense * * * still consists of the provision that wherever a lawful lower price of a competitor threatens to deprive a seller of a customer, the seller, to retain that customer, may in good faith meet that lower price. Actual competition, at least in this elemental form, is thus preserved."

In a footnote on page 247, the Court quoted a statement by a former assistant chief counsel of the Commission, Walter B. Wooden: "* * * the right of self-defense against competitive price attacks is as vital in a competitive economy as the right of self-defense against personal attack."

On page 249, the Supreme Court stated: "* * * Congress did not seek by the Robinson-Patman Act either to abolish competition or so radically to curtail it that a seller would have no substantial right of self-defense against a price raid by a competitor. For example, if a large customer requests a seller to meet a tempting lower price offered to him by one of his sellers' competitors, the seller may well find it essential, as a matter of business survival, to meet that price rather than to lose the customer."

Finally, on page 250, the Court stated: "There is,* * * plain language and established practice which permits a seller, through section 2 (b), to retain a customer by realistically meeting in good faith the price offered to that customer, without necessarily changing the seller's price to its other customers."

Some student of the subject has pointed out that this thought "is spread out 17 times in this decision."

(6) The competitor's price which the respondent was meeting must be a lawful price—or at least the seller as a reasonable and prudent man must believe it to be lawful.

Here, there is a real area of disagreement, with cases pointing in two directions. In *FTC* v. *Staley Manufacturing Co.* (224 U. S. 746), the word "lawful" is not used. The holding of the court seems to be that "where the seller sought to justify using an illegal basing point pricing system because its competitors did this, there was ample factual basis for the Federal Trade Commission finding that this was not a lower price 'made in good faith' to meet an equally low price of a competitor."

In Standard Oil, the word "lawful" is used part of the time and omitted part of the time. The court there apparently concluded that the prices being met were lawful. Therefore, it is difficult to say whether the word "lawful" was used as a mere descriptive term to describe the situation in that case, or as a positive requirement which must appear in all cases before the defense becomes available.

In the recent opinion of the seventh circuit in the Standard Oil case, the court commented on the Supreme Court's decision in the following language:

"It is interesting and highly significant that the statute employs the language, 'made in good faith to meet an equally low price of a competitor,' but that the Supreme Court in the instant case adds the word 'lawful,' so that it reads, 'made in good faith to meet a lawful and equally low price of competitor' (pgs. 238 and 246). We do not know, of course, why the Supreme Court added the word 'lawful,' but we strongly suspect that it was for the purpose of giving emphasis to its previous decisions that a 'good faith' defense was not available to a seller who had met an unlawful price."

In *Enterprise Industries* v. *Texas Co.* (136 Fed. Supp. 420), the court evidently concluded that the price being met must be a lawful one.

There are, however, court opinions indicating a contrary view. For example, in *Ban Ice Cream Co.* v. *Arden Farms Co.* (1955) (231 F. 2 (d) 256), the circuit court held in substance as follows:

"In an action based on price discrimination under the Robinson-Patman Act, the defendant, who claimed it had cut prices in the Los Angeles area to meet competition, was not required under the circumstances to establish the lawfulness of the prices it claimed to meet."

I doubt, however, if that statement is anything more than dictum because the final conclusion of the circuit court seems to be indicated by the following:

"There is absolutely no evidence in the record that the differentials as to sales in commerce or in any other areas had any relation to any injury or damages which plaintiff may have sustained."

In like manner, I think the seventh circuit court in the recent Standard Oil decision was passing on a purely factual matter and neither added to nor subtracted from the law laid down by the Supreme Court in 340 U. S. 231. In that case, the Supreme Court disagreed with the views of the Commission as to the meaning of section 2 (b) and remanded the case with instructions to make findings with conformity to the opinion of the Court. The Commission did not direct the taking of additional evidence but, instead, made new findings and issued a modified order to cease and desist, based on the old record. On a second appeal, the circuit court of appeals set aside the order of the Commission and held that "petitioner's good faith defense was firmly established, and the Commission's ruling by which it reached a contrary conclusion was untenable and must be rejected."

In *Standard Oil Co.* v. *Brown* (1956) (238 F. 2d 54 at p. 58), the court, speaking of 2 (b), said:

"There is nowhere a suggestion that the seller must carry the burden of proving the actual legality of the sales of its competitors in order to come within the protection of the proviso."

The court's view was expressed as follows:

"If the seller discriminates in price to meet prices that he knows to be illegal or that are of such a nature as are inherently illegal, as was the basing-point pricing system in the Staley case, supra, there is a failure to prove the 'good faith' requirement in section 2 (b)."

(7) The defense is good only when the lower price is given in good faith to attain the limited objective prescribed by law. The defense does not permit predatory price reductions to destroy an individual competitor or the competition in a limited area. This, in effect, is the holding of the Supreme Court in *Moore* v. *Mead's Fine Bread Co.* (348 U. S. 115).

Turning now to S. 11, it appears that bill would permit the good-faith defense as a complete defense, "unless the effect of the discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, in any section of the country." This language differs from that in section 2 (a) where two competitive situations are described as follows:

(1) Lessening of competition or tending to create a monopoly in any line of commerce, or

(2) Injury, destruction, or prevention of competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them.

Concerning S. 11, I have several questions and suggestions.

(1) What does it mean?

A prima facie case under section 2 (a) is made by proof of either (1) or (2) above. The defense, however, is limited to situations where (1) does not exist. Although (1) and (2) describe different competitive

effects, the decisions of the Commission and the courts have not spelled out the dividing line between them. In fact, we can almost conclude that each shades into the other to such an extent that such a line cannot for practical purposes be drawn. The net result then is that a businessman (be he small or large), before meeting a price to retain a customer, must determine at his peril a question that often baffles the experts.

It has been pointed out that the use of the defense is conditioned on the same test laid down in other sections of the Clayton Act. For examples, sections 3 and 7 prohibit, respectively, exclusive dealing contracts and acquisitions of other corporations, where the effect may be substantially to lessen competition or to tend to create a monopoly.

While this statement is true, it overlooks the realities of the market place. Both under sections 3 and 7, the problems involved are ones of company policy—actions which are taken only after a considerable amount of time and thought have been devoted to them. Time is not necessarily of the essence. Possibilities are explored. Attorneys may be consulted. Market studies can be made. It is only after these considerations are made that a company decision is made and policy announced. But these considerations are not possible in the course of the average sale of commodities. There must be immediate action or the sale would be lost.

A seller confronted with the offer to his customer of a lower price by a competitor, may do 1 of 3 things: (1) he may give up the customer, (2) he may reduce his price to all competing customers, or (3) he may reduce his price to the customer being tempted. If he follows the latter course, he must, under the present law, make some factual determinations, such as the lawfulness or apparent lawfulness of the competitor's price. I submit, however, that those factual determinations are easier to make than one involving the probability of a substantial lessening of competition or tendency to creating monopoly, which, after all, involves considerations of both fact and law.

(2) What would be the effect of S. 11 on the limitations now placed on the defense by the courts and which have been previously enumerated? In other words, would the making of the availability of the defense dependent on a single condition, to wit, the absence of the defined competitive results, be taken by the courts as a congressional intention to rule out all other limitations except those expressed in the bill?

(3) Who has the burden of proof as to the various elements involved?

A prima facie case under section 2 (a) is made out by showing that the probable effect of the price differences is to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them. That proof alone would not authorize the meeting of competition as a complete defense. If the respondent asserts such a defense, who has the burden of proving the fact of probable lessening of competition or tending to create monopoly? Is it upon the respondent or the prosecutor?

No doubt many of these matters could be clarified in the committee report. Nevertheless, the bill would introduce many uncertainties which could only be resolved after years of litigation. The thought I have in mind was well expressed by Secretary of Commerce Sawyer, who, when testifying before a Senate committee in 1949, stated:

"I do not favor any regulation of business practices which is not necessary, but I find even more disturbing a regulation which is so uncertain that businessmen do not know how to comply with it. We recognize that the antitrust and unfair competition laws by their very nature must be general in wording and that it is difficult to anticipate by precise language all arrangements which must be avoided by the businessman. I do believe, however, that uncertainty should be kept to a minimum."

(4) Would the proposed amendment aid in the enforcement of the law against discriminatory practices?

The subparagraph we are now discussing is not a weapon in the arsenal for the attack on illegal discrimination. On the contrary, it is concerned with a possible defense to that attack. Therefore, it becomes important to know whether in actual practice, this defense has often prevented the issuance of an order in cases where the necessary preliminary proof had already been made.

The record on that in Federal Trade Commission cases is as follows: Since the Standard Oil decision in 1951, the meeting competition defense has been raised in 27 contested cases. In six of these cases, cease and desist orders have been issued, and in each of these cases, the defense was rejected. In two cases, the defense was raised by the defendant in his answer, who later elected not to contest the charges, and a consent order to cease and desist was entered. In another case, the hearing examiner dismissed the complaint as to the section 2 (a) count, for failure of proof, on motion of counsel supporting the complaint. In six other cases, complaints were dismissed on the ground there was no showing of injury to competition in the first instance. There are 12 formal cases now pending before the Commission in which the good faith defense is involved.

In other words, with the possible exception of the Standard Oil case, not yet finally decided, the meeting competition defense has not been successful in any Commission case.

(5) Turning now from consideration of abstract problems of law or economics, what would be the actual effect of this amendment on small business? Some segments of small business insist that it would be beneficial to them. Others are equally convinced that to them it would be injurious. For my part, however, I know of no evidence on which a satisfactory conclusion can be based.

After all, why should a law be passed that might be unduly beneficial to one group or unduly harmful to another. Our objective is the preservation of competition for everyone. How better can we preserve competition than by the preservation of competitors—or rather by giving them the opportunity to preserve themselves.

Much as our economy and even our liberty depends upon competition, we have long since passed the point where we thought competition should be unregulated. Our laws regulating wages and conditions of employment, dangerous products, advertising, and so forth, are, in a sense, limitations on competition. The same may be said of our antitrust laws. These laws are to business what the Marquis of Queensbury rules are to boxing and what modern football rules are to football. But they approach the problem from the standpoint of regulating the methods of competing rather than discouraging or making difficult, actual competition itself.

I feel that the uncertainties and risks of this amendment are so great that many businessmen, even though desiring in good faith to retain a customer by reducing the price, might be tempted to throw in the towel. Thus the number of individual and independent competitors might be reduced, with the inevitable result that we take a step nearer to what I regard as undesirable in our individualistic economy, to wit, uniformity of pricing.

(6) I would like to make the following suggestions for your consideration.

First, that S. 11 in its present form be not adopted. Second, I have already pointed out that the courts have placed certain definite and practical limitations on the good faith defense. It is true there still remain some areas of disagreement. If further legislation be thought necessary, it might be well to consider an amendment which would positively resolve these disagreements. Consideration might also be given to adding further limitations designed to eliminate predatory practices from the protection of the meeting of competition defense.

STATEMENT OF HON. FREDERICK C. NASH, GENERAL COUNSEL, DEPARTMENT OF COMMERCE, BEFORE THE ANTITRUST SUBCOMMITTEE OF SENATE JUDICIARY COMMITTEE, TUESDAY, MARCH 26, 1957

I appreciate the opportunity of appearing before this committee to discuss the question of the good-faith defense to a charge of price discrimination under the Robinson-Patman Act.

The bills to amend the Robinson-Patman Act now under consideration by this committee deal with a situation when a seller of a commodity—let's call it the Jones Co.—learns that a competitor of his, the Smith Co., has offered to sell the same commodity to one of Jones Co.'s customers, at a lesser price than Jones Co. has been getting.

To eliminate questions in this situation which might be involved under the Robinson-Patman Act but which are not involved in this immediate discussion, I assume that both companies are engaged in interstate commerce, that the Smith Co.'s lower price is a lawful one, and that it was genuinely made so that the merchandise would be sold to the customer if the customer accepted the offer.

The question involved here is: under what circumstances, if at all, can the Jones Co. in good faith lower its price to this customer to meet the price of the Smith Co. without lowering its prices across the board?

As we all know, the Standard Oil—or so-called Detroit—case has held that the lowering of the price in good faith to meet the competitor's price is a complete defense to a charge of unlawful price discrimination.

Let us suppose that the customer in our Jones Co. case is engaged in reselling the commodities in question and is in competition in these resales with other customers of the Jones Co. who have not received any similar offer of a price reduction from either the Jones Co. or the Smith Co. If the Jones Co. meets the price offered by the Smith Co. without likewise reducing its price to all its customers in competition with each other, the customer receiving the price reduction will have a competitive advantage over the other customers. This is what happened in the Standard Oil case.

S. 11, one of the bills before this committee, would try to prevent this situation by limiting the defense of the good faith meeting of an equally low price of a competitor to situations where the effect of meeting the price may not be substantially to lessen competition or tend to create a monopoly in any line of commerce, in any section of the country.

To understand the effect of this proposal, it is necessary to consider the definition of unlawful price discrimination in section 2 (a) of the Robinson-Patman Act.

Section 2 (a) defines unlawful price discrimination as discrimination which has the effect of substantially lessening competition or tending to create a monopoly in any line of commerce or injuring, destroying, or preventing competition with any person who either grants or knowingly receives the benefit of such discrimination or with customers of either of them. If we lay the definition of price discrimination alongside the statement of when the defense may be used, it is seen that with one exception, the defense may be used only when there has been no price discrimination. To put it another way, with the one exception, the defense need not be pleaded to win the suit.

Now, as to that exception—the circumstances when the defense will succeed—this

occurs when meeting a lower price will injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination or with customers of either of them.

The difference between the situations where the defense will be complete and where it will be no defense at all lies in the word "substantial." For it seems quite clear that if meeting the lower price will substantially injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination or with customers of either of them its effect "may be substantially to lessen competition" as that phrase is used in S. 11.

This would confront the Jones Co. with a major problem in deciding whether or not to meet the Smith Co. price: would the injury it inflicts on the other customers of Jones Co. be substantial?

This is a decision which the Jones Co. would have to make at its peril for if it erred it might be liable in a triple damage suit. Since the word "substantial" is not capable of exact definition, the Jones Co. would be running a considerable risk if in any case it decided to meet its competitor's equally low price. It might also be very true that the larger the customer's business the more dangerous it would be for the Jones Co. to meet the price. At the same time, if the Jones Co. does not meet the price and as a result it loses the customer's trade, the Jones Co. itself may be substantially injured. It, therefore, would be on the horns of a dilemma.

If the Jones Co. decides not to meet the competitive price it has lost the business to its competitor and its other customers in the area have suffered exactly the same competitive injury they would have suffered had it met the price. The only difference is that Jones Co. has lost the business.

In the Standard Oil case, "Ned's," a large store on a key corner, then served by Standard, was offered gasoline at a lower price. Halfway down the block was a smaller Standard Oil station which was not the beneficiary of a similar decrease. This situation is typical of others involved in that case. Whether Standard sold to Ned's at the lower price or complacently allowed the competitor to do so, the station down the block would have to meet the same price competition from Ned's and would lose the same customers.

There may be some sympathy with the position of the smaller Standard station which suffered as a result of this transaction. However, I do not believe that S. 11 would be of much assistance in solving that station's problems. The most that it would do would be to deter Standard from selling to Ned's and permit Standard's competitor to take over, leaving the small Standard station to face the same competition from another make of gasoline.

We cannot see much point in legislation which would injure Standard's or the Jones Co.'s ability to compete without any corresponding benefit to competition in the market occupied by its customers.

Also, we do not believe that S. 11 should be considered solely on the basis that all sellers are as large as Standard and that all customers are of the same relative size as Ned's and the neighboring gasoline stations. There might be an inclination not to have too much sympathy for a company the size of Standard. However, this proposed bill if enacted would create a similar dilemma for many smaller struggling companies who were trying to stay in the market. The dilemma they might face might be between having the danger of a ruinous triple damage action or losing an important customer necessary to their very existence.

We think that in the great majority of cases S. 11 would greatly handicap competition at the sellers' level without any corresponding benefit to competition at the customers' level. For this reason, we urge against favorable action on this measure.

STATEMENT BY VICTOR R. HANSEN, ASSISTANT ATTORNEY GENERAL IN CHARGE OF THE ANTITRUST DIVISION, BEFORE THE SUBCOMMITTEE ON ANTITRUST AND MONOPOLY OF THE SENATE JUDICIARY COMMITTEE RE S. 11, MARCH 28, 1957

I appear this morning, at your chairman's request, to present Justice Department views on S. 11. That bill would amend Robinson-Patman section 2 (b) to provide that a businessman may in good faith meet the equally low price of his competitor unless—and this qualifying clause is crucial—"the effect * * * may be substantially to lessen competition or tend to create a monopoly in any line of commerce in any section of the country." By so qualifying Robinson-Patman's good-faith defense, the bill would modify the Supreme Court decision in *Standard Oil Co.* v. *Federal Trade Commission*.[1]

We oppose this modification. To explain why, my plan is, first, to explain what Standard of Indiana holds; second, to explain why this holding best promotes antitrust's traditional goal of free competition; and, thirdly, I shall attempt to dispel certain misapprehensions that exist about that case and its effects.

I

First, what did the Supreme Court hold in Standard of Indiana? The Federal Trade Commission had contended that meeting a competitor's equally low price only rebutted a prima facie case made by a showing of sales at different prices, but was nullified by any affirmative proof of competitive injury caused by the challenged differential. A divided Supreme Court, however, rejected this contention, and construed the meeting-competition proviso as affording an absolute defense, incidental injury notwithstanding.

[1] *Standard Oil Co. (Indiana)* v. *Federal Trade Commission* (340 U. S. 231, 246, 247 (1951)). In point of fact, S. 11 would practically nullify the 2 (b) defense. Section 2 (a) of the Clayton Act declares illegal a discrimination in price between different purchasers of commodities of like grade and quality where the effect of such discrimination "may be (1) substantially to lessen competition or (2) tend to create a monopoly in any line of commerce, or (3) to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them." Since the proposed amendment to 2 (b) would provide that the defense is not available where either of the first two effects is probable, it would seem that the defense would be made practically meaningless unless there is a difference between the first two and the third effect clauses.

We have been unable to find any case or Federal Trade Commission decision wherein the third test has been considered separate or distinct from the other two effect tests of section 2 (a) of the Clayton Act. (In the proceeding against C. E. Niehoff & Co., docket 5768, May 17, 1955, the Commission apparentaly affirmed a hearing examiner's decision on the basis of the third effect clause. However, it appears that the hearing examiner found a violation of the first and third clauses and that the court of appeals affirmed on the basis of both clauses.) Neither the courts nor the Federal Trade Commission appears to have made any distinction between the various types of competitive injury. In the cases decided, whenever there has been a finding of an injury to competition within the meaning of the third clause, there has been also a finding of a substantial lessening of competition within the meaning of the first clause.

In the Court's view, Congress had in 1936 contracted the scope of the original proviso by confining it to price differentials occurring in actual competition, and by excluding reductions which undercut the lower price of a competitor.[2] But these revisions had not cut into the actual core of the defense. Actual competition, at least in this elemental form [was] thus preserved.[3]

From this it seems clear that the Court did no more than to hold that a seller can reduce his price in good faith to meet a lower price in an individual competitive context. As the Court put it in *Staley*, and relied upon in *Standard Oil*, "2 (b) does not concern itself with pricing systems or even with all the seller's discriminatory prices to buyers. It speaks only of the seller's lower price and of that only to the extent that it is made in good faith to meet an equally low price of a competitor. The act thus places emphasis on individual competitive situations, rather than upon a general system of competition."[4] And *Standard Oil* made clear that the burden of showing good faith—that is, proof that the seller as a reasonable and prudent man believed that he was in fact meeting a competitor's price—was on the seller, and not on the Commission.

II

Second, *Standard Oil* seems consonant with the Nation's antitrust policy. A seller's right to meet a competitor's prices by granting price differentials to some customers without reducing his prices to all must remain an essential qualification to any anti-price discrimination law. For a seller constrained by law to reduce prices to some only at the cost of reducing prices to all may well end by reducing them to none. As the Federal Trade Commission in 1953 recommended to Congress, "the right to meet a lower price which a competitor is offering to a customer, when this is done in good faith, is the essence of competition and must be permitted in a free competitive economy."

Anything less, I think, would move the price discrimination statute into irreconcilable conflict with the Sherman Act. As the late Mr. Justice Jackson, a former Attorney General and a former head of the antitrust division, observed during the oral argument of that case:

"The whole philosophy of the Sherman Act is go out and compete, get business, fight for it. Now the whole philosophy we are asked to enforce here is that you really must not; you should let this business go and not meet the competition. I have difficulty in knowing where we are with this."

Thus, Standard Oil goes far to harmonize the Robinson-Patman Act with the basic tenor of antitrust policy. As one witness before your committee recently explained the 2 (b) defense (Tr. p. 688):

"It is purely a defensive procedure to retain the business that we have on our books.

"It has also been our experience that where such a situation does take place and we or others meet a competitor's lower price, and at that point there might be some disadvantage to other buyers who do not have that price, that somehow that is a very temporary situation, and if the forces of free and open competition, at least in our industry, are allowed to operate, that that gets straightened out, and that this disadvantage soon disappears."

III

Finally, it may be helpful to clear up possible misunderstandings about the effect of Standard of Indiana. A good beginning point is the testimony of numerous small

[2] Ibid., p. 242.

[3] Ibid., p. 242.

[4] *Federal Trade Commission* v. *A. E. Staley Manufacturing Co.* (324 U. S. 746, 753 (1945)).

gasoline dealers before your committee last week. They spoke of gasoline price wars throughout the country and the effect of these wars on small independent gas dealers. According to their testimony, some of these price wars were initiated by the major oil companies in order to obtain a larger share of the market. They said that an oil company would grant lower prices provided its dealers would meet the cut prices of dealers of other oil companies. The dealers testified that the major oil companies would claim the section 2 (b) good faith defense as a justification for their granting these lower prices to dealers who would agree to cut their prices, while at the same time not granting such lower prices to other dealers.

Initially, an agreement to grant a price cut to a dealer who, in turn, would cut his price to a specified level, we believe, violates the Sherman Act. We have indicted oil companies for that very thing.[5]

Beyond the Sherman Act, neither Standard of Indiana nor present 2 (b) condones such conduct under Robinson-Patman. A case involving this very problem has recently been decided by the courts.[6] There, because of a "price war" at the dealer level, the Texas Company granted price allowances on the condition that its dealers lower their retail prices to a level competitive with nearby rivals. The Texas Company sought to justify these allowances to dealers who agreed to lower their prices on the basis of a § 2 (b) good faith defense. Rejecting this defense, the District Court reasoned: [7]

"Texas could justify discrimination only by a showing that it dropped its prices to the other stations to meet an equally low price made available to those other stations by a competing oil company. * * * That is the competitive level at which the justification is provided for defendant in the act. * * * The act does not go so far as to allow discriminatory price cutting to enable a buyer to meet price competition, but only to enable the seller to meet a lawful price of the seller's competitor.

The position of the court in the Texas case that the good faith meeting of competition is limited to meeting a competitor's lower price is consistent with my understanding of the law. This same view, incidentally, was apparently adopted before this committee by counsel for some of the very dealers who complained.[8]

Beyond this dealer testimony, fears have been engendered by the Seventh Circuit's recent reversal of the Commission's holding that Standard of Indiana had failed to make out its "good-faith" defense. That Seventh Circuit reversal this Department has petitioned the Supreme Court to review. To our view, the Seventh Circuit has misconstrued the "good-faith" defense. As our position in support of certiorari put it: [9]

"The court below sought to distinguish Staley and Cement by comparison of the pricing system involved in those cases—the so-called basing point system—with Standard's pricing formula. This attempted distinction is without basis in principle. Standard's pricing policy represented a general method of competition used not only by Standard but also by major competitors (R. 5388). Standard's "tank-car" prices were granted pursuant to, and were not variations from, Standard's established pricing policy. Whether prices are determined by a basing point system, or by a system of classifying customers for pricing purposes, is immaterial; for, as this court emphasized in Staley and Cement, section 2 (b) "does not concern itself with pricing systems" (Staley, p. 753; Cement, p. 725), does not permit a seller "to use a sales system which constantly results in his getting more money for like goods from some customers than he does from others" (Cement, p. 725), and relates only to "individual competitive situations" (Staley, p. 753; Cement, p. 725). This rationale is equally applicable here.

Summing up our position, as the Supreme Court reiterated by way of dictum only last month in National Lead (CCH Tr. Cases Par. 68, 629 (1957)):

"This is not to say that a seller may plead this section in defense of the use of an entire pricing system. This section is designed to protect competitors in individual transactions."

Finally, Standard has not, as its critics predicted, adversely affected enforcement of section 2 (a). Since standard, the "good faith meeting competition defense has been raised in 28 contested cases. In six of these, cease-and-desist orders have been issued.[10] In each of these six cases the defense was rejected. In another two cases, respondent raised the defense in his answer, later elected not to contest the charges, and a consent order to cease and desist was entred.[11] In another case, the hearing examiner dismissed the complaint's section 2 (a) count for complete failure of proof on motion of counsel supporting the complaint.[12] In six other cases, complaints were dismissed on the ground that there was no showing of substantial injury to competition.[13] There are 13 formal cases now pending within or before the Commission in which the good faith defense is involved.[14] In two more cases, complaints have been issued, but answers have not been filed.[15] The Standard Oil case itself is, of course, still pending in the courts.

In sum, then, Standard of Indiana merely restated what most people thought the law already was. Thus, as early as 1941, the staff of the Federal Trade Commission wrote in a TNEC Monograph (No. 42):

"While certainly no prejudgment of the issues is indicated, it is perhaps significant that the Commission on April 19, 1955, issued a complaint against Anheuser-Busch, Inc., alleging that this firm has violated section 2 (a) of the Robinson-Patman Act by reducing its established premium price on Budweiser beer to match exactly the lower established price charged for beer by its local competitors in the St. Louis area. It is further alleged that in "all other areas of the United States Anheuser-Busch, in accordance with its customer practice, maintained the so-called differential in price between premium-priced Budweiser and the normally lower priced regional or local beers." (Dkt. 6331.) The hearing examiner in his initial decision, issued October 23, 1956, rejected the good faith meeting-competition defense in this case for lack of "good faith" where the discrimination was for "aggressive rather than defensive purposes."

"The amended (Robinson-Patman) act now safeguards the right of a seller to discriminate in price in good faith to meet an equally low price of a competitor, but he has the burden of proof on that question. This right is guaranteed by statute and could not be curtailed by any mandate or order of the Commission. * * * The right of self-defense against competitive price attacks is as vital in a competitive economy as the right of self-defense against personal attack."

And the Department of Justice wrote the chairman of the House Judiciary Committee on July 10, 1951, that "* * * the Department has always interpreted subsection 2 (b) as permitting a seller to defend conclusively against a charge of price discrimination by affirmatively showing that such discrimination was made in good faith to meet the equally low price of a competitor" (Rept. No. 2438, 82d Cong., p. 6).

Against this background, I urge that Standard of Indiana's holding (that proof of "good faith" meeting of a competitor's lawful price constitutes an absolute defense to a 2 (a) charge) should stand. And hence S. 11, I believe, should not be enacted.

[5] *United States* v. *Shell Oil Company*, CCH Tr. Reg. Rep. Par. 66, 230; Cf. *United States* v. *Socony-Mobil Oil Co., Inc.* (five cases), CCH Tr. Reg. Rep. Par. 66, 224, (see Opinion of Sweeney, Chief Judge, dated March 20, 1957).

[6] *Enterprise Industries, Inc.* v. *Texas Company*), 136 F. Supp. 420 (D. Conn. (1955)), reversed on other grounds, 240 F. 2d 457 (C. A. 2, 1957).

[7] Ibid., p. 421.

[8] Verbatim hearings before the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee, March 14, 1957, pp. 554, 556.

[9] *Federal Trade Commission* v. *Standard Oil Co.*, O. T. 1956, No. 465, petition for certiorari, pp. 12–13.

[10] E. Edelmann & Co., 3 CCH Trade Reg. Rep., par. 25, 445 (FTC 1955); Moog Industries, Inc., 3 CCH Trade Reg. Rep., par. 25, 444 (FTC 1955); C. E. Niehoff & Co., 3 CCH Trade Reg. Rep., par. 25, 467 (FTC 1955); Whitaker Cable Corp., 3 CCH Trade Reg. Rep., par. 25, 443 (FTC 1955); Champion Sparkplug Co. docket 3977; and General Motors Corp., docket 5620.

[11] Frank F. Taylor Co., 3 CCH Trade Reg. Rep., par. 25, 116 (FTC 1954); Whitman Candy Co., docket 6560.

[12] Warren Petroleum Corp., docket 6227.

[13] Yale and Towne Manufacturing Co., docket 6232; Elwell Park Electric Co., docket 6329; Hyster Co., docket 6330; Lewis-Shepard Co., docket 6340; Clark Equipment Co., docket 6347; Otis Elevator Co., docket 6350.

[14] Standard Motor Products, docket 5721; Anheuser-Busch, Inc., docket 6331; American Motor Specialties, Inc., docket 5724; Borden-Aicklen Auto Supply, Inc., docket 5766; D. & N. Auto Parts Co., Inc., docket 5767; Federal Mogul Corp., docket 5769; Thompson Products, Inc., docket 5872, Arkansas City Cooperative Milk Association, Inc., docket 6639; Pure Oil Co., docket 6640; Sun Oil Co., docket 6641; Sealed Power Corp., docket 6654; Shell Oil Co., docket 6698; and Black Manufacturing Co., docket 6710.

[15] Libby-Owens-Ford Glass Co., docket 6700; and Sperry Rand Corp., docket 6701.

HISTORY OF THE GRAND LODGE OF MASONS OF DELAWARE—POEM BY CHARLES E. GREEN

Mr. FREAR. Mr. President, the year 1956 marked the sesquicentennial of the formation of the Grand Lodge of Masons of Delaware.

The grand lodge celebrated its achievements of the past 150 years, which was a glorious record and worthy of solemnization.

Delaware Masonry is fortunate in having among its members Charles E. Green, who has devoted many years in research into both Delaware and Masonic history.

By official decree, Mr. Green was appointed historian and assigned the task of putting into printed form the history of the Grand Lodge of Delaware, as a permanent memorial.

In reading this fine book of Delaware Masonic history, I was impressed with Mr. Green's great humility, as expressed in a prayer found in a foreword to the book.

Mr. President, I ask unanimous consent that this prayer be printed in the RECORD.

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

A PRAYER

Grand Architect, to Thee I bring
This ashlar as an offering.
The imperfections, I'm aware,
Will show upon Thy faultless square.
Thou knowest well the joys I've found
In brilliant hours with thoughts profound.
So bless this work and may it be
Of use to them who worship Thee.

I've dreamed in many ancient lands
And dwelt on Egypt's burning sands.
With pyramid and sphinx I've sought
To learn the secrets that they taught.
From Mount Moriah to the sea,
Across to Greece and Italy,
Through France and Spain to English shores,
I've sought for truth in mystic lores.

Thy guiding light has steered my mind
Through time, through space and lore to find
The Mason's word shall always be
The mystery of mystery.
O Master, may Thy loving hand
Reach out across our glorious land,
To touch our sacred soil so fair
And bless the craft of Delaware.

—CHARLES E. GREEN.

MAY 7, 1956.

LEGISLATIVE PROGRAM—EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, it had been my intention to ask the Senate to proceed to consider Calendar No. 160, Senate bill 1585, the Budget Joint Committee bill. I am informed that some of my colleagues who are very much interested in that measure will not be available to discuss it today. Therefore I give notice the bill will be brought up at a later date.

The same situation is true with respect to Calendar No. 119, Senate 1423, the bill to amend the Civil Aeronautics Act. Interested Senators are not available to discuss that bill today, so it will not be brought up.

Mr. President, it is our plan to proceed to consideration of Calendar No. 183, S. 1314, to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, following the executive session.

Mr. President, I now 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 PRESIDING OFFICER (Mr. BIBLE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

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

Scovel Richardson, of Missouri, to be judge of the United States Customs Court, vice William A. Ekwall, deceased.

By Mr. JOHNSTON of South Carolina, from the Committee on the Judiciary:

Clement F. Haynsworth, Jr., of South Carolina, to be United States circuit judge, fourth circuit, vice Armistead M. Dobie, retired.

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

The PRESIDING OFFICER. The Secretary will call the roll.

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

Aiken	Frear	Monroney
Allott	Fulbright	Morton
Anderson	Green	Mundt
Barrett	Hayden	Murray
Beall	Hennings	Neuberger
Bible	Hickenlooper	O'Mahoney
Bricker	Hill	Pastore
Bush	Holland	Payne
Butler	Hruska	Potter
Byrd	Humphrey	Purtell
Capehart	Ives	Revercomb
Carlson	Jackson	Robertson
Carroll	Javits	Russell
Case, N. J.	Jenner	Saltonstall
Case, S. Dak.	Johnson, Tex.	Schoeppel
Chavez	Johnston, S. C.	Smith, Maine
Church	Kefauver	Sparkman
Clark	Knowland	Stennis
Cooper	Kuchel	Symington
Cotton	Magnuson	Thurmond
Curtis	Malone	Thye
Dirksen	Mansfield	Watkins
Douglas	Martin, Iowa	Wiley
Dworshak	Martin, Pa.	Williams
Eastland	McCarthy	Young
Ellender	McClellan	
Ervin	McNamara	

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Oregon [Mr. MORSE], the Senator from North Carolina [Mr. SCOTT], the Senator from Florida [Mr. SMATHERS], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

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

The clerk will state the nomination on the Executive Calendar.

IN THE ARMY

The legislative clerk read the nomination of Brig. Gen. Ralph Wise Zwicker to be a brigadier general in the Regular Army of the United States; and the nomination of Brig. Gen. Ralph Wise Zwicker to be a major general for temporary appointment in the Army of the United States.

The PRESIDING OFFICER. Without objection, the two nominations will be considered together.

Mr. McCARTHY. By the two nominations, I understand the Chair to mean the permanent and the temporary commissions of the same general. Is that correct?

The PRESIDING OFFICER. The Chair is advised that there is before the Senate a permanent nomination for brigadier general and a temporary nomination for major general of the same general officer.

Mr. McCARTHY. Mr. President, I ask for the yeas and nays on the Zwicker nomination.

The PRESIDING OFFICER. Is the request sufficiently seconded?

The yeas and nays were not ordered.

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

Mr. JOHNSON of Texas. Mr. President, I hope the Senator from Wisconsin will withhold his request. I ask Senators to join in seconding the Senator's request, so as to save some time.

The PRESIDING OFFICER. The Chair will put the question again. Is the demand for the yeas and nays sufficiently seconded?

The yeas and nays were ordered.

Mr. McCARTHY. I very much thank the Senator from Texas.

Mr. President, it has been a little more than 3 years now since public controversy swirled around the head of Brig. Gen. Ralph Zwicker. In February of 1954 the name of General Zwicker came into the news in connection with efforts by the Senate Investigations Subcommittee to expose Communists and security risks in the Army. General Zwicker was then the commanding officer of one such Communist suspect, Maj. Irving Peress, a name well known to all of us. In this capacity, he was instrumental in getting Peress honorably discharged from the Army before court-martial proceedings could be brought against him.

I do not propose today to discuss General Zwicker's role in that affair, or his appearance, several days later, before the investigations subcommittee which gave rise to a rather considerable public furor. Suffice it to say that the general consensus of those connected with the incident was that General Zwicker failed to cooperate with a committee of the United States Senate in its efforts to expose the Communist conspiracy. I believe it is a fair comment that very few Members of this body who have read the transcript of General Zwicker's testimony before the investigations subcommittee in February of 1954 hold any brief for the General's conduct on that occasion. In fact, all the Democrats and all the Republicans on the investigations committee voted to send Zwicker's testimony to the Justice Department for perjury action.

Now, 3 years later, it is proposed by the administration that Zwicker be promoted to the permanent rank of brigadier general and the temporary rank of major general. What has Zwicker done during those 3 years? The only thing worthy of note that I have been able to discover is that in March 1955 he perjured himself. I repeat, he perjured himself.

The single question I am asking today is whether it is entirely fitting and proper that we should reward an Army officer who has lied under oath before a congressional committee by granting him a promotion in rank.

I shall not try to conceal the deep sense of outrage I feel in this matter, Mr. President. Many nominations have come before the Senate which have caused me to wonder whether those in control of the executive branch are in full possession of their wits. But none, I think, has so clearly flouted the minimum standards of justice or propriety as this one. I had hoped, after the Peress incident, that General Zwicker would be quietly retired. When he subsequently committed perjury, I was sure we had seen the last of him as an Army officer—that his next appearance would probably be in a criminal court. Little did I dream that he would, in effect, be honored for the crime by being promoted to major general.

Let me briefly describe the occasion on which General Zwicker lied to a Congressional committee. In March, 1955, Zwicker was called before the Investigations Subcommittee, then presided over by the senior Senator from Arkansas [Mr. McCLELLAN] as chairman, to explain his role in the Peress case. During the course of the interrogation, Zwicker was asked about a telephone conversation he had had with Mr. George Anastos on January 22, 1954. Mr. Anastos, at the time of the phone conversation, was employed as counsel for the subcommittee.

General Zwicker admitted that he had talked to Mr. Anastos by phone. He said that Anastos had called him at Camp Kilmer, N. J., to inquire as to whether he had information concerning a card-carrying Communist in the Medical Corps at Camp Kilmer. Wishing to confirm the fact that Anastos was connected with the subcommittee, Zwicker told Anastos he would return the call at the subcommittee offices in the Senate Office Building. He did so within the hour. During that second conversation, according to Zwicker, he informed Anastos that he knew about the man Anastos had referred to, that he was in the Dental Corps rather than the Medical Corps, and that his name was Irving Peress. Zwicker maintained, however, that that was the extent of the security information which he passed on to Anastos either then or at any other time. In this connection, Zwicker was asked the following specific questions, and I now quote from the transcript of the subcommittee hearing.

Mr. President, I interrupt myself at this point to suggest that the Senator from South Dakota [Mr. CASE] and the Senator from Maine [Mrs. SMITH]—I observe that the Senator from Connecticut [Mr. BUSH] is on the floor—be present during the discussion, because they took rather a major part in the case. I ask also that the Senator from North Carolina [Mr. ERVIN], whom I consider to be a good friend of mine now, although we were not always thus, be present.

I ask that the pages call those three Senators and tell them that their names will come up during the discussion, in case they wish to be present. Will the pages please call the Senator from South Dakota [Mr. CASE], the Senator from Maine [Mrs. SMITH], and the Senator from North Carolina [Mr. ERVIN]?

I now quote from the hearing:

Mr. KENNEDY. You did not give him any information regarding any Communist affiliations that Irving Peress might have?

General ZWICKER. I did not.

Mr. KENNEDY. You did not tell him that Irving Peress' wife, Elaine, was a Communist Party member?

General ZWICKER. I did not.

Mr. KENNEDY. Did you tell him that Irving Peress was a card-carrying Communist member from 1948 to 1952?

General ZWICKER. I did not.

Mr. KENNEDY. That in 1951 he was a Communist Party organizer?

General ZWICKER. I did not.

Mr. KENNEDY. And that from 1943 through 1952 he was registered in New York City with the American Labor Party and had been an official of the American Labor Party?

I digress to say that that was after the American Labor Party attempted to clean house, and this was the group which was kicked out of the American Labor Party because of Communist activities. I continue to read:

General ZWICKER. I did not.

Mr. KENNEDY. That from 1949 to 1951 he subscribed to the Daily Worker?

General ZWICKER. I did not.

Mr. KENNEDY. And he attended a fundraising party for the 11 Communists who were being tried?

General ZWICKER. I did not.

Mr. KENNEDY. And his mother, Sarah, registered with the American Labor Party from 1942 to 1949?

General ZWICKER. I did not.

Mr. KENNEDY. And his wife, Elaine, was a member of the Communist Party in 1944?

General ZWICKER. I did not.

Mr. KENNEDY. And in 1951–52 his wife, Elaine, attended Communist Party meetings and held Communist Party meetings in her home?

General ZWICKER. I did not.

Mr. President, this testimony by General Zwicker was completely contrary to evidence then in the subcommittee files concerning the content of the phone conversation between Mr. Anastos and General Zwicker. Knowing that to be the case, the McClellan committee called Mr. Anastos—who, I am sure, all members of the subcommittee will agree is a highly estimable young man—and interrogated Anastos concerning the telephone conversation. With reference to his second telephone conversation with General Zwicker, Mr. Anastos was asked the following questions, and I now quote, once again, from the transcript of the committee hearings. There is nothing secret about this, Mr. President. It is all a matter of record, and it is about a man whom the Senate is asked to promote as of today.

Mr. KENNEDY. At that time did General Zwicker go into the background of Irving Peress?

Mr. ANASTOS. Yes.

Mr. KENNEDY. Did he first tell you that the person whom you were looking for was Irving Peress?

Mr. ANASTOS. He did.

Mr. KENNEDY. Did he say he was in the Dental Corps rather than in the Medical Corps?

Mr. ANASTOS. He indicated he was in the Dental Corps.

Mr. KENNEDY. Then did he go on to give you information as to his background?

Mr. ANASTOS. He did.

Mr. KENNEDY. I am going to ask you about that information in just a minute, but I want to find out what you did after the conversation was over. You hung up the phone, and then did you tell Mary Morrill to write up her notes?

Mr. ANASTOS. I did.

If I may interject here, Mr. President, Miss Morrill was one of the employees of the subcommittee at that time and had been asked by Mr. Anastos to monitor the telephone call with General Zwicker and to take notes on the conversation. Continuing now with the testimony of Mr. Anastos:

Mr. KENNEDY. Then she furnished them to you?

Mr. ANASTOS. She did.

Mr. KENNEDY. Then did you dictate a memorandum to her incorporating the notes that you had made as well as the notes she had made?

Mr. ANASTOS. That is right.

Mr. KENNEDY. That was on the same day?

Mr. ANASTOS. That is right.

Mr. KENNEDY. Then did you take the memorandum in to Frank Carr who was the staff director at that time?

Mr. ANASTOS. That is right.

Mr. KENNEDY. Would you identify this document, please?

Mr. ANASTOS. Yes. This is a memorandum which I dictated and which Miss Morrill typed up.

The CHAIRMAN. Is this the original memorandum?

Mr. ANASTOS. Yes, sir.

Mr. President, let me say that I was shocked beyond words when I found that the Armed Services Committee did not call either Mr. Anastos or Miss Morrill, to get their testimony. My good friend, the Senator from North Carolina [Mr. ERVIN], was quoted as saying, "This would be plowing over old ground." Well, Mr. President, if trying to determine whether or not there was perjury on the part of an Army general, when testifying before a Congressional committee which was seeking to dig out and expose the Communists in the Army, is plowing over old ground, that should be plowed over again and again and again.

I read further from the hearing:

Mr. KENNEDY. All the information contained in this memorandum was given to you by General Zwicker in that second telephone call?

Mr. ANASTOS. Absolutely.

Mr. KENNEDY. Did he give you the serial number of Irving Peress—O1893643? Do you remember if he gave you the serial number?

Mr. ANASTOS. I distinctly remember his giving me Peress' serial number.

Mr. KENNEDY. And that Peress was a student officer at the medical school at Fort Sam Houston, Tex.?

Mr. ANASTOS. Yes.

Mr. KENNEDY. Do you remember that?

Mr. ANASTOS. I do.

Mr. KENNEDY. Do you remember that he also gave the information that in August 1953 Peress refused to answer interrogatories, claiming his Federal constitutional privilege?

Mr. ANASTOS. Yes; he gave me that information.

In that connection, Mr. President, let me say that when a man gives false information on a military interrogatory, he can be court-martialed and receive a sentence up to 5 years. About January 24, Zwicker called the committee and

advised that he had received orders directing that Peress be given an honorable discharge at a date not to exceed 90 days from the date of the order—roughly the end of March. Peress elected to be discharged in 60 days. On January 30, Peress was called before the committee, at which time he was a major still on active duty at Camp Kilmer. To all questions he took the fifth amendment. On February 1, I wrote a letter to the Secretary of the Army requesting that his discharge not be granted and that court-martial proceedings be conducted against him. This letter was received by the Secretary of the Army on the same day and Zwicker admitted that he knew I had made this request. On February 2, 1 day after my request, Peress was given an honorable discharge by Zwicker. This made impossible any court-martial proceedings.

Mr. KENNEDY. And that Irving Peress had attended CCNY from 1933 to 1936?

Mr. ANASTOS. Yes, sir.

Mr. KENNEDY. And attended NYU from 1936 to 1940?

Mr. ANASTOS. Yes, sir.

Mr. KENNEDY. And was a card-carrying Communist member from 1948 to 1952?

Mr. ANASTOS. Of course, I can't remember the exact dates as I sit here now——

Mr. KENNEDY. But you can remember that he mentioned——

Mr. ANASTOS. I remember he gave me information concerning everything that you have mentioned.

Mr. KENNEDY. Something about his being a Communist Party member?

Mr. ANASTOS. Yes, sir.

Mr. KENNEDY. And information that he was a Communist Party organizer?

Mr. ANASTOS. Yes.

Mr. KENNEDY. And he was registered in New York City from 1943 to 1952 with the American Labor Party and had been an official in the American Labor Party?

Mr. ANASTOS. Yes, sir.

Mr. KENNEDY. And that for a couple of years he had subscribed to the Daily Worker?

Mr. ANASTOS. Yes.

Mr. KENNEDY. Do you remember his mentioning the fact that he subscribed to the Daily Worker?

Mr. ANASTOS. Yes; I do.

Mr. KENNEDY. And that he attended a fund-raising party for the 11 Communists who were being tried?

Mr. ANASTOS. Yes.

Mr. KENNEDY. And the information regarding his mother, Sarah, and the fact she was registered in the Labor Party from 1942 to 1949?

Mr. ANASTOS. Yes.

Mr. KENNEDY. You remember his giving information regarding his mother, Sarah?

Mr. ANASTOS. That is right.

Mr. KENNEDY. And his wife, Elaine; do you remember him mentioning his wife, Elaine?

Mr. ANASTOS. I distinctly remember that General Zwicker gave me information that his wife, Elaine——

That is to say, not Zwicker's wife, Elaine, but Peress' wife, Elaine—

was a member of the Communist Party and that she held Communist Party meetings at her home.

Mr. KENNEDY. Did he also give you certain home addresses of Irving Peress?

Mr. ANASTOS. Yes; he did. I remember that.

Mr. KENNEDY. Now you testified before the Watkins committee; is that true?

Mr. ANASTOS. That is true.

Mr. KENNEDY. The information you gave that committee is accurate and the truth?

Mr. ANASTOS. It is absolutely accurate, and I want to stand on it.

Later on, Mr. President, the McClellan committee called Miss Mary Morrill, a young lady of extremely high repute, and asked her about her role in the incident. Miss Morrill confirmed that she had been asked to monitor the call by Mr. Anastos; that Mr. Anastos had dictated a memorandum of the conversation with General Zwicker, on the basis of his notes and hers; and that nothing appeared in the memorandum contrary to her recollection of the telephone conversation. The memorandum of that telephone conversation, dictated by Mr. Anastos with the aid of Miss Morrill, was immediately put into the committee's files. It is there today, as part of the committee's records.

If I may recapitulate this testimony, it shows that in the files of the investigations subcommittee is a memorandum to the effect that General Zwicker gave to Mr. Anastos, over the telephone, detailed security information concerning Major Peress. Mr. Anastos, who had participated in that telephone conversation; and Miss Morrill, who had monitored it, both testified under oath as to the accuracy of that memorandum. I may add that prior to the time of this telephone conversation, the subcommittee had no specific information whatsoever concerning Major Peress; it did not even know his name—although we knew there was a Communist at that base.

There was no other way for the committee to have obtained this information except by consulting Peress' security file, which was in the custody of General Zwicker, at Camp Kilmer. Notwithstanding those facts, General Zwicker denied under oath before the McClellan committee that he had given to Mr. Anastos the security information in question.

On the basis of this testimony, on April 12, 1955, the Senator from Arkansas [Mr. MCCLELLAN], as chairman of the subcommittee, wrote the Justice Department—with the approval of the entire committee—and suggested an inquiry as to whether General Zwicker's testimony involved a violation of the perjury statute. For more than 19 months, Mr. President, the Justice Department sat on the case, and refused, despite numerous proddings by the McClellan committee, to indicate how it was going to dispose of the matter. Finally, on December 11, 1956, the Justice Department sent to Chairman MCCLELLAN a letter which I shall now read. Mr. President, I hope that you and all Members of the Senate will listen to this gobbledygook:

DECEMBER 11, 1956.

Hon. JOHN L. MCCLELLAN,
Chairman, Senate Permanent Subcommittee on Investigations, Committee on Government Operations, United States Senate, Washington, D. C.

DEAR SENATOR: This is to advise you concerning the disposition of the case involving Brig. Gen. Ralph W. Zwicker of the United States Army.

The complex legal and factual problems involved in this matter have been carefully considered and all the evidence developed has been examined in the light of the technical requirements necessary to establish an offense under the existing law. As a result of this study, it has been concluded that a criminal prosecution will not be undertaken. The case is being closed in the Criminal Division.

The Secretary of the Army is also being advised of this decision.

Sincerely,

WARREN OLNEY III,
Assistant Attorney General.

Mr. President, while two colonels worked full time for a year in checking the case of Zwicker, they never once contacted either Miss Morrill or Mr. Anastos. I wish to say to the able members of the Armed Services Committee that I cannot conceive—I simply cannot get it through my mind—why, when they were asked to conduct an investigation of this matter, the case of a man accused of perjury, whom we are apparently about to promote today, they did not call Olney and ask him why he sat on this case for 19 months and what the technical difficulties were that prevented a prosecution for perjury after he had 2 witnesses—and 2 are all that are needed in a perjury case. I should very much like to get an answer from one of the members of the Armed Services Committee as to why those witnesses were not called.

Thus, after 19 months of doing nothing, the Justice Department decided that for technical reasons General Zwicker should not be prosecuted for perjury. As I read it, the clear implication of this letter is that even the Justice Department felt that General Zwicker had lied, and that only technical difficulties stood in the way of a successful perjury action against him.

In spite of these events, the administration had the temerity to send Zwicker's name to the Senate for promotion.

Let me add that during the past 2 years, Army investigators have been hard at work, attempting to vindicate General Zwicker. Two colonels, I understand, have been on the job full time or almost full time. However, Secretary of the Army Brucker admitted to the Armed Services Committee that the Army investigators, whatever else they have been doing, never once approached either Mr. Anastos or Miss Morrill in order to obtain their version of the affair.

All of these facts were brought to the attention of the Armed Services Committee, which held hearings on the Zwicker nomination last month.

I am very happy there are so many members of the Armed Services Committee present here today. It indicates a healthy interest in this case. I am extremely disappointed, however, to see so few of the other Senators, who must vote upon the promotion of a man guilty of perjury.

All these facts were brought to the attention of the Armed Services Committee, which held hearings on the Zwicker nomination last month. It was the general consensus of that committee, I believe, and if I am wrong I hope I will be corrected, that General Zwicker had lied to the McClellan committee. I cite one passage from the transcript that I think

is illustrative of the sentiments of the committee members:

Senator SALTONSTALL. Mr. Chairman, one more question. Mr. Kennedy, boiled right down, what you have said in answer to my inquiry, boiled right down, it is your opinion that Zwicker answered these questions: "I did not," to protect himself from having violated a Government security regulation the year before; isn't that about it?

Do the Senators understand the unusual character of that question, which is to the effect that a man perjured himself so as to protect himself from a violation of a security regulation? If he wanted to protect himself from a violation of security regulations, all he had to do was cite the regulations and refuse to answer, and not perjure himself.

Mr. Kennedy's answer was:

Mr. KENNEDY. And putting himself in great personal difficulty with the Department of the Army.

Senator SALTONSTALL. Yes. That was his motive in answering those questions that way.

I ask the Senator from Massachusetts [Mr. SALTONSTALL] if he appreciates upon hindsight, the unusual character of that question? He was saying to Mr. Kennedy the reason General Zwicker perjured himself was to protect himself from a violation of security regulations, when all he had to do was say, "I cannot answer because of security regulations."

Mr. Kennedy said:

That is what I believe, Senator SALTONSTALL.

Senator BRIDGES. Certainly the testimony read by Senator CASE confirms the telephone conversation without any question of doubt.

The Senator from New Hampshire [Mr. BRIDGES] was referring to the telephone conversation with Anastos.

Senator CASE. I think that General Zwicker after he was assured he was talking with Anastos too, he just opened up.

Senator BRIDGES. I think a general conclusion can be drawn from that all right.

After the hearing, the Armed Services Committee ordered a special investigation of the case to be conducted by two of the outstanding Senators on the committee, the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Virginia [Mr. BYRD]. What happened during the course of that investigation, I do not know. If I am wrong I hope I will be corrected, but there was a bobtail investigation by the Armed Services Committee as a whole, at which it was decided not to call Mr. Anastos, Miss Morrill, or Mr. Olney. What happened during the course of that investigation? Again, I do not know.

Why the committee voted, ultimately, to confirm, I do not know. I do know that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Virginia [Mr. BYRD] both refused to recommend that the Senate confirm the promotion. I do know that the White House, and the Pentagon, brought tremendous pressure to bear on the members of the committee, urging them to support the nomination. I do know that two of the Senators on the committee, other than the Senator from New Hampshire and the Senator from Virginia, said in executive session that while they realized Zwicker had lied, they did not feel that this affected his bravery, and that therefore he should be promoted. I know also that one of the Senators—a third Senator—received word from the White House that a failure to confirm Zwicker would mean dishonoring West Point, if you please, and therefore that Zwicker should be promoted. I will not name the Senators who voiced these sentiments. They know who they are, and can identify themselves if they choose.

Let me digress here, Mr. President, to say that I know, as is usual when I oppose a nomination of the President, or when I oppose him on some issue, the story goes forth that "MCCARTHY is fighting President Eisenhower." I never have indulged in any personalities with Eisenhower, nor will I ever be provoked to do so. Regardless of who may be in the White House, I shall stand up and fight the issues as I see them.

As the Chair knows, as a Senator he stands up, raises his right hand, as I do, and takes practically the same oath of office the President takes.

I believe the Chair will recall that I fought my great and good friend, Robert Taft, on issues. One very important issue had to do with housing. I redrafted the entire housing bill in the session of 1948. It was against Bob Taft's wishes originally. He finally voted for it and supported it wholeheartedly. There never was any feeling that there was a fight between Bob Taft and me. We remained good friends right down to the date of his death.

I merely emphasize this to show that my opposition to Zwicker has nothing to do whatsoever with my feeling toward President Eisenhower, any respect which I might have for him, or any lack of respect which I might entertain for the palace guard.

I have no wish to impugn the motives or the competence of the Armed Services Committee in general. For many members of that committee I have a great deal of respect. I hope that today they will be able to give the Senate some plausible reason for having supported this nomination.

You will recall, Mr. President, the slogan that swept the country a couple of years ago. That slogan was "Who promoted Peress?" If the present nomination should be confirmed, the people of the United States will be entitled to raise the cry with equal vigor, "Who promoted Zwicker?" I sincerely hope that the Senate will forestall that development by refusing to confirm.

I know there are those who feel that Senators who are members of a committee should not be criticized, but I frankly think that if the Senate confirms the promotion of Zwicker it will not only be a disgrace to the Senate, it will be a disgrace to the entire Army.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The question is, Will the Senate advise and consent to these two nominations en bloc? The yeas and nays have been ordered.

Mr. STENNIS. Mr. President, the yeas and nays have been ordered, as the Chair states. 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. STENNIS. 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 question is, Shall the nomination of Brig. Gen. Ralph Wise Zwicker to be a brigadier general in the Regular Army of the United States, and also the nomination of the same officer to be a major general in the Army of the United States, be confirmed? Under a previous order these nominations are being considered en bloc.

Mr. STENNIS. Mr. President, as chairman of the subcommittee of the Committee on Armed Services which considers nominations for promotion, I filed a report in this case recommending confirmation by the Senate of the promotion of General Zwicker.

These nominations came to the Senate with a group of other nominations, and were referred to our subcommittee. Objection was filed by the junior Senator from Wisconsin to the approval of the nominations. They were therefore taken off the regular list and placed before the full committee. The full Committee on Armed Services heard testimony in the case.

We had before the committee the sworn testimony of the witnesses to whom reference has been made, Mr. Anastos and Miss Morrill, given under oath in previous proceedings. That testimony was presented to the committee at the beginning of the hearings. It was furnished in special excerpt form by the Committee on Government Operations. I remember being furnished with a copy, which I took to my office and read.

There was a recess until some time later, and further testimony was taken. We had before us the testimony which was given by Miss Morrill and Mr. Anastos. We had the testimony of General Zwicker, as given in prior hearings before Senate committees. We had before us at this hearing also General Zwicker himself. After a most thorough examination of the General in connection with all the allegations, in the light of the sworn testimony which we had in the RECORD I reached the conclusion that he was not guilty of perjury, and that his record as an officer was outstanding. Therefore it was my position that the nominations should be recommended for approval.

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

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

I would not undertake to speak for any other Senator. However, as has already been brought out, every vote that was recorded was in favor of the promotion of General Zwicker. At that time the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Virginia [Mr. BYRD] withheld their votes.

In answer to the suggestion about calling other witnesses, I was fully convinced that all the facts had been covered in the sworn testimony. We had the testimony before us in printed form for our study. I did study it.

There was one point that had some bearing on the charges and countercharges, and that was that all the way through it was shown that General Zwicker from the beginning took a lead in trying to find out and expose Peress.

However, to go back to the very merits of the case, the sworn testimony not only failed to convince me that General Zwicker was guilty of any perjury, but I was convinced that he was not guilty of any perjury, and that therefore he was certainly entitled to have that charge dismissed and to stand on his military record.

I am glad now to yield to the Senator from Wisconsin.

Mr. McCARTHY. Mr. President, may I ask the Senator this question? Would the fact that the Senator from Virginia [Mr. BYRD] and the Senator from New Hampshire [Mr. BRIDGES], two of the outstanding Members of the Senate, were appointed to investigate this matter, and refused to vote for confirmation have any significance in the Senator's mind? Can he explain that? Can he also explain why that investigation was never conducted, and why the Senator from New Hampshire and the Senator from Virginia were called off?

Mr. STENNIS. The Senator from Mississippi can speak only for himself, although he will agree with the Senator from Wisconsin that the Senator from New Hampshire and the Senator from Virginia are outstanding Senators. I do not believe that either one of them was called off, so far as that was concerned, but I know nothing about it, of course. So far as the question of bringing any other witnesses before the subcommittee is concerned, I did not hear any recommendation that any witnesses be brought before it or not be brought before it. I do remember that the Senator from Virginia wanted to abstain from voting at that time because he had not read all the testimony, or had not heard all the testimony, I believe he said, that had been given.

Mr. McCARTHY. Mr. President, will the Senator yield further?

Mr. STENNIS. As I recall, he reserved his right to vote as he might see fit later. I am not attempting to answer for anyone except myself. I yield to the Senator from Wisconsin.

Mr. McCARTHY. I believe the Senator said he did not hear the suggestion that any other witnesses be brought before the subcommittee or not be brought before it. During the hearings before the subcommittee, unless I am badly misinformed, the suggestion was made that certain witnesses be called. I do not like to bandy the name of any Senator in the Chamber, but one of the Senators who is present on the floor objected to such a course being followed, and made the remark that it would be going over an old field again, or something like that.

Mr. STENNIS. I do not remember anything like that happening. If it did happen, it was not in my hearing.

Mr. McCARTHY. Can the Senator tell me this? I was present when the able Senator from Georgia [Mr. RUSSELL]—I believe I was present, and if I was not present, I read it in the newspaper immediately afterward—appointed the Senator from Virginia [Mr. BYRD] and the Senator from New Hampshire [Mr. BRIDGES] to investigate the matter and report to the committee. I am wondering why that was not done. It is significant to me that neither of those Senators would vote to confirm the nomination of Zwicker. I wonder if I am correct when I say that both Senators were appointed to conduct an investigation. The Senator from Georgia is present.

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

Mr. STENNIS. I yield.

Mr. RUSSELL. I did not understand that the Senator from Virginia or the Senator from New Hampshire were appointed to conduct any particular kind of investigation. The Chair did, as is often done in such cases, appoint those Senators to determine the names of any additional witnesses the committee should hear with respect to this matter. Prior to the time when that appointment was made, the full committee had voted to call General Zwicker before it. Those two Senators were appointed, as is often done in such cases, so that a smaller group could suggest to the committee the names of additional witnesses who should be heard, if those Senators felt that additional witnesses should be heard. Neither Senator insisted on the committee hearing any other witnesses, and did not suggest the names of any additional witnesses that the committee should hear.

Although I hesitate to speak for the Senator from Virginia, I did hear him say that he had been engaged daily in the hearings on the tax bill, and had been unable to attend any of the hearings. He said he desired to withhold his vote, without prejudice, until he had had an opportunity to read the record. I have no information as to the conclusion the Senator reached. He will be able to speak for himself.

Mr. McCARTHY. Mr. President, will the Senator from Mississippi yield so that I may ask a question of the Senator from Georgia?

Mr. STENNIS. I am glad to yield.

Mr. McCARTHY. I am extremely curious to know why only witnesses favorable to Zwicker were called, and why no other witnesses were called. The committee called Zwicker, but it did not call Olney, Anastos, or Miss Morrill. I simply cannot follow that reasoning at all. I assume there must be a good explanation for it.

Mr. RUSSELL. I can understand how the Senator from Wisconsin might have conducted the inquiry had it been in his hands. Some witnesses might have been examined and others not. However, the only witness the committee summoned was the man involved, General Zwicker. Here was a man who had given 30 years of his life to the Army and had had a distinguished career. Without regard to any precedent that may have been set in any other hearing before any other committee, we felt as a simple matter of decency and propriety we should hear him. The committee voted unanimously to call him before it. He was accompanied by the Secretary of the Army, who made a statement at the conclusion of General Zwicker's testimony.

The committee did not summon the Secretary of the Army, although we are always glad to have the Secretary of the Army appear before the committee on any important matter that relates to the Department of the Army. There is certainly nothing unusual to have him show some interest in a case which affects the Department of the Army. We heard the Senator from Wisconsin and we permitted him to bring before the committee Mr. Kennedy, who, as I recall, was not on the staff of the committee at the time of the original hearings. We permitted the very fullest of expression on the part of those witnesses, regardless of whether they expressed views or opinions or conclusions which were not predicated upon any first-hand knowledge of the instances involved. The committee feels—certainly the chairman of the committee feels, and no other member of the committee desired to hear any other witnesses—that after we had devoted 3 days to the hearing we had discharged our responsibility and we are perfectly willing to stand on it now on the floor of the Senate.

Mr. McCARTHY. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield.

Mr. McCARTHY. The Senator did have before him the fact that there was a telephone conversation which had been monitored and written down immediately after the monitoring, which showed perjury, and he had the testimony of Zwicker before the Watkins committee, in which he admitted the perjury. I wonder by what wild stretch of the imagination——

Mr. RUSSELL. The Senator from Wisconsin may have concluded that it showed perjury. The committee went into it as thoroughly as it knew how, and the committee voted 12 to 0 to report the nomination. So there was a slight difference of opinion on the part of the majority of the committee and the Senator from Wisconsin. We had before us testimony on this matter which had been gone over on at least 3 other occasions—I am not sure whether it was 4, but certainly at least 3 occasions—and we permitted the Senator from Wisconsin to bring Mr. Kennedy before the committee, to read into the record the testimony of Mr. Anastos, to whom he refers, and of the young lady, to whom he refers. They had testified on this matter at least twice before. We had all that testimony before us. I, as one member of the committee, read all that testimony. The other members of the committee read it and concluded that there was not sufficient substance in the matter to warrant a charge of perjury against General Zwicker. This was a

very confused picture, I may say to the Senator.

A number of investigations were then in progress. The committee presided over by the Senator from Wisconsin was investigating, and it was a very active committee. It had a number of staff members. There was ample room for a mistake to have been made in this matter on the part of Mr. Anastos, Miss Morrill, or, indeed, of General Zwicker, without attributing any willful perjury to anyone. In my judgment, there is absolutely nothing in the record which would have justified the conclusion that General Zwicker was guilty of perjury, or which would warrant the Senate in destroying the life and reputation of a man who has contributed immeasurably to the Armed Forces of the United States in the wars in which this country has been engaged.

Mr. McCARTHY. Mr. President, before the Senator yields the floor, I wonder if I may ask him one more question.

Mr. RUSSELL. Certainly.

Mr. McCARTHY. As I understood the Senator from Georgia, he stated that the vote in the committee was 12 to 0 that Zwicker did not commit perjury. Am I correct in my understanding—if I am not, I should certainly like to be corrected—that two of the Senators present and voting, while they voted to confirm the nomination, expressed the opinion that Zwicker was guilty of lying before the committee, but that they felt other facts outweighed that consideration?

Mr. RUSSELL. The Senator from Wisconsin will have to ask questions of those Senators themselves. I shall not undertake to stand upon the floor of the Senate and explain their statements made in the committee.

I will say for myself that if I had been convinced that Zwicker had been guilty of perjury in this matter, and if I thought pressures might have been put on him, I would have voted against the confirmation of his nomination.

I was deeply concerned about the matter when it first arose. I went into it and came to the inescapable conclusion that there was nothing in the record which would have stood for 2 minutes in a court of law to indicate that there was evidence of perjury on the part of Zwicker. Indeed, the committee would have been subject to very severe criticism if it had taken any action other than that which it did take.

Mr. McCARTHY. Mr. President, will the Senator from Georgia yield once more?

Mr. RUSSELL. Yes, although the Senator from Mississippi [Mr. STENNIS] has the floor.

Mr. McCARTHY. I think this matter is extremely important. The Senator from Georgia is the chairman of the committee. He has told the Senate that the vote was 12 to 0 that Zwicker was not guilty of perjury. I think the Senator from Georgia owes it to the Senate to state whether or not it is true that at least 2, and I am informed perhaps 3, Senators who voted for the confirmation of Zwicker's nomination said that Zwicker was guilty of perjury.

If I may ask two questions, I shall ask the Senator why Olney, in the Criminal Division, held the matter for 19 months, and then did not write to say that Zwicker was guilty of perjury, but said that for technical reasons it was felt the Government could not prosecute. Could the Senator state why Olney was not called before the committee to state what the technical reasons were?

I myself think it is a tremendous reflection upon the Army, when there was a clear-cut case of perjury. It could not be anything else. There was the monitored telephone conversation. There was a United States attorney, who sat on the case for 19 months, and then said, "I am giving it up only for technical reasons."

Here we have Senators who have voted in committee to confirm the nomination but who have said they thought Zwicker was lying. I believe it is in the nature of a reflection upon the Senate. I think the able Senator from Georgia might comment on that.

Mr. RUSSELL. No; I have no desire whatever to comment on the remarks of the Senator from Wisconsin, Mr. President. The committee went into the matter with the idea and hope of being able to establish some general facts, and not with the idea of either creating or confirming mere suspicion.

Mr. ERVIN. Mr. President, as the Senator from Wisconsin has said, I did make a statement when the matter was heard before the Committee on Armed Services that, so far as I was concerned, we were plowing old ground.

I had heard the evidence before, because I sat with the Senator from Wisconsin on the Permanent Subcommittee on Investigation when it investigated the Peress matter. Indeed, I have heard General Zwicker testify three times, counting the hearing before the Armed Services Committee.

The Senator from Wisconsin stated very accurately and very forcefully the testimony which was given at the hearing before the Permanent Subcommittee on Investigations and also before the Committee on Armed Services.

I have spent much time listening to witnesses. I have learned that there is often great inaccuracy in the recollection of witnesses. As the Senator from Wisconsin has made plain, there was a direct conflict between the testimony given by Mr. Anastos and Miss Morrill, and that given by General Zwicker. If I had drawn the inference which the Senator from Wisconsin drew from that conflict of testimony, I would have voted against the promotion of General Zwicker. However, I made an appraisal of the evidence, and reached the abiding conviction that the testimony of General Zwicker in denial of the testimony of the other two witnesses is true. In saying that, I do not reflect in any way upon the other two witnesses.

I think this is, in all probability, a case of honest mistake arising out of the fallible recollections of witnesses. The testimony showed beyond all doubt that before Mr. Anastos called General Zwicker, he had received information concerning Major Peress, although he did not know Major Peress' name. Mr. Anastos called General Zwicker and stated to General Zwicker, so General Zwicker testified, certain of the information he, Anastos, had received. The information was so accurate that it enabled General Zwicker to identify the person to whom Mr. Anastos was referring as Major Peress.

I think that in all probability when Mr. Anastos dictated the memorandum to Miss Morrill, he inserted in the memorandum both the information he had acquired before he called General Zwicker and the information he received from General Zwicker. General Zwicker, as I recall, testified that in that conversation he did give information from the personnel file to Mr. Anastos.

As I say, there was a conflict in evidence. Several conclusions can be drawn from the testimony. One can draw the inference that one witness or another had testified untruthfully. One could also draw the inference from the testimony that the discrepancy in the testimony of the witnesses was due to the fallibility of human recollection. There are many good persons who disagree in their testimony.

I call attention to the substantial disagreements among the writers of the Four Gospels. I wish to read from the King James version of the Bible the accounts which the writers of the Synoptic Gospels gave concerning the legend which was written over the cross on which the Savior was crucified. If Senators will follow my reading, they will see that each one of the four Evangelists gave different testimony on that point.

I read first from the 27th chapter of St. Matthew's Gospel, the 37th verse:

> And set up over His and His accusation written, This is Jesus the King of the Jews.

In the Gospel according to St. Mark, chapter 15, the 26th verse reads as follows:

> And the superscription of His accusation was written over, The King of the Jews.

I now turn to the Gospel according to St. Luke, and find these words in chapter 23, the 38th verse:

> And a superscription also was written over Him in letters of Greek, and Latin, and Hebrew, This is the King of the Jews.

The Gospel according to St. John, chapter 19, verse 19, contains this account relating to the same fact:

> And Pilate wrote a title, and put it on the cross. And the writing was, Jesus of Nazareth the King of the Jews.

Mr. President, we observe that all four accounts on that point, as contained in the four Gospels, differ. If such great and good men as the writers of the Gospels can honestly disagree in their testimony concerning the same fact, then it is quite possible that Mr. Anastos, Miss Morrill, and General Zwicker could quite honestly disagree. That is the conclusion I reached.

As I have said, I was convinced that General Zwicker was telling the truth about the matter; and that the testimony of the other witnesses was in error, due to a confusion of the information which Mr. Anastos already had with

the information he got from General Zwicker. That being true, I came to the conclusion that no perjury was committed by anyone; and that in view of the distinguished career General Zwicker had had in the service of his country, he was entitled to this promotion.

Mr. McCARTHY. Mr. President, will the Senator from North Carolina yield?

Mr. ERVIN. Yes, Mr. President; I am delighted to yield to the Senator from Wisconsin.

Mr. McCARTHY. The Senator from North Carolina is a very able lawyer. After the committee voted unanimously to send that record to the Department of Justice, because of perjury, and after the criminal division—after constant, week after week, urging by the Senator from Arkansas [Mr. McCLELLAN] that they do something about it, one way or the other—had sat on it for 19 months, and when they did not say Zwicker was guilty of perjury, but said, "Because of technical difficulties, we feel it not wise to prosecute," does not the Senator from North Carolina, as a lawyer, believe that before this body is asked to act one way or the other on the nominations, it should know what the technical difficulties are, and whether those in the Department felt Zwicker was guilty of perjury? They had 2 Army colonels working for approximately 2 years on the case. They must have had some information.

Does not the Senator from North Carolina believe that we should call him before the committee, and have him give an accounting, before we vote on these nominations?

Mr. ERVIN. Mr. President, I reply to the distinguished Senator from Wisconsin by stating that I do not think so, because the responsibility for passing on this matter rested upon the members of the Senate Armed Services Committee, rather than upon Mr. Olney. I had to pass on it according to my own judgment as to what the testimony showed. On that point, I do not believe the opinion of the Assistant Attorney General, Mr. Olney, would have been of any assistance to me.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent en bloc to these nominations?

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

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

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

Aiken	Douglas	Malone
Allott	Ervin	Mansfield
Anderson	Frear	Martin, Iowa
Barrett	Green	Martin, Pa.
Beall	Hayden	McCarthy
Bible	Hennings	McNamara
Bush	Hickenlooper	Monroney
Butler	Hill	Morton
Capehart	Holland	Mundt
Carlson	Hruska	Murray
Carroll	Humphrey	Neuberger
Case, N. J.	Ives	O'Mahoney
Case, S. Dak.	Jackson	Pastore
Chavez	Javits	Payne
Church	Johnson, Tex.	Potter
Clark	Johnston, S. C.	Purtell
Cooper	Kefauver	Robertson
Cotton	Knowland	Russell
Curtis	Kuchel	Saltonstall
Dirksen	Magnuson	Smith, Maine
Sparkman	Thurmond	Wiley
Stennis	Thye	Williams
Symington	Watkins	Young

The PRESIDING OFFICER. A quorum is present.

Under the previous order, the pending nominations are to be voted on en bloc.

The question is, Will the Senate advise and consent to the nominations?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY], the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Oregon [Mr. MORSE], the Senator from North Carolina [Mr. SCOTT], the Senator from Florida, [Mr. SMATHERS], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

I further announce that if present and voting the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Oregon [Mr. MORSE], the Senator from West Virginia [Mr. NEELY], the Senator from North Carolina [Mr. SCOTT], the Senator from Florida [Mr. SMATHERS] would each vote "Yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. JENNER], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Kansas [Mr. SCHOEPPEL] are detained on official business.

If present and voting the Senator from New Jersey [Mr. SMITH] would vote "Yea."

The result was announced—yeas 70, nays 2, as follows:

YEAS—70

Aiken	Cooper	Hruska
Allott	Cotton	Humphrey
Anderson	Curtis	Ives
Barrett	Dirksen	Jackson
Beall	Douglas	Javits
Bible	Dworshak	Johnson, Tex.
Bush	Eastland	Johnston, S. C.
Butler	Ellender	Kefauver
Capehart	Ervin	Knowland
Carlson	Frear	Kuchel
Carroll	Green	Magnuson
Case, N. J.	Hayden	Mansfield
Case, S. Dak.	Hennings	Martin, Iowa
Chavez	Hickenlooper	Martin, Pa.
Church	Hill	McNamara
Clark	Holland	Monroney
Morton	Purtell	Thurmond
Mundt	Robertson	Thye
Murray	Russell	Watkins
Neuberger	Saltonstall	Wiley
O'Mahoney	Smith, Maine	Williams
Pastore	Sparkman	Young
Payne	Stennis	
Potter	Symington	

NAYS—2

Malone McCarthy

NOT VOTING—24

Bennett	Gore	Morse
Blakley	Jenner	Neely
Bricker	Kennedy	Revercomb
Bridges	Kerr	Schoeppel
Byrd	Langer	Scott
Flanders	Lausche	Smathers
Fulbright	Long	Smith, N. J.
Goldwater	McClellan	Talmadge

So the nominations were confirmed en bloc.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be immediately notified of the confirmations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

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.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. KNOWLAND. Mr. President, I offer the amendment which I have sent to the desk and ask that it be made the pending amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from California will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 2, strike out all of line 4.

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER (Mr. CHURCH in the chair). The Senator from California.

Mr. KNOWLAND. Mr. President, the only controversy, so far as I know, on the bill will be this amendment which I am offering, to strike out the last line in the bill, which line would delete section 304 of the act.

On this amendment I ask for the yeas and nays, so that all Senators will be on notice.

The yeas and nays were not ordered.

Mr. KNOWLAND. Mr. President, I should like to ask for the yeas and nays on this amendment again.

The PRESIDING OFFICER. The yeas and nays have been asked for again. There is a sufficient second, and the yeas and nays are ordered.

Mr. KNOWLAND. Mr. President, this amendment merely strikes out line 4, on page 2, of Senate bill 1314, which reads:

(4) Section 304 of such act is deleted.

From a simple statement of its language, the amendment perhaps would not appear to be particularly important. I realize there is an honest difference of opinion as to the public policy involved, but I wish to invite attention to the fact that section 304, which it is proposed to delete but which would remain in the law if my amendment should be agreed to, reads as follows:

SEC. 304. The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those or like commodities to unfriendly nations.

That is the language which it is proposed to delete. I shall debate the amendment at a later date, but I wished to put all Senators on notice concerning the purport of the amendment.

ANALYSIS OF REPORT OF SUBCOMMITTEE ON PRIVILEGES AND ELECTIONS OF THE COMMITTEE ON RULES AND ADMINISTRATION RELATING TO CAMPAIGN EXPENDITURES AND CONTRIBUTIONS IN THE 1956 GENERAL ELECTION

Mr. MANSFIELD. Mr. President, in the daily CONGRESSIONAL RECORD for Thursday, March 28, 1957, on pages A2533–A2534 of the Appendix, there appears under the extension of remarks of the Honorable RICHARD M. SIMPSON, of Pennsylvania, reference to three articles written by Raymond Moley. These articles were published by the Waterbury Republican, February 22, 1957, and by Newsweek magazine on March 4 and again on March 11, 1957.

In the CONGRESSIONAL RECORD of March 29, 1957, appearing on pages 4773–4796, are alleged analyses of the report of the Subcommittee on Privileges and Elections relating to campaign contributions and expenditures in the 1956 general election, and remarks pertaining thereto by the distinguished senior Senator from Kansas [Mr. SCHOEPPEL], the distinguished junior Senator from Nebraska [Mr. CURTIS], the distinguished junior Senator from Arizona [Mr. GOLDWATER] and the distinguished junior Senator from Minnesota [Mr. HUMPHREY].

Mr. President, I might add at this time that the offices of all these Senators have been notified of my intention to make these remarks this afternoon.

The article which appeared in the Waterbury Republican and Newsweek magazine by Mr. Moley and the statement in the CONGRESSIONAL RECORD, by Senator SCHOEPPEL, chairman of the National Republican Senatorial Campaign Committee, and which fills some 16 pages of the CONGRESSIONAL RECORD, all relate to the subcommittee's report on campaign contributions and expenditures during the 1956 general election campaigns, and purport to point out glaring flaws, omissions, misrepresentations, and other errors tending, according to the authors of these writings and statements, to mislead the American public concerning the source of campaign contributions and the manner in which expenditures were made, and to bring discredit upon the Republican Party.

The distinguished senior Senator from Kansas has submitted a statement after weeks of study of the subcommittee report, and he has charged that errors which appear in the report render it of very doubtful value. Mr. Moley, likewise, prepared his articles after a private study of the subcommittee report.

In neither case was information obtained to refute the findings of the subcommittee from any source except the report itself.

Shortly after the March 4 edition of the Newsweek magazine was distributed, I received a letter from Mr. and Mrs. F. W. Laverty of Fort Worth, Tex., who referred to the article by Mr. Moley, and asked for my views concerning Mr. Moley's criticism. The text of that letter is as follows:

FORT WORTH, TEX., *March 4, 1957.*

Hon. MIKE MANSFIELD,
Washington, D. C.

DEAR SENATOR: My husband and I have long been an admirer of yours; we felt that you were honest and courageous. Enclosed is an article from Newsweek written by Raymond Moley, who, I understand, is an authority in his field. In this article, he questions your judgment, as well as your integrity.

We would be interested in your views on this article.

Yours very truly,
Mr. and Mrs. F. W. LAVERTY.

On March 12, 1957, I mailed an answering letter to the Lavertys and answered not only the article which appeared in the Newsweek magazine of March 4, 1957, but also a subsequent one which appeared on March 11, 1957. The text of my letter is as follows:

MARCH 12, 1957.

Mr. and Mrs. F. W. LAVERTY,
Fort Worth, Tex.

DEAR MR. AND MRS. LAVERTY: I have read the article by Mr. Raymond Moley which appeared in the March 4 edition of Newsweek magazine and which you enclosed with your letter of the same date. A subsequent article by the same author appears in Newsweek magazine of March 11, dealing with the same subject—the report of the Subcommittee on Privileges and Elections on the 1956 general election.

I will not comment on the editorial policy of Mr. Moley, but a thorough review of the activities of the subcommittee during the 1956 campaign, and a study of its report should reveal to any interested and impartial observer that the work of the subcommittee was completely bipartisan and objective in all of its functions. Further, all of the actions of the subcommittee were performed with the unanimous consent of its members. Not until the report was finally published was there a dissenting opinion voiced.

Toward the end of August 1956, the subcommittee unanimously agreed to conduct a thorough investigation into campaign finances on the Federal level, and, as far as practicable, on the State level. Subcommittee questionnaires were prepared and after approval by the committee, were mailed to all senatorial candidates, political committees, labor unions, and other political organizations whose names and addresses were capable of being ascertained through all possible sources. The subcommittee requested all of these individuals and groups to report concerning cash on hand, contributions received, expenditures made, of whatever nature, during the 1956 campaign. Reports received from national committees and other national organizations covered the entire year. Reports from State and local organizations were for a lesser period of time because it was not possible to canvass the entire field during the limited time available to the subcommittee.

The reports which were received from all sources were signed and duly sworn to, or affirmed by the candidates themselves or by responsible officers of the committees or other organizations. From these sworn reports which were received by the subcommittee and from the sworn reports received by the Clerk of the House of Representatives and by the Secretary of the United States Senate, the subcommittee obtained the information which is disclosed in its report on the 1956 general election.

There are no allegations or insinuations anywhere in the report of the subcommittee to the effect that any person, corporation, labor union, or other organization or association gave contributions or made expenditures or attempted in any way to influence the result of an election or elections, unless the person, corporation, labor union, or other organization did in fact do so as reported in the sworn statements so filed.

The report selected certain groups and disclosed contributions and expenditures by persons associated with such groups, and where persons were known to be associated with more than one group or corporation or labor union, such persons were named and their contributions or expenditures listed. In almost every case, the total of contributions or expenditures was properly noted, so that the overall total of contributions and/or expenditures does not include duplications or repetitions in any manner. Because of the mass of material and figures gathered during this initial inquiry, it was not possible to avoid some errors, but these were inadvertent, and not due to any willful or deliberate attempt to mislead.

Contributions and expenditures to or by the Democratic Party, the Republican Party, and other miscellaneous parties are all faithfully reproduced in the report with the sole intent of disclosing the picture of campaign financing accurately and objectively without intent to focus improper attention on any party, person, or other organization.

The study which was conducted by the subcommittee during the 1956 campaign was the first effort of any Senate body to obtain as fully as possible information on the activities and finances of all candidates, all committees, and all other organizations or associations during a general election. Because of the magnitude of this undertaking and the limited time during which the investigation was conducted, as well as the fact that it was the first of its kind, the subcommittee readily admits that its report is not infallible. The report states that not every person, committee, or other organization or association which was active during the 1956 campaign was contacted by the subcommittee, or filed a report, and the total figures for contributions and expenditures, as reported, are not necessarily the complete totals for the year 1956.

However, within the power and jurisdiction of the subcommittee, the very best job possible was accomplished, and it is the sincere wish of the subcommittee that its efforts will lead to improvements in existing legislation, and a more complete and detailed disclosure of campaign finances in the future.

Thank you for your interest in this matter and for calling my attention to the ar-

ticle which you forwarded. I hope that I have been able to answer your questions to your satisfaction.

Sincerely yours,

MIKE MANSFIELD,
Chairman, Subcommittee on Privileges and Elections.

On page 4790 of the CONGRESSIONAL RECORD of Friday, March 29, 1957, the distinguished junior Senator from Nebraska [Mr. CURTIS] pointed out that he had received a letter from the president of the American Bar Association commenting on the listing in the subcommittee report of contributions by individuals belonging to selected special groups, including the American Bar Association.

Mr. President, the president of the American Bar Association, Mr. David F. Maxwell, on March 19, 1957, wrote to me as chairman of the Subcommittee on Privileges and Elections with respect to the listing of individuals identified with business and professional groups who contributed $5,000 or more during the 1956 campaigns. A copy of Mr. Maxwell's letter was sent to the Senator from Nebraska [Mr. CURTIS], and I assume it was this letter to which the Senator referred in his remarks.

I ask unanimous consent that the text of the letter received from Mr. Maxwell be printed in the RECORD at this point as a part of my remarks.

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

AMERICAN BAR ASSOCIATION,
March 19, 1957.

Hon. MIKE MANSFIELD,
Chairman, Subcommittee on Privileges and Elections, United States Senate, Washington, D. C.

DEAR SENATOR MANSFIELD: In the February 15, 1957, issue of the news magazine U. S. News & World Report there appeared an article on 1956 election-campaign contributions based upon information in the report of the Subcommittee on Privileges and Elections of the Senate Committee on Rules and Administration.

One of the categories of contributions was headed in large type "Contributions to the two political parties by business and professional people" and in smaller type "Individuals identified with business and professional groups who contributed $500 or more each in the 1956 campaign are listed in the Senate Elections Subcommittee report. The contributions." Under this heading the name of the American Bar Association appeared followed by figures indicating contributions of $5000 to the Republican and $2500 to the Democratic National Committees.

Actually these were purely individual gifts of six men who happen to be members of the American Bar Association. But many of our members and others who read this article concluded the American Bar Association had made these contributions as evidenced by the number of letters of protest I received. This misunderstanding is unfortunate because the American Bar Association is of course a voluntary service organization of the legal profession which not only is strictly nonpartisan in all its operations but makes no political contributions whatever.

Our board of governors was naturally distressed by the implications contained in the report, and directed me to write you with respect to it. We realize there was no intent, on the part of the subcommittee or of the U. S. News & World Report, to cause embarrassment to this association or any other. But we do respectfully submit that the practice of linking purely personal contributions of individual donors to an association to which they happen to belong, and lumping these individual gifts together in such a way to identify them with the association, leads inevitably to misinterpretations and is unjustified.

That the particular contributions referred to were personal and completely unrelated to the American Bar Association is attested by the individuals who made them. Since all of these gentlemen have various other organizational affiliations, we are at a loss to understand why this association was singled out as the organization with which their personal gifts should be identified in the subcommittee's report, rather than any one of the other organizations to which they belong. For instance, Joseph W. Henderson, of Philadelphia, one of the individuals listed as an American Bar Association contributor, happens to be president of the Union League of Philadelphia which, as you know, is a Republican club, and I am certain that his contribution was intended to be credited to that source, rather than to the American Bar Association. On the other side of the aisle, Richard Bentley, of Chicago, is a member of Governor Stevenson's former law firm. His contribution to the Stevenson campaign was sent on his law-firm stationery and was intended to be credited to the Volunteers for Stevenson. Neither of these gentlemen had the slightest idea that their contribution would be attributed to their membership in the American Bar Association, nor did they wish it to be.

The American Bar Association membership of 90,000 includes men and women of both political parties. You can, therefore, understand why there was such widespread protest from members of both parties following the publication of the article in the U. S. News & World Report. Our association has existed to serve the legal profession and the public for 80 years. Its activities are conducted on a strictly nonpartisan basis; the legislative questions on which it takes positions are those affecting the administration of justice and the public interest within the scope of the association's objectives.

It is our hope that your subcommitte will take whatever steps are necessary to prevent a recurrence of similar incidents in the future. We hope that you will particularly give consideration to the manner of listing the contributions of individuals in such manner that it will be clearly indicated that they are personal contributions without connecting them up in any way with organizations having no part in political activities. In order that I may make a report to the board of governors of this association, I will appreciate hearing from you with respect to this matter at your earliest convenience.

Thanking you and your colleagues for your consideration of this request, I am,

Sincerely yours,

DAVID F. MAXWELL,
President.

Mr. MANSFIELD. On March 25, 1957, I sent a reply to Mr. Maxwell, and I ask unanimous consent that the text of that letter be printed in the RECORD at this point as a part of my remarks.

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

MARCH 25, 1957.

Hon. DAVID F. MAXWELL,
President, American Bar Asscciation, Philadelphia, Pa.

DEAR MR. MAXWELL: This will acknowledge receipt of your letter of March 19, pertaining to the report of the Subcommittee on Privileges and Elections, entitled "1956 General Election Campaigns."

When the broad investigation into campaign finances was conducted by the subcommittee during 1956, it was the announced intention of the subcommittee to inquire into all sources from which contributions were received and the manner in which expenditures were made. Majority and minority representation on the subcommittee were in accord that the investigation should be as complete and objective as time and resources would permit. Not only were candidates and political committees requested to report to the subcommittee concerning contributions and expenditures, but also an attempt was made to determine what impact, if any, was made on Federal elections by certain other groups or associations throughout the United States.

The reports which were received by the subcommittee were sworn to or affirmed by candidates or by officers of committees, groups, or associations, and in no case did the subcommittee report a contribution or expenditure by a person, committee, or other group which was not substantiated by reports filed with the subcommittee. And, in no case did the subcommittee report a contribution or expenditure by a group, organization, or other association, if in fact the contribution or expenditure was given or made by an individual.

In many instances, the name of an individual contributor appears in more than one place in the report, i. e., as a director, delegate, or other official of a group or association, as a contributor to a Democratic and Republican National Committee, as a contributor to a State Democratic or Republican committee, or for other purposes listed in the report.

You have referred in your letter to Joseph W. Henderson of Philadelphia and to Richard Bentley of Chicago, who are both members of the House of Delegates of the American Bar Association. Each of those men is listed as having contributed to the Republican or Democratic parties. They have also been listed by the subcommittee in other portions of the report, as follows:

1. Exhibit No. 26: "Consolidated alphabetical list of contributors of $500 or over to Democratic and Republican committees and candidates for the period January 1, 1956–November 30, 1956:

"Richard Bentley, $2,500 (Democrats)" (page 26–5).

"Joseph W. Henderson, $1,500 (Republicans)" (page 26–106).

2. Exhibit No. 27: "Contributors of $500 and over to political committees and candidates for the period January 1, 1956–November 30, 1956, by States:

"Richard Bentley, Illinois, $2,500 (Democrats)" (page 27–11).

"Joseph W. Henderson, Pennsylvania, $1,500 (Republicans)" (page 27–171).

3. Exhibit No. 28: "Alphabetical list of contributors of $500 and over, arranged by party and by recipient committee or candidate for period January 1, 1956–November 30, 1956:

"Richard Bentley, National Volunteers for Stevenson, $2,500 (Democratic)" (page 28–12).

"Joseph W. Henderson, Republican National Committee, $500 (Republican)" (page 28–71).

"Joseph W. Henderson, Pennsylvania Republican Finance Committee, $1,000" (page 28–195).

Therefore, it may readily be ascertained by a reading of the full report of the Subcommittee that Messrs. Bentley and Henderson are listed as contributors to the Democratic and Republican Parties respectively, as individuals. And further, that they are listed not only as contributors of $500 or more or as contributors to National committees, but also that their contributions were further broken down to State committees.

In like manner, Messrs. Herbert Brownell, Jr., Arthur H. Dean, W. T. Gossett, and

Whitney North Seymour are shown as individual contributors to Republican organizations in exhibits 26, 27 and 28.

The subcommittee had no intention to intimate that an individual contribution or expenditure was actually made by a particular group, organization or other association per se.

Exhibit 22 specifically states that the contributions listed were "1956 political contributions of $500 and over by persons belonging to selected special groups," and you have been frank to admit this fact in your letter. The subcommittee regrets any misinterpretation which has been drawn by readers of the report. And, of course, the subcommittee cannot be responsible for any material allegedly reproduced in either the U. S. News & World Report or any other magazine or newspaper.

I hope that this information will prove of value to you in preparing your report to the board of governors of the American Bar Association, but if there should be any additional facts desired, please let me hear from you again.

Sincerely,

MIKE MANSFIELD,
Chairman, Subcommittee on Privileges and Elections.

Mr. MANSFIELD. On August 31, 1956, the Subcommittee on Privileges and Elections, which at that time was under the chairmanship of the distinguished junior Senator from Tennessee [Mr. GORE], and on which I had the pleasure of serving together with the distinguished junior Senator from Nebraska [Mr. CURTIS], met in executive session, and unanimously agreed to conduct a thorough, impartial, and objective study of campaign contributions and expenditures during the 1956 general-election campaign on the broadest scale possible, in consideration of time and resources available to the subcommittee.

Acting under the jurisdiction conferred upon it by the United States Senate, the Subcommittee on Privileges and Elections increased its staff and began the immediate preparation of questionnaires and reporting forms which were to be sent out to as many candidates for Federal office, political committees, labor unions, radio and television stations, other media of written or oral communication, and other individuals, organizations, or associations, whose names and addresses the subcommittee was capable of ascertaining. Hearings were conducted by the subcommittee on September 10 and 11, and again on October 8, 9, and 10, 1956, during which time testimony was received from political scientists, members of political committees, officers of various branches of the Government, labor-union representatives, corporation officials, and many others who personally requested or were asked by the subcommittee to appear and testify. Notices were sent to each Member of the Senate announcing the dates of the hearings and inviting all those interested to attend and participate in the hearings.

On Tuesday, October 9, 1956, the distinguished junior Senator from Arizona [Mr. GOLDWATER] availed himself of the opportunity to participate in the hearings of that day, and he examined Messrs. Joseph McDevitt and Jack Kroll, co-directors of the AFL–CIO Committee on Political Education, and Mr. Walter P. Reuther, president of the international union, UAW–CIO, and at that time he stated that he would submit a letter to the chairman, the distinguished junior Senator from Tennessee [Mr. GORE], requesting that the subcommittee obtain certain information from various unions. The text of the letter of the Senator from Arizona [Mr. GOLDWATER] appears on page 456 of part II of the hearings which were published in 1956.

Every opportunity was afforded to representatives of both major political parties to present facts and request action on all matters pending before the subcommittee relating in any manner to campaign finances and political activities. No action was taken at any time by any of the members of the subcommittee to forestall, delay, or camouflage inquiry into any field of political activity or financing upon which attention was focused.

Following recommendations by the Senator from Nebraska and the Senator from Arizona, an investigation was conducted in Flint, Mich., concerning alleged violations of Federal election laws by the Greater Flint Industrial Union Council, and, specifically, local No. 599 of the United Auto Workers. As the subcommittee report states, that investigation was somewhat hampered by the facts that the campaign was then at its height, and that an investigation in progress was known to the press. The subcommittee investigator reported back to the subcommittee that he was unable to obtain all of the information for which he was sent, and that his conclusions were necessarily incomplete.

The subcommittee, meeting in executive session, all members being present, unanimously agreed not to pursue the investigation further at that time, but to refer the matter to the Department of Justice for such action as should be deemed necessary.

The statement by the distinguished chairman of the National Republican Senatorial Campaign Committee omits any reference to the fact that the case above-described was transmitted to the Department of Justice. The remarks, by Senators GOLDWATER and CURTIS, which appear in the RECORD of March 29, 1957, likewise fail to acknowledge that such action was taken.

Section 610 of the Federal Corrupt Practices Act—title 18, United States Code, section 610—prohibits contributions or expenditures by national banks or federally organized corporations, and also contributions or expenditures by any corporation or labor union in connection with Federal elections. Members of both major political parties have long complained that direct contributions and/or expenditures and other means calculated to influence the result of elections have been employed by corporations and labor unions. Some charges of this nature have resulted in court action to enforce the provisions of Federal election laws.

The subcommittee received testimony from Warren Olney, III, Assistant Attorney General in charge of the Criminal Division of the Department of Justice, with reference to the enforcement of section 610, title 18, United States Code. In a statistical report of complaints received by the Department of Justice concerning alleged violations of this section from 1950–56, Mr. Olney pointed out that during that period there had been received 54 complaints, of which 49 were considered by the Department to be worthy of investigation. Of these complaints and investigations, 14 cases were presented to the grand jury. Only 2 indictments were obtained, and only 1 case was brought to trial, which resulted in an acquital. One further case, the United States against International Union, United Automobile, and so forth, Workers, was heard in the Federal District Court for the Eastern District of Michigan. An appeal from a decision of that court adverse to the complainant, was taken to the Supreme Court of the United States. That august body remanded the case to the district court for the eastern district of Michigan for trial. Thus, there is no clear decision concerning political activities by labor unions, corporations, or national banks.

The subcommittee sent no questionnaires or other forms to corporations, but relied solely for information on such legal entities upon reports filed by candidates and political committees with the Clerk of the House of Representatives and the Secretary of the Senate.

Every phase of the enormous task of compiling statistics of campaign contributions and expenditures, both on the Federal and State levels, was done only after conference with all members of the subcommittee, and, in every instance, with the concurrence of both majority and minority members. Time and time again was the maxim reiterated that the intent of the subcommittee was to disclose to the best of its ability, time and resources permitting, as much of the financing for all campaigns throughout the United States as was humanly possible, and that the aim of the subcommittee was to produce a statistical report free from bias or political partisanship.

An interim report, compiled by the subcommittee, was submitted to each of the Members, and an opportunity was given for the submission of corrections and any criticisms which might be brought to the attention of the subcommittee. No objection to the printing of the subcommittee's interim report was officially voiced by any member of the subcommittee at any of its meetings, with the exception that the distinguished Junior Senator from Nebraska [Mr. CURTIS] expressed his opinion that donors who made contributions within the letter of the law ought not to be subjected to embarrassment or humiliation.

Mr. President, if any embarrassment or humiliation was suffered by individuals who made political contributions, then such embarrassment or humiliation is due, not to the efforts of the subcommittee, but to the provisions of the Federal election laws which require that contributions and expenditures be reported to the Clerk of the House or the Secretary of the Senate.

Except for this one objection, the functioning of the subcommittee was absolutely without discord. Not until the subcommittee report was printed in final form did the minority member, Senator CURTIS, provide his minority views.

Indeed, Mr. President, a reading of the minority views, which appear on pages 25 to 28 of the subcommittee report, reveals that the distinguished junior Senator from Nebraska [Mr. CURTIS] appreciated the very difficult and complex problems which confronted the subcommittee in its attempt to perform its duty on such an enormous scale.

On page 26 of the report, the junior Senator from Nebraska stated:

> It must be stated without reflection on the staff of the committee or necessarily on the witnesses, that no full disclosure of the conduct of the campaign has been made. The difficulties appear to be in some degree procedural. There has been lacking an adequate definition of terms as to what constitutes a political expenditure and adequate accounting procedures which would make mandatory the full reporting of all such expenditures. The present hearings have again demonstrated that neither through legislation nor through committee action has the Congress made adequate specifications.

The Subcommittee on Privileges and Elections fully recognizes that there are areas in the law which permit campaign contributions and expenditures and other activities which tend to influence the result of elections to go undisclosed and unreported. Reporting techniques and the attendant responsibilities of political committees, candidates, labor unions, corporations, and other organizations or associations have not yet been defined in detail by law, or interpretations of pertinent sections of the law have lost their meaning through accepted construction, so that political finances are either unreported or the reports are incomplete, ambiguous, or otherwise vague and uncertain.

Some contributions and expenditures, faithfully reported by the original source, have lost their meaning through transfers of funds, subsequent reports by other committees which have picked up the same information, and errors in names, addresses, and amounts.

Taking all of these problems into consideration, as well as the limitation of time and resources, the subcommittee under the distinguished and very capable Senator from Tennessee [Mr. GORE] did its very best, objectively and honestly, to inform the Senate and the people of the United States concerning campaign finances during 1956. Its information was obtained only from reports filed with the subcommittee or with the Clerk of the House of Representatives or the secretary of the Senate. Every effort was made to discover and correct duplications in reporting, errors in names, addresses and amounts, and other defects which members of the staff were capable of discerning. The subcommittee readily admits that its report is not infallible. The subcommittee wishes to thank the senior Senator from the State of Kansas [Mr. SCHOEPPEL] for calling to the attention of the subcommittee any errors or omissions which exist in the report. In the event there should be a reprint of the subcommittee's report, every effort will be made to correct such errors or omissions and to make the reprint as nearly perfect as possible.

A substantial portion of the criticism in the statement by the distinguished senior Senator from Kansas, is concerned with the absence from some exhibits of the names of some individual contributors who gave more than $500 or more than $5,000.

The subcommittee report specifically recites at the beginning of exhibit 26 that "Lists of contributions from several hundred people totaling approximately one-half million dollars were received in time to be included in exhibits 26, 27, and 28, but too late to be included in other exhibits which show individual contributions."

Exhibits 26, 27, and 28 were the last to be run through the IBM machines and time permitted more detailed and last-minute corrections and additions to those exhibits.

Mr. President, I wish to reiterate that the task of the subcommittee was very difficult and very complex; that no prior study of such magnitude had ever been undertaken on this subject by any Senate committee, and the subcommittee has every reason to be proud of its accomplishment without embarrassment because some errors may appear in its work. The overall picture of campaign contributions and expenditures would still remain the same if the errors referred to by the distinguished senior Senator from Kansas were taken into account and the subcommittee stands ready and willing to defend its report on the floor of the Senate, or elsewhere.

I conclude, Mr. President, by stating that the Senate and the Nation owes a debt of gratitude and appreciation to the chairman of the subcommittee, the Senator from Tennessee [Mr. GORE]. He performed a difficult task ably, vigorously and impartially.

TRIBUTE TO DEMOCRATIC PAGES

Mr. ELLENDER. Mr. President, before proceeding with a discussion of the pending measure and the amendment offered by the Senator from California, I wish to take occasion to thank my fine young friends, the Democratic pages. These boys serve us very faithfully and they are very observant. Some time ago they noticed that I had occasion to borrow a nail file from Bobby Baker and others of the staff, and they proceeded to purchase one for me. To the box was attached a card with these words:

> Now when you are on the floor
> You'll have to borrow nevermore.
> (Signed) THE DEMOCRATIC PAGES.

Democratic pages of the Senate, I appreciate your thoughtfulness very much.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

Mr. ELLENDER. Mr. President, the bill has been discussed at length by the distinguished junior Senator from Minnesota [Mr. HUMPHREY]. He has given to the Senate and to the people of the country a very clear-cut picture of the effectiveness of Public Law 480 in disposing of some of our surplus commodities.

The bill now under consideration simply extends the present law for another year. It would extend title I until June 30, 1958, and would increase the authorization of title I by $1 billion, so as to make the authorization $4 billion.

If Senators will look at page 1 of the report, they will note how the surplus commodities are disposed of under title I of Public Law 480.

The President, under that title, is authorized to enter into agreements with friendly nations or organizations of friendly nations for the sale of surplus agricultural commodities for foreign currencies, to be used for foreign assistance, payment of United States obligations abroad, and for certain other purposes. Under existing legislation, new agreements cannot be entered into after June 30, 1957. Agreements are negotiated through diplomatic channels.

After agreements are signed, purchase authorizations are issued to importing governments by the Foreign Agricultural Service. These authorizations specify the kinds, quantities, and maximum dollar values of the commodities to be purchased, and the conditions under which financing will be made available. Public announcements are made of these authorizations for use by United States suppliers in making sales with foreign importers.

Normal commercial procedures, based largely on letters of credit, are followed in carrying out title I sales. Importers pay for commodities in local currencies through their local banks. United States suppliers are paid in dollars by United States banks with which the foreign banks have established dollar letter-of-credit arrangements. The United States banks are reimbursed by the Commodity Credit Corporation. The foreign currency purchase price of the commodities is deposited to the account of the United States Government in accordance with arrangements made between Governments of the United States and the importing country.

The foreign currencies so deposited are then used in furtherance of the foreign aid program, United States foreign policy interests, and other purposes.

Only 1.6 percent of the purposes for which such foreign currencies can be used can be considered agricultural purposes. A table showing the planned uses of foreign currency, other than agricultural uses, is shown on page 3 of the report.

Mr. President, I ask unanimous consent that that table be printed at this point in the RECORD.

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

	Millions of dollars	Percent
Purchase of strategic material	7.2	.4
Military procurement	241.0	12.1
Purchase of goods for other countries	23.5	1.2
Grants for multilateral trade and economic development	61.5	3.1
Payment of United States obligations abroad	478.38	24.1
Loans for multilateral trade and economic development	1,114.9	56.2
International education exchange	17.15	.9
Translation and publication	1.75	.1
Information and education	7.4	.1

Mr. ELLENDER. Mr. President, the table shows that for the purchase of strategic material, $7.2 million, or 0.4 percent of the entire amount, was used.

For military procurement, $241 million, or 12.1 percent of the entire amount, was used.

For the purchase of goods for other countries, $23.5 million, or 1.2 percent of the entire amount, was used.

For grants for multilateral trade and emonomic development, $61.5 million, or 3.1 percent of the entire amount, was used.

For the payment of United States obligations abroad, $478.38 million, or 24.1 percent of the entire amount, was used.

For loans for multilateral trade and economic development, $1,114.9 million, or 56.2 percent of the entire amount, was used.

For international education exchange, $17.15 million, or 0.9 percent of the entire amount, was used.

For translation and publication, $1.75 million, or 0.1 percent of the entire amount, was used.

For information and education, $7.4 million, or 0.1 percent of the entire amount, was used.

The greatest portion of these currencies, derived from surplus sales, is used almost in the same manner as economic aid funds are used.

I shall show in a few moments with greater particularity how these currencies are being used to benefit the recipient countries. As I said, they are used to rehabilitate these countries and are really or virtually used in lieu of foreign aid.

It is my sincere hope that when the Committee on Foreign Relations supports the foreign aid authorization bill this year, the Senate will take this program into consideration.

Up to the present, Congress has authorized an expenditure of $3 billion for the sale of surplus commodities to foreign countries. The export market value of all the surplus products sold under title I of the act aggregates $1,900,000,000, in round figures, although the Commodity Credit Corporation's investment in, and costs in connection with, those commodities was almost $3 billion.

Mr. President, we have remaining approximately $100 million, which has not yet been obligated. We were informed by the Department that if the Senate provides the additional $1 billion, now being requested, it will be possible to continue the program at the same rate as it has been conducted during the past 2 years.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement regarding the various uses to which the money is being put. For instance, the first category listed is agricultural market development; the next is purchase of strategic materials; the next is common defense; and so forth.

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

FROM FIFTH SEMIANNUAL REPORT ON ACTIVITIES UNDER PUBLIC LAW 480, 83D CONGRESS, AS AMENDED (DOC. NO. 50, 85TH CONG., 1ST SESS.)

Agricultural market development: Section 104 (a): A part of the foreign currencies accruing from title I sales is being used to assist the development and expansion of foreign markets for United States agricultural products.

Market development projects are initiated and carried out in close cooperation with United States and foreign-trade groups in a manner designed to be beneficial to both groups. In most cases the United States Government furnishes part of the foreign currencies required for the projects and supervises the activities. The United States trade group carries out the project and provides for the necessary dollar costs. The cooperating foreign-trade group meets part of the local costs.

This procedure gives private traders in the United States and abroad the opportunity to work together on the problems of expanding old and developing new commercial markets for United States agricultural commodities on a continuing basis. It insures that projects are beneficial to both the United States and the foreign country.

During the period July–December 1956 over 20 projects were approved providing for commitment of about $2 million equivalent in foreign currencies. This brings total commitments to about $4.1 million equivalent as of December 31, 1956. The United States farm commodities to be promoted abroad under these projects are cotton, wheat, and flour, beef cattle, dairy cattle, soybeans, tobacco, fruit, tallow, dairy products, poultry, and eggs.

Types of activities included in these projects are visits by foreign-trade representatives, consumer preference surveys, advertising and public-relations programs, market surveys, exhibitions, and demonstrations, merchandising, and other specialized training in marketing. Arrangements were made for these activities to take place in 20 countries.

Three new types of projects undertaken during the reporting period follow:

1. A team of German food-inspection experts was brought to the United States to acquaint them with accepted American pure-food standards and methods of food preservation. A basis for a better understanding was sought so that more United States processed agricultural products may be admitted into Germany.

2. A worldwide survey of prices of agricultural commodities at producer, wholesale, and retail levels was started. The study should permit simultaneous price comparisons of specific commodities at particular stages of marketing. It is expected to show where there are price advantages to the United States in international trade for particular commodities and to indicate the countries in which market development activities would be most fruitful. A private research firm with worldwide branches has been employed to make the study.

3. Arrangements were made whereby the United States fruit export trade contributed pictorial material for an illustrated catalog to be printed in Austria for distribution there and in other countries. The 48-page booklet in color should serve to introduce various United States fruit items to foreign importers.

Trade fairs: Market-development projects are also conducted through participation in international trade and food fairs. During calendar year 1956 United States agricultural exhibits under Public Law 480 were shown at trade and food fairs, with a total attendance of nearly 7,500,000. Exhibits in prospect for the early part of 1957 include Verona, Italy; Barcelona, Spain; and Tokyo, Japan.

United States exhibits in these fairs are organized cooperatively with private agricultural trade groups. In general, exhibit ideas, technical personnel, and display materials for the agricultural exhibits are provided by the trade groups. The Government organizes and manages the exhibits; rents the space; provides for the design, construction, and operation of the exhibits; ships necessary materials and commodities; and provides travel and per diem for industrial technicians and commodity specialists participating in the joint effort.

Trade fairs serve to acquaint large numbers of people with the quality and availability of United States agricultural products. It permits many prospective customers to see, taste, and feel these products for the first time.

The largest agricultural exhibit during the July–December 1956 period was at the British Food Fair in London, August 28–September 15. At this major fair, with a total attendance of more than 500,000, the United States featured meat, lard, frozen poultry, dairy products, grain products, rice, and frozen foods. Samples distributed included frankfurters, cheese, milk solids, doughnuts, and orange juice made from frozen concentrate. Five representatives of United States agricultural trade associations assisted with the exhibit and used the occasion to establish contacts with British trade leaders.

Smaller agricultural displays held during the period were in connection with Department of Commerce exhibits at Vienna, Austria; Salonica, Greece; Zagreb, Yugoslavia; Bangkok, Thailand; and, for the second successive year, Bogotá, Colombia. The Bogotá exhibit of wheat and flour and the Bangkok exhibit of recombined milk were arranged in direct support of the work of United States market development teams operating in those countries.

Purchase of strategic materials: Section 104 (b): No local currency was earmarked for this purpose under title I agreements entered into during the reporting period. The total amount of local currency earmarked to date for the purchase of strategic materials is $7.2 million.

Common defense: Section 104 (c): This section of the act provides that local currency proceeds of sales may be used to procure military equipment, materials, facilities, and services for the common defense. During the reporting period, $55.3 million equivalent was earmarked for this purpose. This brings the total amount planned for common defense to $221.3 million for agreements signed with Brazil, the Republic of China (Taiwan), Iran, Korea, Pakistan, and Yugoslavia. The use of $20.5 million equivalent has been authorized so far, including about $14.5 million worth of rupees to Pakistan and $6 million worth of won to Korea. In Pakistan the funds provided are being used primarily to meet military construction and Pakistani troop support costs. Currency available in Korea is being used to bolster the military position of the Republic of Korea.

Purchases of goods for other friendly countries: Section 104 (d): This section provides that the United States may use local currency proceeds of surplus commodity sales to purchase goods and services for other friendly countries. Sales agreements may earmark specific amounts or may provide that unspecified portions of sales proceeds which will be set aside for United States uses may be used

for this purpose. The act provides that, unless the requirement is waived, dollar reimbursement must be made to CCC if local currency is used to procure goods or services which will be furnished on a grant basis.

There is usually no advance commitment by the United States to use these funds either to procure specific goods or services or to authorize purchases for a particular country. Certain standards conforming closely with commercial practices have been established for the use of these funds. These are designed to avoid undue disruption of normal trade patterns and to assure that purchases are made at competitive prices.

Use of about $12 million equivalent of these funds has been authorized, including $3.3 million worth of yen during the last 6 months. The equivalent of $1.3 million of yen will be used to buy Japanese cement needed in Taiwan. In addition, $2 million of yen were used to furnish some of the immediate needs for civilian relief in the Ryukyu Islands following Typhoon Emma.

Grants for economic development: Section 104 (e): About $60 million of local currency has been earmarked for grants for economic development. These are made only in special circumstances and comprise about 3 percent of the total sales proceeds expected to accrue.

Payment of United States obligations: Section 104 (f): Agreements signed during the period July–December 1956 tentatively earmarked $182.1 million, or 20.5 percent of sales proceeds, for the payment of United States obligations. Not all of these funds will be used for the payment of United States obligations because a number of agreements signed during the period of this report include a combined total for several United States purposes, such as market development, purchases of goods for other countries, and international education exchange, as well as for the payment of United States obligations. Since dollar reimbursement is required for nearly all of the funds used under section 104 (f), eventual dollar recovery may be considerably more than the 10 percent minimum stipulated in the act.

All dollar payments for these foreign currencies are credited to the Commodity Credit Corporation. Reimbursement to CCC will be spread over a number of years and is likely to be considerably less than the total earmarked under this section. This is because (1) repayments for military family housing will extend over many years; (2) currencies available for Treasury sale accumulate in some countries where United States agency expenditures are low; and (3) losses are sustained in some cases due to exchange rate differentials.

The Treasury Department sells foreign currencies to the Government for appropriated dollars at the rate of exchange at which they could otherwise obtain the currencies. This is not necessarily the same exchange rate as is applicable to the commodity sales. The dollar return to CCC consequently is often less than the dollar market value of the commodities sold.

In countries such as Turkey and Spain most sales are to defense agencies for use in meeting the costs of military-base construction. Substantial purchases are also made by such agencies as the Department of State and the United States Information Agency, which have continuing needs for funds to meet administrative and operating expenses.

A small portion of these currencies has been made available for Congressional travel expenses, a use exempted from the requirement for dollar disbursement by section 502 (b) of Public Law 665, 83d Congress.

Military family housing: Public Law 765, 83d Congress, Public Law 161, and Public Law 968, 84th Congress, authorize the use of up to $250 million worth of foreign currencies generated by title I sales for construction, rent, or procurement of United States military family housing and related community facilities in foreign countries. This legislation further provides that CCC shall be reimbursed from appropriations available for the payment of quarters allowances to the extent the housing is occupied.

Tentative allocation of local currency for purchase or construction of military family housing amounted to a total of $98.4 million equivalent in agreements with the following countries:

	Million dollar equivalent
Austria	6.4
Finland	7.0
Greece	2.0
Italy	13.0
Japan	25.1
Portugal	1.5
Spain	16.0
United Kingdom	27.4
Total	98.4

During the reporting period, Greece and Portugal were added to the list of countries in which military family housing programs were being developed.

The amount allocated in Italy was raised from $3.5 million in Italian lire to $13 million. The program now provides for a total of 616 units, including 45 units for the Air Force, 415 for the Army, and 156 for the Navy.

In the United Kingdom, a substantial number of units for the Air Force and the Navy has been completed under the 1955 agreement ($15.2 million). Approximately 1,000 additional units, together with related community facilities, will be constructed with the $12.2 million equivalent available from the second sales agreement signed in June 1956.

Loans for multilateral trade and economic development: Section 104 (g): Over $1 billion of local currencies—just over half of the total proceeds expected from sales made to date—will be lent by the United States to purchasing countries to promote economic development and international trade. Over half of these loan funds will be available to countries in the Near East and Asia. This includes the large loan components of the multiyear programs for Indonesia and India; funds which will accrue for loan purposes as a result of sales to Japan; and substantial amounts earmarked for seven other countries in this area. Almost $300 million equivalent will be set aside for loans to five Western European countries, including Italy, Spain, and Yugoslavia. About $225 million in local currencies will be available for loans to Brazil, Chile, and five other Latin American countries to which United States surplus farm products have been sold under this program.

Plans for the productive use of these funds are gradually being developed by the foreign governments in cooperation with the United States. Special emphasis is being placed upon appropriate coordination of plans for the use of these substantial local currency resources with the overall development programs of the countries. Foreign governments are being encouraged to use some of these funds for relending to private enterprise. Loans will be made through established banking facilities of the country concerned to locally owned companies, as well as to those financed by United States investors and by investors from other friendly foreign countries. Some of the funds may also be used to cover a portion of the local costs of development projects for which foreign-exchange financing is being furnished by the International Bank for Reconstruction and Development and the Export-Import Bank. Loan funds may also be used to supplement planned governmental expenditures for roads, port and storage facilities, and other public improvements. Thus over the next several years these funds are expected to make an important contribution to the economic growth of many friendly foreign countries.

The agreements specify terms and conditions of repayment which have been developed in cooperation with the National Advisory Council on International Monetary and Financial Problems. Strategic materials, services, foreign currencies, or dollars may be accepted in payment of the loans.

During the last 6 months, loan agreements have been concluded with six countries providing for local currency loans of $131 million equivalent. Since the beginning of the program, the equivalent of $236 million in loans has been negotiated with 11 countries. This includes (in million-dollar equivalents): Austria, $16.0; Brazil, $31.32; Chile, $4.0; Colombia, $10.0; Ecuador, $3.1; Greece, $4.2; Israel, $31.29; Japan, $108.85; Peru, $7.75; Spain, $10.5; and Yugoslavia, $9.0. A further acceleration in the rate at which loan agreements are concluded is expected. Negotiations are progressing and some of the problems which have occasioned delays in the past are nearing solution. In addition, it is anticipated that a much shorter time should be required to negotiate successive loan agreements with those countries with which more than one sales agreement has been entered into.

Most of the loan agreements concluded so far provide only that the funds will be used for economic development, without reference to specific projects. Countries may then formulate their plans for the use of these funds over a period of time. In some instances, however, virtual agreement on fund utilization is reached at the same time that the loan is negotiated. Actual disbursement of funds is authorized as local currency deposits become available and as funds are needed for the projects.

By December 31, 1956, economic development projects involving expenditures of up to $181 million equivalent have been approved for eight countries, including (in million-dollar equivalents): Austria, $1.5; Brazil, $31.32; Chile, $4.0; Ecuador, $3.1; Israel, $15.4; Japan, $108.85; Peru, $7.75; and Spain, $9.0. Of these amounts, expenditures of up to $84 million equivalent were approved during the last 6 months, including (in million-dollar equivalents): Peru, $3.35; Brazil, $31.32, and Japan, $49.35. Most of the Peruvian soles will be used in connection with the irrigation project approved some time ago. About $1.5 million equivalent may be used in the drought area in the southern part of the country for construction of farm-to-market roads, agricultural credit, and similar projects. Present plans contemplate the use of a substantial portion of the Brazilian cruzieros for improvement of rail- and river-transport facilities. Funds will also be used to finance storage construction, expansion of electric power, and for other industrial purposes. Japanese yen will also be used for electric-power development, as well as for reclamation of industrial land sites, forestry, food processing, and similar projects. About $13 million of these funds will be used to finance irrigation, drainage, and reclamation of agricultural land.

In general, the United States considers that it is unwise to use these funds directly for projects which may result in increased production of agricultural commodities already in world surplus. However, in countries like Japan, which even at their present population levels must import a very large percentage of their food requirements, any small increases in production will readily be consumed at home and will not enter into world markets.

International educational exchange: Section 104 (h): The educational exchange program is authorized by Congress to help promote mutual understanding between the people of the United States and those of other countries.

Based upon the planned uses of foreign currency under agreements signed from the

beginning of the program through December 31, 1956, seven educational exchange programs are expected to be reactivated or extended (Public Law 584, 79th Cong., the Fulbright Act) for which the original sources of foreign currency have been exhausted.

In addition, the planned use for the foreign currency is providing a base for initiating 11 educational exchange programs under the Fulbright Act, including 7 in Latin America.

Negotiations for new or extended agreements to support educational exchange programs are under way as follows (values in dollar equivalent): Argentina, $600,000; Brazil, $980,000; Chile, $500,000; Colombia, $500,000; Ecuador, $300,000; Finland, $250,000; Japan, $750,000; Korea, $900,000; Pakistan, $1,050,000; Paraguay, $150,000; Peru, $500,000; Portugal, $300,000; Spain, $600,000; Thailand, $400,000; and Turkey, $750,000.

Additional programs in active preparation include Indonesia, $600,000; Iran, $750,000; Republic of China (Taiwan), $750,000; and India, $1,800,000.

Translation, publication, and distribution of books and periodicals: Section 104 (i): As indicated previously, subsection (i) was added to section 104 of the act by the Mutual Security Act of 1954. Not more than $5 million may be allocated for this purpose during any fiscal year.

It is planned that American textbook exhibits will be furnished to educators abroad for ultimate use in schools of their countries.

To facilitate the program, local currencies will be used to acquire rights to books, procure paper, translate textbook material, and furnish printing equipment.

Assistance to American-sponsored schools, libraries, and community centers: Section 104 (j): This subsection was added to section 104 of the act by Public Law 962, 84th Congress. Through December 31, 1956, the equivalent of $4.6 million was planned for this currency use. The currency will be used to aid American-sponsored schools abroad and binational organizations which promote United States interests and mutual understanding. Agreements entered into with Brazil, Italy, Pakistan, Spain, and Turkey provide for section 104 (j) uses.

American-sponsored schools will be aided through the purchase of land, buildings, and equipment. Buildings acquired will not only make more classrooms available but will result in more laboratories and dormitories. For example, it is planned that the American school in Rome will acquire a small tract of land for playground and other school purposes; it is further planned that the villa now used for classrooms will be remodeled to provide dormitory space not now available. Local currencies will also be used to offer scholarships (for children of the foreign country), to augment teachers' salaries, and for curriculum improvement.

Binational organizations will be aided through the purchase and lease of buildings and through furnishing books and other educational materials. In addition to binational center projects, this authority will be used to support such educational facilities as the Institute of American Studies in Rome.

Mr. ELLENDER. Mr. President, since the inception of the program, 87 agreements or supplements to agreements have been entered into with 30 countries. They cover commodities involving a total cost to the Commodity Credit Corporation, as I have just indicated, of approximately $2,900,000,000 and with a total export market value of nearly $2 billion. The $2,900,000,000 of Commodity Credit Corporation cost includes approximately $225 million in ocean transportation costs financed by the Commodity Credit Corporation, as well as processing, handling, and other costs. These agreements, covering the $2,900,000,000, have practically exhausted the Commodity Credit Corporation's cost limitation of $3 billion. At the time the Department witnesses appeared before the committee, approximately $1 billion worth of commodities had been exported, and the Department expected shipments to total approximately $1,200,000,000 by June 30. Of course there is a lag between the dates when agreements are entered into and the time when the commodities are shipped. So the $3 billion authorization is practically exhausted, even though only approximately $1 billion worth of commodities has been shipped.

The market value, expressed in dollars, and the quantities, of the various commodities shipped to various countries under the program are set forth in tables I and II, on pages 9 and 10 of the report. A complete statement of the planned uses of foreign currencies under title I is set forth in table III, on page 11 of the report.

I ask unanimous consent to have the tables printed at this point in the RECORD, as a part of my remarks.

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

TABLE I.—*Commodity composition of programs under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957*

[In millions of dollars]

Country	Wheat	Feed grains	Rice	Cotton [1]	Tobacco	Dairy products	Fats and oils	Other	Market value	Ocean transportation	Market value including ocean transportation [2]	Estimated CCC cost including ocean transportation [3]
Argentina							30.4		30.4	0.7	31.1	34.0
Austria	3.4	10.6		6.1	3.5		2.4	[3] .3	26.3	2.3	28.6	41.8
Brazil	[4] 144.7	.9			.2	2.2	8.3		156.3	23.9	180.2	300.2
Burma				17.5	1.1	2.0		[5] .2	20.8	.9	21.7	31.2
Chile	12.1			5.3	.2	1.0	16.0	[6] 2.5	37.1	3.0	40.1	56.0
China (Taiwan)				5.0	1.7	1.5	1.0		9.2	.6	9.8	12.5
Colombia	5.0			7.6		.7	2.5		15.8	1.1	16.9	24.1
Ecuador	2.2	.3		.8	.7		3.5		7.5	.6	8.1	10.3
Egypt	17.1								17.1	2.5	19.6	38.7
Finland	6.3	2.3		5.8	6.0	.5		[3] 1.2	22.1	1.9	24.0	34.3
France					2.1				2.1		2.1	2.1
Germany								[6] 1.2	1.2		1.2	1.2
Greece	14.7	5.4				3.6	14.3		38.0	4.0	42.0	57.2
India [7]	200.0		26.4	70.0	6.0	3.5			305.9	[8] 60.2	366.1	553.4
Indonesia	5.0		35.8	36.0	15.0				91.8	6.0	97.8	154.0
Iran	9.5					.8			10.3	2.5	12.8	21.3
Israel	15.8	10.1	.1	2.6	.4	4.1	3.0	[9] 10.3	46.4	5.2	51.6	76.6
Italy	1.6	10.0		65.3	8.9		30.0		115.8	4.6	120.4	161.1
Japan	48.6	15.4	14.4	52.8	7.7				138.9	12.6	151.5	208.1
Korea	8.5	15.3	22.5	9.8	6.6	1.0	1.5	[10] 8.0	73.2	8.4	81.6	96.8
Netherlands				.27					.27	.01	.28	.4
Pakistan	26.6		41.9	29.0	4.8	2.5	3.3		108.1	12.6	120.7	195.7
Paraguay	1.7					.4	.5		2.6	.4	3.0	4.3
Peru	8.9					.2	3.0		12.1	1.4	13.5	20.2
Portugal	6.3								6.3	.8	7.1	13.7
Spain [11]	4.6	9.1		[1] 32.9	6.2		89.6	[12] 19.3	161.7	15.0	176.7	199.2
Thailand					1.9	.46			2.36	.14	2.5	2.8
Turkey	52.8	18.0	1.4			.6	16.3	[13] 4.9	94.0	16.2	110.2	163.7
United Kingdom					27.0				27.0	.4	27.4	27.4
Yugoslavia	132.2			30.9			26.0		189.1	33.2	222.3	344.8
Total agreements	727.6	97.4	142.5	377.67	100.0	25.06	251.6	47.9	1,769.73	221.15	1,990.88	2,887.1

[1] Spanish program includes $0.3 million cotton linters.
[2] Includes only ocean transportation to be financed by CCC except as noted in footnote 8.
[3] Fruit.
[4] Includes $111.0 million under fiscal year 1957 agreement to be shipped over a 3-year period.
[5] Hay and pasture seeds, $2.5 million.
[6] Poultry.
[7] 3-year program except rice, which is a 1-year program.
[8] Includes $6 million estimated for ocean freight differential for which no rupee deposits are required. The balance, $54.2 million, only, is reflected in the currency use table III.
[9] Dry edible beans, $0.3 million; chilled or frozen beef, $10 million.
[10] Canned pork.
[11] Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.
[12] Hams, $1.6 million; salt pork, $0.8 million; potatoes, $1.4 million; frozen beef, $15.5 million.
[13] Canned and frozen beef.

TABLE II.—*Approximate quantities of commodities under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957*

Country	Wheat and flour	Feed grains [1]	Rice	Cotton [2]	Tobacco	Dairy products [3]	Fats and oils [4]	Poultry	Dry edible beans	Fruit and vegetables	Meat	Hay and pasture seeds
	Thousand bushels	*Thousand bushels*	*Thousand hundredweight*	*Thousand bales*	*Thousand pounds*	*Thousand pounds*	*Thousand pounds*	*Thousand pounds*	*Thousand hundredweight*	*Thousand pounds*	*Thousand pounds*	*Thousand hundredweight*
Argentina							220,000					
Austria	2,025	7,091		42.5	5,900		[5] 16,552			[6] 1,974		
Brazil	[7] 84,974	688			125	10,190	[5] 55,092					
Burma				125.2	1,467	9,682				[6] 1,579		
Chile	7,316			37.6	300	9,900	94,019					55
China (Taiwan)				35.6	2,000	5,062	10,811					
Colombia	2,612			48.3		3,307	14,141					
Ecuador	1,148	189		6.0	923		27,959					
Egypt	10,329											
Finland	3,724	1,581		36.1	9,990	1,163				[6] 10,720		
France					3,216							
Germany								3,000				
Greece	8,571	5,073				28,456	[5] 83,288					
India [8]	128,600		4,409	500.0	6,000	14,770						
Indonesia	2,894		5,629	248.7	23,000							
Iran	2,120					11,708	5,773					
Israel	9,251	8,463	7	15.5	550	14,197	19,450		37		[9] 40,000	
Italy	948	6,410		453.8	11,798		196,815					
Japan	31,030	12,425	2,111	305.0	9,462							
Korea	5,408	13,115	3,214	50.0	12,667	2,751	9,677				[9] 19,842	
Netherlands				1.8								
Pakistan	16,019		6,636	189.5	5,317	5,105	21,159					
Paraguay	994					933	[5] 3,126					
Peru	5,014					621	22,000					
Portugal	3,751											
Spain	[10] 2,446	6,369		[2] 221.9	11,388		515,001			[6] 66,667	[9] 74,767	
Thailand					2,700	1,957						
Turkey	30,547	14,424	220			3,042	113,723				[9] 17,155	
United Kingdom					38,625							
Yugoslavia	76,566			199.7			[5] 193,916					
Total	436,287	75,828	22,226	2,517.2	145,428	122,844	1,622,502	3,000	37	80,940	151,764	55

[1] See the following:

	Thousand bushels
Feed wheat	1,813
Corn	29,442
Oats	5,843
Barley	32,935
Grain sorghums	5,795
Total	75,828

[2] Includes 15,400 bales cotton linters for Spain.

[3] See the following:

	Thousand pounds
Condensed milk	7,054
Dry whole milk	3,328
Nonfat dry milk	42,561
Evaporated milk	21,321
Butter	12,698
Cheese	11,521
Butter oil	2,835
Butter oil and/or ghee	15,276
Ghee	4,249
Whey	2,001
Total	122,844

[4] See the following:

Cottonseed oil	121,590
Cottonseed oil and/or soybean oil	773,118
Cottonseed oil, soybean oil and/or lard	320,151
Linseed oil	11,945
Lard	230,595
Tallow and/or grease	165,103
Total	1,622,502

[5] Entire quantity shown for country is lard except Brazil, Chile, Greece, Paraguay, and Yugoslavia which includes lard as follows:

	Thousand pounds
Brazil	44,069
Chile	3,241
Greece	3,571
Paraguay	1,300
Yugoslavia	161,862

[6] See the following:

Austria:	
Canned fruit and fruit juices	47
Dried fruit	1,927
Burma:	
Canned fruit and fruit juices	769
Dried fruit	810
Finland:	
Dried fruit	9,800
Fresh pears	920

Spain, potatoes.

[7] Includes 65,055,000 bushels under fiscal year 1957 program to be shipped over a 3-year period.

[8] 3-year program except rice which is a 1-year program.

[9] Israel, frozen beef; Korea, canned pork; Spain, canned hams 2,571, salt pork 4,267, frozen beef 67,929; Turkey.

[10] Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.

TABLE III.—*Planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957* [1]

[In millions of dollars]

Country	Total amount programed (market value including ocean transportation)	Market development (104a)	Purchase of strategic material (104b)	Military procurement (104c)	Purchase of goods for other countries [2] (104d)	Grants for multilateral trade and economic development (104e)	Payment of United States obligations [3] (104f)	Loans for multilateral trade and economic development (104g)	International education exchange (104h)	Translation and publication (104i)	Information and education (104j)
Argentina	31.1	0.6			[4]		9.8	20.0	0.7		
Austria	28.6	.7			2.0		9.9	16.0			
Brazil	180.2	2.7	3.2	2.0			19.6	149.2	2.1	0.5	0.9
Burma	21.7	.5			[4]		3.9	17.3			
Chile	40.1	.8					7.0	31.7	.6		
China (Taiwan)	9.8	.7		4.9			3.4		.8		
Colombia	16.9	.8			[4]		5.5	10.0	.6		
Ecuador	8.1	.4					.8	6.3	.4		.2
Egypt	19.6	.5					4.7	13.6	.8		
Finland	24.0	.5			[4]		23.2		.3	.05	
France	2.1	1.2			.6		.3				
Germany	1.2	1.1					.1				
Greece	42.0	1.3				7.5	9.2	23.5			.5
India, 3-year program	[5] 360.1	4.0			[4]	54.0	66.2	234.1	1.8		

See footnotes at end of table.

TABLE III.—*Planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957* [1]—Continued

[In millions of dollars]

Country	Total amount programed (market value including ocean transportation)	Market development (104a)	Purchase of strategic material (104b)	Military procurement (104c)	Purchase of goods for other countries [2] (104d)	Grants for multilateral trade and economic development (104e)	Payment of United States obligations [3] (104f)	Loans for multilateral trade and economic development (104g)	International education exchange (104h)	Translation and publication (104i)	Information and education (104j)
Indonesia	97.8	1.0	2.0				17.1	77.4	.3		
Iran	12.8	.2		5.9			3.3	2.5	.7		.2
Israel	51.6	.4			(2)		14.4	36.8			
Italy	120.4	2.7	1.0		[2] 10.0		23.3	82.4			1.0
Japan	151.5	3.3		(5)	10.9		[5] 26.3	108.9	2.1		
Korea	81.6	.5		65.1			14.5		.9		.6
Netherlands	.28	.25					.03				
Pakistan	120.7	1.7		74.3			18.8	23.6	1.0	.3	1.0
Paraguay	3.0	.2					.5	2.2	.1		
Peru	13.5	.7					2.6	9.7	.5		
Portugal	7.1	.3					3.1	3.4	.3		
Spain	176.7	3.0	1.0				62.9	107.7	1.1	.5	.5
Thailand	2.5	.4					.65	1.0	.45		
Turkey	110.2	.7					50.4	54.9	1.6	.1	2.5
United Kingdom	27.4			(5)			[5] 27.4				
Yugoslavia	222.3	1.0		88.8			49.5	82.7		.3	
Total agreements	[4] [6] 1,984.88	32.15	7.2	241.0	23.5	61.5	478.38	1,114.9	17.15	1.75	7.4
Uses as percent of total	100.0	1.6	.4	12.1	1.2	3.1	24.1	56.2	.9	.1	.3

[1] Amounts shown on this table are subject to adjustment when actual purchases and allocations have been made.

[2] Amounts shown in this column indicate a specfied amount in the agreement for this use. Footnote 2 only shows an unspecfied amount for possible procurement for 3d countries. A footnote and an amount indicate more than 1 agreement including both specfied and unspecfied amounts.

[3] In order to provide flexibility in the use of funds, many agreements provide that a specfied amount of local currency proceeds may be used under secs. 104 (a), (b), (f), (h), and (i). In some instances, possible uses under sec. 104 (d) are also included in this category. Therefore estimates based on the best information now available are indicated above under subsecs. (a), (b), (h), and (i). Balances not otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

[4] Total market value in table III differs from total in table I by the $6 million estimated for ocean freight differential in the Indian agreement for which no rupee deposits will be required.

[5] The Japanese agreement for the July–June year 1955–56 provides for the use of $8.1 million and the United Kingdom agreements provide for the entire currency use under subsec. 104 (e). However, since in return for this currency use, these countries will construct and make available to the U. S. Armed Forces an equivalent value of dependent housing, the amounts are shown under 104 (f).

[6] In some instances column totals do not add to total amount programed because of slight differences in rounding.

Mr. ELLENDER. Mr. President, the tables show that, percentagewise, 56.2 percent was used for loans. In other words, we sold the commodities to the various countries, and we accepted from them their own currencies. Aside from the amounts we used for the purchase of goods from other countries, for military procurement, and for similar things, we loaned to the various countries 56.2 percent of the entire amount of the proceeds of the sales made to these countries; and those countries, in turn, proceeded to utilize the funds in the same manner as that in which they used funds obtained from us through our economic-aid programs.

Mr. President, I am very much disappointed that so little of these commodities has been used for barter purposes. It seems to me that greater efforts should be made and greater stress should be laid by the Commodity Credit Corporation upon obtaining something of value for these goods. Certainly, I would much prefer to have in our own backyard large quantities of either iron ore or other strategic materials than to have the agricultural commodities stored in our bins all over the country, or to have debts due us from purchasing countries.

Some of the proceeds derived from Public Law 480 sales are used for assistance in financing International Educational Exchange. That program is a good one; but it seems to me we are simply trying to do too much in that field—that is to say, in the field of education abroad. It will be recalled that when the so-called Fulbright program was first placed on the statute books, we intended to use for the purpose of that program the proceeds from the sale of surplus goods we had abroad, such as material of war. We intended to make good use of the proceeds of those sales in the countries which owed the money to us. Our intention was to use the greater portion of the money to help educate the people of the countries which had purchased the goods from us. But now we are using the proceeds from the sale of surplus commodities in order to assist colleges abroad, which have been both built and supported by means of private funds furnished by philanthropists from all over the United States.

Mr. THYE. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Louisiana yield to the Senator from Minnesota?

Mr. ELLENDER. I yield.

Mr. THYE. The Senator from Louisiana has referred to the Fulbright student exchange program. Will not the Senator from Louisiana agree with me that that program has been an excellent one?

Mr. ELLENDER. Oh, yes; I do not doubt it. I merely intended to show that this program developed from the fact that we had abroad large amounts of funds which could be used for the purpose of educating students abroad. But, as in the case of all such programs, this one mushroomed. Today, in addition to the amount of money we are spending on the so-called Fulbright program, we are spending large amounts under the Smith-Mundt program, and it is continuing to increase.

As I have stated, we have added a second program to the first one; we have done so in order to assist private constructed colleges abroad. There is no telling the extent to which this program will mushroom, unless we watch it very carefully.

Mr. THYE. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. THYE. Under the Fulbright student exchange program, by means of the funds devoted to that program I believe the United States has gained greater acceptance in foreign countries—both as a result of having students from those countries come to the United States and learn about our country and about our free enterprise system of government and about the economy and way of life of the United States and the opportunities in the United States, which far excel anything existing in the other countries of the world. I believe the money going into that program will accomplish more than the money we have spent on other programs, in terms of winning us friends and better understanding and greater acceptance by the other countries of the world. Therefore, I believe that any part of the funds which is used for the student exchange program will result in a greater return and in greater security to our country, by way of increasing the understanding of the United States by foreign countries, than could be obtained by means of any expenditures we could make on national defense or by any other means we might undertake, through the expenditure of funds, to secure a better understanding of the United States among the other nations of the world.

Mr. ELLENDER. Mr. President, I am in general agreement with what my friend, the Senator from Minnesota, has said.

I am merely trying to demonstrate how these programs grow and mushroom. If

it had not been for the existence of this United States program abroad, I do not think anyone would have thought of giving any of the funds of our country to a privately endowed college in a foreign land. However, since such programs have begun, after we exhaust the funds resulting from the sale of our surplus commodities abroad—and I hope that our surplus stores will be sold soon—such countries will desire to have the programs continued. In short, Mr. President, once a man puts his foot in the door, he cannot remove it; his foot is stuck there. That is what I am complaining about.

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

Mr. ELLENDER. I yield.

Mr. THYE. In the column that is itemized, there is a provision for international educational exchange, $17.15 million.

Mr. ELLENDER. That is the one I am talking about.

Mr. THYE. That is for student exchange or educational opportunities for youth in foreign countries. Of all of the items listed, I believe that one will buy as much understanding of, and as much friendship for this country, as will any dollar we have spent. The greatest portion of the huge amount of $71 billion-plus in the budget is for military expenditures, or for paying interest on the national debt incurred as a result of previous military actions, or for veterans' care. If we are confronted with such huge appropriations because of the fact that there were wars and misunderstandings between nations, would it not be better for us today to endeavor to bring about understanding between the other nations of the world and the United States? Through such general understandings as may be brought about through student exchange, we may be able to spare future generations the sacrifices that generations in the past, both in World War I and World War II, were obliged to make, in addition to which the United States incurred obligations on which we are paying more than $7 billion a year in interest alone.

Therefore, Mr. President, I think there is some wisdom in the use of our blessed surpluses in this way. I use the word "blessed" advisedly, for we are blessed as a nation when we have such surpluses, although the greatest problem with which we are confronted is control of the production of the Nation so as not to have further surpluses. When we are so blessed, is it not better to take a part of the surpluses and use them so as to make it possible for other nations to understand what makes free enterprise work so successfully and produce so abundantly. Only through student exchange will we be able to bring about such knowledge, or a reinterpretation of it, since many persons do not understand what it is that makes our free enterprise "click" in the manner it does. So I think we are doing a pretty good job when we use surpluses in this manner.

Mr. ELLENDER. I am not arguing with that statement, but suppose 2 years from now we have no commodities to ship under this program. We have been spending in those countries 17 or 18 million dollars. Does the Senator not think they will expect us to continue it? That is what I am talking about. If a father today does not have sufficient funds to send his boy to college, the boy does not go to college. What will happen when our surplus is disposed of? We are spending so much abroad for various endeavors. If we had the money to spare, I would say, "Good. Let us go to it." But what I am thinking about is the near future. I am for the Fulbright program. I am for the Smith-Mundt program. I voted for them. But it seems that when we start programs of that kind, there is no end to them.

As I pointed out in my recent report on overseas operations, Finland is an example of what so frequently happens. Finland owed us quite a bit of money as the result of loans made during World War I. Finland was paying us every year in dollars, but some Members of the House of Representatives introduced and Congress enacted a bill whereby, instead of letting Finland continue to pay its debt off as she had in the past, we now spend the proceeds of that debt to educate the Finns. That is all right. But, in addition to and over and above that amount, we are spending money from the Fulbright program money from the Smith-Mundt program, and money from this program of selling surpluses for foreign currency. We have in one country at least 4 or 5 different programs. I happen to think we are overdoing it. That is all I am complaining about. I agree that these programs may be good. They are all good, but I am thinking of the taxpayers of the United States and our ability to continue to support all these programs.

Today these programs are taking root in various countries. When these surplus commodity sales come to an end, my guess is that some effort will be made to continue such programs and take the money from the Treasury. That is what I am complaining about.

Mr. President, as I pointed out a while ago, this $17.15 million for international education exchange may be money well spent, but in addition to that, we have the information and education service, on which we spend $7.4 million, or 0.1 percent of the entire amount of sales of these commodities. What is that money used for? It is used to make contributions for the upkeep of colleges built abroad by contributions from philanthropists in the United States. Start expanding that program and see how much money we shall have to spend in that line.

I do not mind spending something for that program. I know the good that comes from it. But once we start a program of that kind, our "do-gooders" do not know when to stop. It keeps on snowballing until we are spending a good deal more than we expected to.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. I gather from what the Senator from Louisiana is saying he is not against the Fulbright program, but what he is in favor of is trying to cut just a little bit off the giveaway programs. We will probably have to pay for them later on, and now is the time to start cutting them.

Mr. ELLENDER. Yes. I am going to cover that point in a few minutes.

All the commodities disposed of under title I, I consider more or less a giveaway, except we do get some funds to be used for payments for United States obligations, and that amounts to about 24.1 percent. But let us consider the loans we are making to these various countries, which account for about 56.2 percent of the amount of money received for sales under title I. All those funds are loaned to various governments. I hope they will repay those loans, but I doubt that they will. They will find some way to use the funds, and continue to use them as they have been using foreign aid.

I repeat, it is my hope that the Committee on Foreign Relations, when it reports a bill authorizing the expenditure of more funds for foreign aid in any form, whether it be military or economic, in any part of the world, will take into consideration the expenditures we make as a result of lending back to purchasing countries funds derived from sales of surplus commodities.

These moneys are used as an additional source of economic aid, and the Congress should certainly be able to reduce our dollar appropriations for so-called mutual security by viewing that program in connection with Public Law 480. In other words, if our planners have determined that, say, $30 million is needed for country A under the mutual security program and country A is receiving $10 million in local currency loans under Public Law 480, then we should certainly be able to reduce the original $30 million requested for country A by some amount. As now operated, the economic assistance loans under Public Law 480, coupled with dollar grants or loans under the mutual security program enable our planners to maintain a vastly greater aid effort than we in Congress sometimes realize.

In Korea, for example, we have used dollar assistance provided under defense support to build flour mills; we are using technical assistance funds to train personnel to operate those mills. In addition, Public Law 480 makes it possible for us to "sell" wheat to Korea to be ground into flour in those mills—because Korea produces no wheat—and then turn right around and lend back much of the local currency paid to us for that wheat to the Korean Government for a number of purposes. It strikes me that in too many cases this is nothing more than a heads-we-lose, tails-we-lose proposition.

I remind Senators that much of the money derived from sales under title I of Public Law 480 are used for such things as economic development and military assistance. Therefore, surely we should take these amounts into consideration when voting dollars for foreign aid.

Second, the bill would extend title II for 1 year, to June 30, 1958, and increase the authorizations under title II by $300 million, to a total of $800 million.

Title II provides for the use of surplus agricultural commodities owned by the

United States in furnishing emergency assistance to friendly peoples in meeting famine or other urgent or extraordinary relief requirements. About $300 million worth of commodities have been used in this program, so that the bill would restore the original authorization. This authority has been used to help feed Hungarian refugees in Austria, alleviate distress caused by floods in Afghanistan and Iran, and furnish relief to Bolivia and Tunisia.

Third, the bill would repeal section 304 of Public Law 480.

As I understand, the distinguished Senator from California [Mr. KNOWLAND] has offered an amendment to strike from the bill the language which would repeal section 304 of Public Law 480.

Section 304 requires the President to exercise his authority under the act so as to assist friendly nations to be independent of trade with Iron Curtain countries, and so as not to increase the availability of commodities to unfriendly nations. Repeal of this section has been requested by the President so as to permit barter with, and donations under section 416 of the Agricultural Act of 1949 to satellite countries.

These donations, under section 416 of the Agricultural Act, are of such commodities as are apt to deteriorate before they can be disposed of in normal channels, and they are used for relief purposes.

Title I transactions are restricted to friendly countries, so that section 304 has no effect upon them.

I wish to repeat that, Mr. President. The repeal of section 304 would not affect any part of the law except the barter provision and the section 416 donation provision. In other words, this provision permits the President, if he desires, to obtain strategic materials from satellite countries, on terms that he himself proposes—if he can obtain them—and other goods of value, in return for the surplus commodities. Mr. President, it is my contention that by such procedure we would be at least getting something for these surplus commodities, and we would at the same time be assisting people who, I think, are friendly toward us.

Mr. President, I have, in the past 3 or 4 years made as many as 3 trips to some of these satellite countries. I have mingled with many people in Rumania, Hungary, Czechoslovakia, and Poland. If I were in the position of the Russians, I would hate to get into a war and have to depend upon the people of Poland, or the people of Czechoslovakia or Hungary or Rumania for assistance. I say without fear of contradiction that the majority of those people are friendly to the United States. They like us.

I do not believe that the Congress ought to do anything to prevent the President from bartering or donating some of these surplus goods in order to relieve famine and in order to relieve the distress of those people in those countries. And that is all the authority would be used for. We would, in other words, receive strategic materials from the peoples of those countries in exchange for some of our surplus goods, and we could help them with section 416 donations. As I have stated, this authority would not apply to title I or title II of the bill, but solely to title III, which deals with barter.

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

Mr. ELLENDER. I yield.

Mr. AIKEN. Is it not the fact that the imports from satellite countries today are paid for in dollars?

Mr. ELLENDER. It is.

Mr. AIKEN. Poland and the other countries sell to the United States, and for those imports we pay dollars?

Mr. ELLENDER. The Senator is correct.

Mr. AIKEN. There has been a prohibition on bartering and paying by the exchange of goods which are in surplus in the United States.

Mr. ELLENDER. The Senator is correct.

Mr. AIKEN. However, those countries are able to use the dollars they receive to buy the same goods on the world market.

Mr. ELLENDER. That is correct.

Mr. AIKEN. I realize this prohibition was originally put into the law with the thought that its administration would hurt the U. S. S. R. Communist Government and help us, but it has worked out to be exactly the reverse; it has hurt our position in the world and played directly into the hands of the Soviet Government.

Mr. ELLENDER. Mr. President, as the Senator from Vermont has stated, if we are to deal with those countries, it ought to be through a barter arrangement. This is a grand opportunity for us to receive value in exchange for these commodities.

Mr. AIKEN. Mr. President, will the Senator yield again?

Mr. ELLENDER. I wish to say that after the committee considered this particular section of the bill, the committee was unanimous in voting to report this bill.

I wish also to invite attention of Senators to the fact that last year we passed a bill with a similar provision. The bill was not far different from what is proposed now. The bill of last year, which the Senate passed by a voice vote, would have permitted barter with satellite countries for surplus commodities.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. Is it not true that the satellite countries possess items the United States needs?

Mr. ELLENDER. The Senator is correct.

Mr. JOHNSTON of South Carolina. By using the barter system we could exchange goods which the United States now has in surplus.

Mr. ELLENDER. The Senator is correct.

Mr. JOHNSTON of South Carolina. Is it not also true that the United States is selling some of the same items to some countries, which are, in turn, selling them to countries with which we desire to do business at the present time?

Mr. ELLENDER. I do not know that of my own knowledge, but I have heard it said, as has the Senator from South Carolina. I have no direct knowledge of it, but I do know that some of our friends across the seas are bartering and selling not only food but many other commodities as well.

Mr. JOHNSTON of South Carolina. The English, for instance.

Mr. ELLENDER. I so understand.

Mr. JOHNSTON of South Carolina. They claim to be doing business now with those countries.

Mr. ELLENDER. One of the committees of the Senate, under the chairmanship of the able Senator from Arkansas [Mr. MCCLELLAN] learned that a good deal of copper had been so sold.

Mr. JOHNSTON of South Carolina. The English make no apology for the fact that at the present time they are doing business with those countries, through a bartering arrangement.

Mr. ELLENDER. As a matter of fact, when the President met the Prime Minister of England in Bermuda some time ago I understand there was quite a discussion as to whether or not trade with China and other countries should be resumed. I would not be at all surprised if that were to come to pass.

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

Mr. ELLENDER. I yield.

Mr. AIKEN. Does the Senator not recall that in 1955 Czechoslovakia and possibly other satellite countries needed cotton, of which the United States had a surplus? We could not barter with them, to see that they obtained cotton. The upshot of the matter was that Czechoslovakia made a deal with Egypt for the Egyptian cotton crop, and paid for it with arms, which resulted in Egypt's being fairly well armed.

After making the deal on the cotton, it appeared that Czechoslovakia did not require the entire Egyptian crop, although the deal had been made for all of it, or practically all of it, so they sold that cotton they did not need to the users in Western Europe, including Great Britain, at a price which was lower than the United States selling price for cotton. The result of that procedure was that the United States exports of cotton for the year August 1, 1955, to August 1, 1956, were nearly the lowest in history.

We simply bit off our nose to spite our face. We strengthened the relations between Egypt and the Communist Nations. We practically forced them into the arrangement. We would neither sell the cotton to Czechoslovakia nor the arms to Egypt. I think we have to assume much of the responsibility for what has occurred over there as the result. We did not hurt the Soviet Union at all; we strengthened them by that maneuvering and by that prohibition.

Mr. ELLENDER. In connection with the statement of the Senator, I distinctly remember having received quite a few letters from the cotton interests of New Orleans, indicating that cotton was sold in England at a price just a little under our own price here.

Mr. AIKEN. And it was Egyptian cotton, which we forced them to buy.

Mr. ELLENDER. We lost that market; there is no question about that.

Mr. AIKEN. And on the other hand the Communists could sell that cotton

for whatever price they wished to ask, inside the satellite countries, because they were sure we could not enter that market.

Mr. ELLENDER. Mr. President, in connection with what I have been saying, and following my remarks, I should like to place in the RECORD a letter from Mr. E. L. Butz, who is Assistant Secretary, dated March 26, 1957, on this same subject, in which he urges that section 304 be repealed.

There being no objection, the letter was ordered to be printed in the RECORD.

(See exhibit 1.)

Mr. ELLENDER. Title II specifically provides for donations to friendly populations without regard to the friendliness of the governments, so section 304 has no effect on title II donations. I repeat, it refers only to title III, which is the barter provision. The administration has found, however, that some barter transactions with satellite countries, which would assist them in becoming free of reliance on the Soviet Union, have been impeded by section 304.

Also some section 416 donations which could have been made to the Hungarian people and others have been impeded by this provision. The donations under section 416 of the Agricultural Act of 1949 consists of certain commodities which might go sour on us, or spoil before they can be sold through the regular channels of trade. There is a little trouble in that connection, and that is why the administration feels the repeal of section 304 would be of assistance. The Department of Agriculture advises that repeal of this provision would be helpful in reaching our foreign policy objectives.

We have asked the Department of Agriculture for an estimate of any additional expenditure required by the bill, but such an estimate is very difficult to prepare. I think the Republican Policy Committee has requested that the Senate be notified of the cost of all bills. It is pretty difficult to estimate the cost of this bill, and what will be recovered from the various countries to which we lend back the sales proceeds, but there is involved as much as $1 billion. How much of that we will get back is problematical. Insofar as the increase of the amount under title II is concerned, of course, that is more or less in the nature of donations. If we make all of that amount available, we shall be short that much. As I stated a while ago, we started by providing $500 million, and what we are now doing is restoring the amount to what it was when we first enacted the bill, 3 or 4 years ago.

Many of the commodities which will be sold or donated under the bill are already in the hands of the Government, so the expenditure has already been made. A substantial part of the foreign currency acquired under the bill will be used to pay United States obligations incurred under other laws, so in effect we shall be using commodities we already own in lieu of appropriated funds.

Due to the urgency of this legislation, its passage should not be delayed until this information has been compiled.

Mr. President, I have nothing to add to what I have said, but I shall be glad to answer further questions, if there are any.

EXHIBIT No. 1

MARCH 26, 1957.

Hon. ALLEN JOSEPH ELLENDER, Sr.,
Chairman, Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR ELLENDER: This is in response to your request concerning our recommendation to repeal section 304 of the Agricultural Trade Development and Assistance Act of 1954, as amended.

Section 304 of the act requires the President to exercise his authority under Public Law 480 so as to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. and so as not to increase the availability of commodities to unfriendly nations. The section thus precludes barter transactions involving such countries as well as distribution of commodities therein under the section 416 voluntary agency program.

Repeal of this section would permit us to offer commodities on a barter basis to Eastern European countries when clearly in our interest to do so. Although our opportunities here would not result in substantial dispositions of surplus agricultural commodities, our willingness to enter into such transactions could be especially advantageous from a political standpoint. If entered into, such transactions would be beneficial because they would assist satellites in becoming more independent of the U. S. S. R.; they would also, to a great extent, displace sales of like commodities that the U. S. S. R. would have made.

Repeal of section 304 would not affect the provisions of title I of Public Law 480. Sales for foreign currencies would continue to be restricted to friendly nations. A "friendly nation" is defined in section 107 of the act as any country other than the U. S. S. R., or any nation or area dominated by the foreign government or foreign organization controlling the world Communist movement.

The deletion of section 304 would enable us to use section 416 authority (section 302 of Public Law 480) to furnish commodities quickly to distressed peoples in satellite countries under circumstances such as those existing during the recent Hungarian revolt.

Sincerely yours,

E. L. BUTZ.

Mr. KNOWLAND. Mr. President, I rise to speak on the pending bill. My remarks are directed primarily to the amendment which I have offered.

I heartily agree with much of what the Senator from Louisiana has said regarding the merits of Public Law 480. I supported that legislation from its very inception, urged action on it, and helped to expedite it when it was first reported to the Senate.

Subsections (1), (2), and (3) of the pending bill would both extend the date for 1 year and also increase the amount, so that there would be additional authority. I concur in the objectives of those subsections, and shall support them, so they are not at issue.

The issue hinges on subsection (4), which appears on page 2 of the bill as reported from the committee. My amendment would merely strike out line 4, which reads as follows:

(4) Section 304 of such act is deleted.

The Senator from Louisiana and other Senators who have spoken have pointed out that this has been a rather effective act. It has been effective with section 304 intact. I submit that what we are doing is meeting for the first time, in a preliminary skirmish, a basic question of foreign policy which will confront the Senate again and again at this session of Congress, and perhaps in the future. Regardless of what we may do, I believe this issue will also be confronted in the House of Representatives, and perhaps in a solemn referendum of the American people themselves in 1958 or 1960.

The basic issue involved is whether or not the Government and the people of the United States, bearing the very heavy burdens they are required to bear, will not only continue but will expand the foreign-aid program. We have been very generous with foreign aid since the close of World War II, to the extent of $50 billion. The issue is whether or not we shall not only continue a program with those associated with us in an effort to maintain a free world of free men, but also try to maintain those countries which are not associated with us among the so-called neutral nations of the world. I agree that we must continue to help the neutral nations for some time to come.

However, the basic issue involved, though it may not be so clear today, is whether we are now to embark upon a program of supporting the political and economic system of international communism in the countries which are behind the Iron Curtain today.

That is the basic issue which I think we confront. For example, consider the case of Poland at the present time. It is behind the Iron Curtain. It is under Soviet occupation, with the government of Mr. Gomulko. It is true that Mr. Gomulko is a nationalist Communist of Poland, and there are some who make the argument that because he has made slight deviations from Soviet control, therefore we would be justified in giving him not only some surplus agricultural commodities, but some economic assistance as well, from the American taxpayers. That question will be argued at the proper time. It is not specifically involved in connection with that one country.

What do we do if we follow the recommendations of the committee and strike out section 304 of the act? We open up economic support by surplus agricultural commodities to all the satellite governments, including the government of Mr. Kadar, in Hungary, which has so ruthlessly suppressed the freedom of the Hungarian people.

In the case of Poland the figures which I have, which I believe to be reliable, indicate that during the past few years the Soviet Union has drawn out of Poland agricultural resources of the value of approximately 16 billion rubles. At the current rate of exchange—and I realize, of course, that the ruble is overvalued by any legitimate standard—that means about $4 billion. In other words, the Soviet Union, as is customary, is stripping its satellite states of their resources. What we are proposing to do is to bolster the Soviet economy and enable it not only to undermine our friends abroad but also neutral nations, because we would replenish the stocks of countries behind the Iron Curtain which the Soviet Union is stripping of resources.

I admit that others may have a different point of view. However, I say this is the opening skirmish in a great debate on public policy, particularly as to whether the money of the American taxpayers, which we have very generously given to our allies, and which we have also very generously given to neutral countries, should now be used on a program of sustaining the economic systems of Communist countries behind the Iron Curtain.

It is true that we have given economic support to Yugoslavia. However, there is a distinction to be noted. Yugoslavia, of course, has a Communist government. However, Yugoslavia, at least, is not under the occupation of the Soviet military forces. Once we set the precedent of extending aid to countries which are under Soviet military occupation, we will be asked to do in Hungary and in Rumania and in Czechoslovakia and in Albania and in other countries what we are doing in Poland.

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

Mr. KNOWLAND. I shall be glad to yield in a moment. First, I should like to make this point. I know the committee has had considerable concern with this question.

Only a short time ago, while I was serving as a delegate at the United Nations, the Soviet Union introduced a resolution in that body. It came before the political committee of which I happened to be a member at the time. The resolution, which was offered by the Soviet Union on behalf of itself and certain other countries, reads, in part, as follows:

1. Condemns the subversive activities of the United States of America against other states as contrary to the United Nations Charter and incompatible with the principles on which relations between states should be based.

I ask unanimous consent that the entire resolution be printed in the RECORD at this point.

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

COMPLAINT BY THE UNION OF SOVIET SOCIALIST REPUBLICS OF INTERVENTION BY THE UNITED STATES OF AMERICA IN THE DOMESTIC AFFAIRS OF ALBANIA, BULGARIA, CZECHOSLOVAKIA, HUNGARY, POLAND, RUMANIA, AND THE UNION OF SOVIET SOCIALIST REPUBLICS, AND ITS SUBVERSIVE ACTIVITY AGAINST THOSE STATES

UNION OF SOVIET SOCIALIST REPUBLICS: DRAFT RESOLUTION

The General Assembly,

Noting with anxiety the recent aggravation of the international situation and the deterioration of relations between states;

Noting that this situation has been caused, among other things, by the subversive activities of the United States of America and its intervention in the domestic affairs of the people's democracy;

Considering that the states members of the United Nations are bound under the charter "to practice tolerance and live together in peace and with one another as good neighbors";

Recalling that in its resolution 110 of November 3, 1947 the General Assembly condemns "all forms of propaganda, in whatsoever country conducted, which is either designed or likely to provoke or encourage any threat to the peace, breach of the peace, or acts of aggression";

Taking also into consideration the fact that the General Assembly on December 17, 1954, recommended to member states the international convention on the use of broadcasting in the interests of peace of 1936 in which the contracting parties "mutually undertake to prohibit and, if necessary, to bring to an immediate stop in their respective territories any transmission which could, to the detriment of proper international understanding, instigate the inhabitants of any territory to acts contrary to the internal order or security of the territory of one of the high contracting parties";

1. Condemns the subversive activities of the United States of America against other states as contrary to the United Nations charter and incompatible with the principles on which relations between states should be based;

2. Calls upon the United States Government to cease its subversive activity and its intervention in the domestic affairs of other states on any pretext and to develop its relations with these states in accordance with the principles of the United Nations charter.

Mr. KNOWLAND. The resolution came to a vote before the political committee on the 27th day of February of this year. Voting in favor of the resolution were Albania, Bulgaria, Byelorussia—Union of Soviet Socialistic Republics—Czechoslovakia, Poland, Rumania, the Ukraine—Union of Soviet Socialist Republics—and the Union of Soviet Socialist Republics.

All these countries, with the exception of the Soviet Union, would be eligible for assistance if section 304 of the law were repealed. I question very much whether it is advisable for us to bolster the economic systems of the countries behind the Iron Curtain as long as they are under Soviet occupation.

It seems to me that by doing so we would lose one of our great bargaining powers ultimately to get the Soviet army to withdraw from the satellite nations. The greatest hope of freedom of the people of the captive nations is that one day the Soviet Union will withdraw its military forces. If the Soviet Union ever gets the idea that it can keep its forces in those countries, and that at the same time we will relieve the Soviet Union of the burdens and the disturbances behind the Iron Curtain, by picking up the check, so to speak, for the inefficiency of the Soviet Communist economic system, we will have to kiss goodby any hope of ever getting the captive nations from behind the Iron Curtain.

If, as some persons contend, the Soviet Union is forced to send foodstuffs into the captive nations to prevent their populations from becoming too restless, we would be relieving the Soviet Union of that obligation if we were to repeal section 304.

If, on the other hand, the Soviet Union is withdrawing foodstuffs from the captive nations, then, in effect, we would be letting the Soviet Union drain off foodstuffs on the one hand, while, on the other, we would replenish the food stocks in the countries involved.

That does not seem to be a logical performance. As I say, this is merely the opening skirmish, because we will have other proposals made for economic aid when the foreign aid bill comes before the Senate, and those proposals will be not only with reference to agricultural commodities, but also with reference to funds from the American taxpayers, which, in effect, would be used to bolster the economies of the political systems of those countries.

One of the great crises which exists in the Soviet Union itself is the failure of its agriculture, because its agriculture has been collectivized. The farmers have had taken from them their incentive. They have been driven into slave labor to work the farms, without any hope of reward. As a result, production has fallen off.

That is one of the great worries of Mr. Khrushchev. In order to help feed the population within the Soviet Union, and to prevent restlessness in Hungary and in Poland and in East Germany, it has been necessary for the Kremlin to withdraw foodstuffs from the captive nations for consumption within the Soviet Union. It is impossible to earmark or identify a ton of wheat or ton of corn or anything else. The commodities are withdrawn from Poland and from Hungary and from Czechoslovakia, and put into the granaries of the Soviet Union. Then Mr. Khrushchev says, "Our latest 5-year plan on agriculture has been a great success."

Under this program, we would replenish those stocks in the satellite countries. If we did so, there is no assurance that the Soviets would not withdraw what we send in there. There is no assurance that the Soviets would not draw such American stocks for use in the Soviet Union.

I think that is a very material weakness so far as this situation is concerned. The subject is of sufficient importance that the Senate should at least be advised of it. This is merely the opening skirmish, as I said, because the issue itself will have to be discussed time and time again at this session of Congress. This is the first time we have been asked to open the door to the question of giving relief to the captive nations which are still under occupation by the Soviet Union.

I hope for that reason that we will reenact Public Law 480, which has done an excellent job, and that we will reenact it with the sections in it which have worked so successfully in the past.

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

Mr. KNOWLAND. I yield.

Mr. COTTON. A hasty study of the bill seems to indicate that perhaps there is a possibility, indeed, it may be a fact, that the section toward which the Senator's amendment is directed would not have any impact on title I and title II of the bill. In other words, it is my understanding—and I hope the Senator will correct me if I am in error—that title I of the bill, which has to do with sales for foreign currencies, is now restricted to friendly nations as defined in section 107 and that under that definition, with or without section 304, Yugoslavia and perhaps even Poland, would be entitled to receive commodities under title I. Furthermore title II, having to do with famine relief, applies to friendly populations without regard to the friendliness of their governments.

Is it a fact, or is my understanding incorrect, that section 304, to which the

amendment of the Senator from California applies, deals only with title III, and still leaves the possibility of having those countries receive benefits under title I and title II of the bill?

Mr. KNOWLAND. So far as the famine-relief section is concerned, the Senator from New Hampshire is correct. I have no objection to that, because the American people, over a long period of years, by reason of their humanitarian instincts, have been prepared to feed hungry people wherever they might be. As a matter of fact, as the able Senator from New Hampshire will recall, during the 1920's the United States sent food even into the Soviet Union itself in order the feed the hungry people of Russia because there had been a failure of the collectivization of the farms.

Our action at that time was under the leadership of Mr. Herbert Hoover, who established a relief mission. But we made sure at that time, by having the program properly supervised, that the food for hungry people went to all the Russians who were hungry, and not merely to members of the Communist Party.

I think on any future occasion, whether such a program be under the sponsorship of something like the old Hoover Commission, or under the International Red Cross, or under the associated Catholic agencies or associated Protestant agencies or the Friends' Service committees—however the program might be conducted—the American people and Congress would respond to any plea to assist hungry people so long as we were certain that all hungry people were being fed, and that the food was not to be used as a political weapon to punish non-Communists, while members of the Communist Party were being cared for. So that problem is not involved, in any event.

So far as the other section is concerned, I think there is a grave doubt as to whether the finding that Poland has a friendly government can be sustained. Since the date of the Secretary of State's letter on that subject, Poland itself has done several things. First, through its representative in the United Nations, Poland has voted for a resolution condemning the United States of America. Second, the Gomulka government has gone on record as approving the use of Soviet force in Hungary and of the repression of the freedom of the Hungarian people. With that record having been made, I have some doubt in my own mind, if the matter were again put before the Secretary of State, whether he could make the same finding now as he did in December, when the issue was before him.

Mr. COTTON. I appreciate the Senator's statement; it clarifies my thinking greatly.

I note that section 107, as used in the act, states that—

> "Friendly nation" means any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by a foreign government or a foreign organization controlling the world Communist movement.

If that section means what I assume it to mean, a decision by those charged with making a decision in this country, regardless of the very important facts which the Senator from California has just emphasized, that Poland's Government was not dominated by the U. S. S. R., or a decision that a certain regime in Hungary or some other country was not dominated by the U. S. S. R. would make that country eligible for this program regardless of whether the Senator's amendment was agreed to or not.

Does the Senator's amendment do the whole job, or is there a loophole left in section 1?

Mr. KNOWLAND. No. I agree with the Senator that there might very well be a loophole in dealing with section 107, to which the Senator has referred. I think that when the matter was under debate in Congress, no one surmised that a situation would arise such as has arisen under the Gomulka government, in which elections were held which admittedly were not free elections. Only one choice of a ticket was given to the people, and that was a Communist ticket. The people were told that if they did not vote for that ticket, the Soviet Union might be more repressive toward them. So the people of Poland were voting with a gun at their heads.

Furthermore, the present government, as I have pointed out, has endorsed the Soviet repression of freedom in Hungary, and subsequent to the time when the letter was written by the Secretary of State, the Polish Government instructed its representative at the United Nations to condemn the United States.

It seems to me that if there was any case upon which to hang the hat of belief that they were following an independent course, that case has been exploded.

Mr. COTTON. Then I take it from the Senator's very full and illuminating answer, for which I am very grateful, that the amendment of the Senator from California, in his opinion, fully takes care of title III, and is not intended by him to affect title II, and perhaps does not apply to title I.

Mr. KNOWLAND. The Senator is absolutely correct. I do not want to foreclose the American people from helping hungry people anywhere in the world, so long as we can be certain that there is a famine, and so long as we can be certain that the relief will go to all the people, and that no non-Communist will be discriminated against because of his not being a Communist.

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

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

Mr. YOUNG. It is not very often that I disagree with the senior Senator from California on international matters, but I must disagree with him in this case. Under the present law, we can give to Poland or any other Communist dominated country, but we cannot barter with or sell to them.

Mr. KNOWLAND. Will the Senator permit me to make one interjection?

Mr. YOUNG. Yes.

Mr. KNOWLAND. I doubt very much whether, under the law as passed by Congress, the debate in Congress, and the statement of congressional intent, the United States can give to any Communist countries under the present law.

Mr. YOUNG. But some 2 or 3 years ago we did give food to East Berlin, which was Communist-dominated.

Mr. KNOWLAND. That is correct; but that, again, involved a famine-relief type of situation.

Mr. YOUNG. I would agree completely with the Senator from California if we were embarking upon a foreign-aid program, with respect to Communist-dominated countries, but I do not think we are. I hope we will leave entirely to the discretion of the President of the United States whether or not we shall enter into agreements.

But this is the situation which confronts us now: Some 2 years ago the United States imported $15 million worth of hams from Poland. Poland received United States dollars in return, but then went to Canada to buy their food. Would it not have been far better to trade our surplus agricultural commodities in exchange for hams rather than to give to Poland dollars which Poland could turn over to Russia? It seems to me that if the Department of Agriculture were permitted to barter our surplus commodities with Communist countries, we would benefit a great deal.

Mr. KNOWLAND. As is the case with many other public questions, there is certainly room for an honest difference of opinion in this instance. But certainly this is a basic question. The success of any government, whether it be a free government or a Communist government, depends somewhat on the economic stability of its people. I think the Senator from North Dakota will agree with that statement.

What causes a maladjustment of the economic situation? It can be either a falling off of industrial production, or a falling off of agricultural production. It can be the overproduction of agricultural commodities, for that matter.

I believe the Soviet Union is confronted with the problem of the failure of agriculture in that country. If it is correct, as I believe it is, that Soviet Russia has stripped a good many of the captive nations of their commodities, in order to bolster the Soviet Union, then it seems to me that what we are doing, in effect, is building a platform under the Communist economic system, which, in turn, will strengthen the Communist political system, so that the Communist leadership, whether it be in the Soviet Union or in Poland, in Czechoslovakia, Bulgaria, Rumania, or Hungary, can say to the people—because the Soviet Union will not have the goods earmarked as to where they came from—"We are now a success. We have entered into our second 5-year plan, and communism is working."

There is one additional factor I wish to point out to the very able Senator from North Dakota. I have said that this is the first time we have embarked upon such a program behind the Iron Curtain, in a country where the Soviet Union is now in military occupation.

It is true that the United States has given economic aid to Yugoslavia. I have heretofore said that there is a clear,

understandable, and, I think, considerable logical differential, namely, that Yugoslavia is not under Soviet military occupation, and, therefore, we have some assurance that what we send to Yugoslavia will not go to the Soviet Union.

But once we send materials behind the Iron Curtain, and once we start bolstering and supporting the economic system which supports the political system of communism, then at the time, let us say, of the next Italian election, what argument will the Communist Party of Italy make? The members of that party will say, "Why not vote Communist? After all, the United States is embarking not only on a program of shipping foodstuffs to various countries, regardless of whether they are Communist; but even in the case of a country under Communist control the United States is sending it foodstuffs. So why not vote Communist?" I think that would be a potent weapon in the hands of forces attempting to put other countries under the control of the Communists.

Mr. YOUNG. I agree; and I think we must use great discretion, if we permit our foodstuffs to be sent into Communist-dominated countries. But if we administer the program wisely, I think we can make many friends abroad, and can make such countries more dependent upon us, by utilizing this program.

Mr. KNOWLAND. If this is done—and today the Senate may well vote to do it—I hope the Senator from North Dakota is correct and I am incorrect. However, I have lived long enough to see what happens when the camel gets his nose under the tent. I do not claim to have a crystal ball or to have any ability to foretell the future. However, I predict here and now that the step now proposed will, if taken, be only the opening operation leading later to the giving of economic aid to Poland, not in the form of surplus commodities, but in the form of dollars added to the foreign-aid program, or subtracted from the aid which otherwise would go to some of the countries friendly to us. If once we extend such a program to Poland, I predict that within 1 or 2 years thereafter we shall not have a valid reason for denying aid to Hungary, Czechoslovakia, Romania, and Bulgaria, because once they see that Poland has been successful in this endeavor, they will say, "Well, we are a little independent, too. Consequently, we want to come in under a plan"—consequent Marshall-type plan, let us say, to support the Communist regimes of those countries. I may be mistaken about it, but I think this is only the opening wedge of a program which, if undertaken, will plague us in the future.

Mr. YOUNG. It is a program about which we must exercise great discretion. But I think the program is worth trying.

Mr. KNOWLAND. If the Senator from Louisiana has had a chance to examine the situation, I believe he knows that the countries which are non-Communist and are outside the Iron Curtain, and today either are uncommitted or are actually associated with us in the North Atlantic Treaty Organization or in some of the other pacts, have made applications to receive some of our surplus agricultural commodities; and, as the Senator has said, under the program, with the restrictions presently imposed, we are very close to the end of the authorization. If we comply with the requests of those who are our friends or who at least are not behind the Iron Curtain, we probably could use during the next year the entire additional $1 billion, as provided in the proposed authorization. Frankly, I am not willing to have us penalize our friends or penalize the neutrals, in order to help support Communist regimes in countries under Soviet occupation.

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

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

Mr. KNOWLAND. I yield.

Mr. ELLENDER. Mr. President——

Mr. KNOWLAND. Mr. President, previously I promised that I would yield to the Senator from Minnesota. After I have yielded to him, I will yield to the Senator from Louisiana.

Mr. THYE. Mr. President, I find it very, very embarrassing to differ in the slightest with the distinguished minority leader. However, I wish to state that I hold in my hand the report on Senate bill 1314, and the report contains a letter signed by E. T. Benson, Secretary of Agriculture. If the Senator from California will permit me to do so at this time, I should like to read into the RECORD an extract from the letter, because the letter goes to the very heart of the question we are discussing.

In the letter the Secretary of Agriculture wrote as follows:

> It is recommended that section 304 be repealed. This would place us in a position to make offers of barter transactions on a selective basis to the European satellites of the Soviet Union. It would appear that this authority would be of particular advantage, in view of recent developments in Eastern Europe. Agreements for sales of commodities for foreign currencies under title I of the act would continue to be limited to friendly countries by provisions of that title.
>
> The Bureau of the Budget advises that there is no objection to the submission of the proposed legislation to the Congress and that enactment of such legislation would be in accord with the program of the President.
>
> Sincerely yours,
>
> E. T. BENSON,
> *Secretary.*

If the Senator from California will permit me a further word, I wish to say that basically he is correct in stating that we should not take from our own economy or our agricultural production to bolster countries which are directly under the domination of the military authority of the Soviets or under the domination of the Soviet Union itself.

But if the proposed program were selectively handled—as the Secretary of Agriculture has proposed—and if it were under very careful scrutiny by the administration, it seems to me we might be able to have the people of such countries as Poland, Eastern Germany, and Hungary incline toward us. We know that Hungary endeavored to strike off the shackles of the Soviets. It is believed that the Polish people and also the people of Eastern Germany would do likewise. If they know that we wish to be friendly to them, I believe that over the years experience will finally show that there will be a breaking away by those people from the Soviets.

By proceeding on a selective basis of barter, I believe we might be able to aid them more and encourage them more than if we were simply to say, "Nothing doing"—in which case the result would be, as the Senator from Vermont [Mr. AIKEN] has so ably described, similar to the result in Egypt. We recall that the Russians have obtained cotton from Egypt, in exchange for Soviet ammunition and military equipment; and there was a resultant interchange between 2 or 3 countries. The upshot was that our efforts were thwarted. That was caused by imposing such a restriction. In the final analysis, Egypt turned to the Soviets, because from them she was able to obtain what she wanted. She did so by exchanging her cotton for Russian implements of war—the articles for which she had attempted to barter.

Therefore, Mr. President, I think we would do better by opening the door, by means of proceeding in a cautious, selective manner, through the Department of Agriculture and the Commodity Credit Corporation, rather than by closing the door tightly, as it is now, with the lock of public opinion, under the definite statement, "You must not, because the law says you cannot."

Mr. KNOWLAND. Mr. President, in reply, I desire to state, as I did to the Senator from North Dakota, that I hope and pray that in this instance the Senator from Minnesota is correct and that I am wrong. However, not long ago some very farsighted persons pointed out that it was impossible to do business with Hitler. Similarly, I think we cannot do business with the Communist monolithic structure of either the Soviet Union itself, or its satellite captive nations, without in fact strengthening those governments and ultimately delaying the freedom of the captive peoples, because the stronger we make the Communist economy, the stronger we make the Communist government. I know of no one possessing any considerable knowledge of the facts who will say today that any of the governments behind the Iron Curtain are anything but part and parcel of the international Communist conspiracy, which has as its ultimate objective the destruction of both the economy and the political system of the United States of America.

As the Senator has said, perhaps we could open the door a little bit and experiment in the way now proposed. The Senator from North Dakota [Mr. YOUNG] said we could do so by means of using the agricultural surpluses; but he said perhaps we should be more careful in the case of extending economic aid which would add to the $4,400,000,000 now proposed, for, if the Congress in its judgment decided to make a reduction, and if the aid were extended from the amount remaining after the reduction, that would mean that our friends and the neutrals would be forced to accept a further reduction, which would have to be made in order to enable us to take care

of our attempts to bolster the Communist regimes.

I desire to make it clear that in what I am saying I am speaking only for myself. I am not speaking for the administration on this question here today, as the Senator has pointed out. If I had not been interrupted, I would have pointed out that the Secretary of Agriculture has asked for what is now proposed. The Department of State, I believe, would be for it, because it is in favor of going beyond what is proposed, and giving economic aid to Poland. However, I wanted to serve notice that, at least so far as I was concerned, I was not in favor of taking $1 out of the till of the American taxpayer and bolstering any Communist regime behind the Iron Curtain.

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

Mr. KNOWLAND. Yes.

Mr. THYE. I would ordinarily agree with the Senator. I have such a great admiration for the minority leader, the distinguished Senator from California, that it disturbs me ever to differ with him. I want the RECORD to show that I am positive in that statement. Secondly, I admire the stand, the very courageous stand, which the Senator from California has taken on many international questions. However, in this particular instance, we are using what is a surplus commodity which we wish to barter with countries throughout the world, and to obtain from them in return products which we can well use in our economy. So it is not any more economic assistance for those countries than it is economic assistance for this country, because it is the overabundance of surpluses that is weighing down our national agricultural produce and commodity market.

Mr. KNOWLAND. Will the Senator yield at that point?

Mr. THYE. Yes; I am delighted to yield.

Mr. KNOWLAND. I think there are at least two possible fallacies in the Senator's argument. One is that it is true that if Poland wants to buy products in this country for dollars, if Poland has the dollars, or if she can get dollars from the Soviet Union, she can buy certain nonstrategic materials which are not on our proscribed list, as strategic materials are. But when such products are bought from us, the Communist world then has fewer dollars to spend in this country for subversion or espionage. We know that when the Communist world accumulates dollars, it uses them to undermine the United States and the free world. That is one point.

Secondly, again I do not know whether the Secretary of State would now write the same kind of letter he wrote originally—which I intend to put into the RECORD in a few minutes, because today it was declassified as being no longer confidential, and I was given permission to put it into the RECORD—after the Polish representative voted as he did, and after Gomulka said he approved of the Soviet's repression against the people of Hungary in their seeking freedom. But if we can go so far as to say that Poland is a friendly country, then I do not know why it could not be said that Polish hams are strategic materials. How advisable such an argument would be in the light of a surplus of pork in this country, I do not know. The Senator from Minnesota is an expert in agriculture, and is one of the leading members of the Committee on Agriculture and Forestry, and he can perhaps better determine that question than can I. If the law could be stretched to the extent of saying Poland is a friendly country, then it certainly could be said that Polish hams were strategic materials.

Mr. THYE. It was on that point that I desired to discuss further my thoughts on the question raised. The Senator has just mentioned Polish hams. When Polish hams are imported from Poland into the United States our dollars go into the treasury of Poland. American dollars are then siphoned into the economy of the Soviet just as effectively as if our produce which is in long supply went to Poland in settlement for the Polish hams which we know come into this country, and that have come into this country in past years, in spite of our surpluses.

Mr. KNOWLAND. I will say to my good friend from Minnesota—and perhaps I may be considered a little old fashioned for saying it—perhaps if the agricultural industry of the country needed some protection from Polish hams, which in fact may be produced by slave labor, there are ways of protecting the American economy by means of old-fashioned methods, so that Poland would not get the dollars to which the Senator has referred.

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

Mr. KNOWLAND. Yes; I yield to the Senator from Vermont, who is the ranking minority member of the Committee on Agriculture and Forestry.

Mr. AIKEN. With regard to the importation of Polish hams, I think the reason why they find their way into this country is that the American people like the manner in which Polish hams are prepared, and they are willing to pay dollars for them. Poland is, of course, delighted to sell the hams, for which the Americans pay with dollars, so that Poland can use the dollars to buy Canadian wheat.

Mr. KNOWLAND. I can understand some of the problems involved.

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

Mr. KNOWLAND. I yield to the Senator from Kentucky.

Mr. COOPER. I should like to ask the distinguished minority leader a question. I may say that I accept the statement which the Senator from California has made with respect to the possible difficulties that the amendment to the act might bring about. However, considering the fact that in this past year we have seen evidences of restlessness in the satellite countries, does the Senator not think this proposal might offer the possibility of some intercourse between the people of our country and the satellite countries, which might further the movement we have seen in the last year toward independence in the satellite countries?

Mr. KNOWLAND. I would say, candidly, no one could dogmatically stand here and say it did not offer that possibility; but I would also, with the same candor, ask the Senator if he does not also admit there is a possibility—regardless of which possibility is the stronger—that such a move might bolster the Communist regime and make it less possible for the people to gain their freedom.

Mr. COOPER. I regret in this instance that I must oppose the amendment that the distinguished minority leader has offered. I will agree with other Senators who have stated that there is no one in this body who has fought more consistently for the cause of freedom and against totalitarianism than has the Senator from California. However, I think we have reached a very dangerous juncture in world affairs. I think the recent threat of war, the very rigid position Russia is now taking, and the ominous threat which Russia is now making toward this country have brought us to this very difficult juncture. It seems to me the only hopeful signs we have seen for many, many months are the efforts in Poland toward some measure of independence, at least from domination by international communism, and the courageous uprising in Hungary. With the rather rigid military position which we now face, I think we have to take some risks and we have to seek, perhaps, more imaginative means of reaching the people of other countries. I think it would be impossible to engage in a program such as is proposed without the people of Poland and other satellite countries knowing such a program was in effect. Also, I think food, more than any other commodity that could be made available, goes to the heart of every individual. It seems to me this proposal does offer an opportunity to encourage that restlessness which has been demonstrated in certain satellite countries this past year. Unless, somehow, we can find more imaginative methods, unless we can find some means to associate with the people of those countries, it seems to me this impasse will continue indefinitely. I accept without question what the Senator from California has said, that the net result of this program might be simply to strengthen the economy of those countries.

It might be worse than that. It could mean that an equal amount of food would go to the Soviet Union. However, I believe that what we are doing will be known by the people. They could not fail to know of it. And we would benefit accordingly.

I would say that at a time like this—when, I believe, we have a dangerous situation in the world—we should be willing to risk a trial of these new methods. I point out we did take such a risk with our program of aid to Yugoslavia. Yugoslavia may not be what all the people of the world desire, but at least the people are independent of international communism at this date.

I respectfully suggest to the distinguished minority leader, for whom I have the greatest respect, that this affords an opportunity to embark on a new course which might produce effective results. And I should like at this time

to compliment the distinguished Senator from Louisiana and the distinguished Senator from Vermont, who, as chairman and ranking minority member, respectively, of the Committee on Agriculture, have shown such outstanding leadership with this legislation.

Mr. KNOWLAND. Mr. President, will the Senator yield for one brief comment?

Mr. COOPER. I yield.

Mr. KNOWLAND. I merely wish to say to the distinguished Senator that I think it is helpful to have the discussion, regardless of the action taken. I hope in the other body the discussion will be prolonged. Perhaps we should have a national debate on the subject, for I think it is a matter of basic policy.

I remind the distinguished Senator from Kentucky, who has had great experience in foreign affairs, that not too many years ago Hitler in effect told the German people "It is a question of guns or butter", meaning that they would have to tighten up their belts in order to produce weapons of war. If we should now make the mistake of taking care of the agricultural needs of the Communist nations, in effect it could mean that the Communist governments would then draft the farmers off the soil and put them into production plants to manufacture guns, tanks, Mig planes, and potential warmaking items.

The Soviet leopard has not yet changed his spots. I invite the attention of the distinguished Senator from Kentucky to the fact that within the past 10 days the Soviet Union has threatened both Denmark and Norway with dire consequences should they take certain action which is within their sovereign rights.

I submit to the Senator that by doing something which we think will be helpful to the people of captive nations, while they are still under Soviet occupation, we may lessen our bargaining position in the attempt ultimately to free the people. We may very well be permitting the Communist rulers to draft the farmers of Poland.

The Poles are wonderful people. I have been through that country, on a thousand-mile trip from Warsaw through Posnan and Stettin. It is a rich agricultural country. If the Communist rulers should do what I have mentioned, the situation could be quite difficult. They might draft those people into slave labor camps, or at least into arms factories, and then the Soviet Union, with troops still in the captive nations, could use the manufactured material to bolster its warmaking potential.

Mr. BUTLER. Mr. President, will the Senator from Mississippi yield for a question?

Mr. STENNIS. I yield for a question.

Mr. BUTLER. I should like to make an observation in the form of a question, because I am not too well advised on conditions in the countries about which we are talking.

Is it the thought of the Senator from Kentucky [Mr. COOPER] that we must hold out some aid to the people of the captive nations in order to induce them to support our side? Does the Senator not believe they are straining at every point in their effort to get from under the heel of the Russian Soviets? We do not have to do anything for those people. They are fighting for freedom. They are fighting tanks with their bare hands. We do not have to give them wheat to influence them. They want freedom and they will do everything they can to get it.

I have listened to this debate very carefully. I agree with the Senator from California that we cannot strengthen the inclination of those people for freedom. That is the one thing they desire above everything else. When we give them agricultural commodities we are not strengthening them, but we are strengthening their oppressors.

Mr. COOPER. Will the Senator yield to me so that I may make a brief response?

Mr. STENNIS. I yield.

Mr. COOPER. I think we have to consider that in the last 4 months we have not devised many methods by which to deal with the satellite countries. When the revolution took place in Hungary the United Nations could do nothing much more than pass resolutions. Certainly the distinguished minority leader is aware of that.

Secondly, this Nation has declared—and I think the administration has even recently declared—that it is not our policy to use force to bring about the liberation of those nations. What are the means, then? What are our means for helping this revolutionary movement for independence which we have seen stirring in these countries? We have said we will not use force. That is the problem. Why is it not worth while to try the peaceful means of using food?

I invite the attention of the Senate to the situation at the time the Marshall plan was proposed. The plan was first proposed in the United States by such great leaders as Senator Vandenberg and others, who believed that the satellite countries should be brought into the Marshall plan. Perhaps that was not wise, in view of what has happened. But who really knows?

Today, in the consideration of this amendment, we should recognize that we might be able to place some small instrument in the hands of our Government to encourage that revolutionary movement toward independence, which we know is stirring in those countries. I do not think it would stop this movement if we refused this help, but I do not think such action would provide much encouragement from a great country such as our own.

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

The PRESIDING OFFICER (Mr. MONRONEY in the chair). The Senator from Mississippi has the floor. Does the Senator from Mississippi yield?

Mr. STENNIS. May I say to the Senator from New York there must be an end to yielding some time? I shall detain the Senate only a very few minutes, on another phase of the bill.

Mr. President, the surplus agricultural commodities continue to have a depressing effect on farm prices and acreage allotments. It now appears that the Commodity Credit Corporation will have on hand August 1, 1957, about 11.8 million bales of cotton, 1½ billion bushels of corn, 988 million bushels of wheat, 17 million hundredweight of rice, and possibly 3 to 4 years' supply of tobacco. These surpluses certainly emphasize the need for at least a 1-year extension of Public Law 480, and the need to increase the authorized ceiling under title I. The Trade Development and Assistance Act of 1954—Public Law 480—has operated on sound trade principles with less emphasis on aid.

I have also been interested in the program from the standpoint of military housing construction in foreign countries. At the present time estimates indicate a need for about 69,000 units, at a total of about $675 million. The major part of this need can and should be met through the use of surplus agricultural commodities. The logical approach which this program offered prompted me to sponsor proposed legislation in the Military Construction Subcommittee—and the entire committee sponsored this proposed legislation—which would expand the use of surplus agricultural commodities in the foreign military construction program. This authorization was increased over a period of years from $25 million to $100 million, and to $250 million last year. I believe this program is sound and desirable from the standpoint of reducing our surplus agricultural commodities in a businesslike way at the least possible cost and at the same time implementing needed housing in foreign countries.

During calendar year 1956 some $102 million in currencies of 7 foreign countries were earmarked for military-family housing. These countries included: United Kingdom, $33.4 million; Japan, $25.1 million; Spain, $16 million; Italy, $12.7 million; Finland, $7 million; Austria, $6.4 million; Portugal, $1.5 million.

Our Military Construction Subcommittee has also broadened the authority for use of currencies acquired through the transactions of the Commodity Credit Corporation. This has made possible transactions under the CCC Charter Act, which contains broad authorizations for the barter-type operations.

This barter program has enabled countries who have not heretofore been interested in surplus commodities to negotiate for use of CCC stocks in construction of military housing. For example, a $50 million contract with France for the construction of 2,800 housing units is expected to be completed and signed within the next 2 weeks.

The Defense Department is also negotiating for barter contracts with three additional countries. These contracts include $25 million for the Philippines, $12 million for Bermuda, and $15 million for Libya. This phase of the program appears to be the most promising and flexible for the construction of military housing.

Mr. President, I should also like to express my special interest in and support for expanded use of foreign currencies in marketing development projects. This phase of the program is a move in

the right direction and will have lasting beneficial effects in building strong markets for United States agricultural commodities for years to come. Marketing development projects are already under way in 20 countries involving the equivalent of about $5 million, and about $32 million is earmarked for this purpose under existing agreements.

I have been very much impressed with contracts which various enterprises have with the United States Department of Agriculture to develop and supervise programs in behalf of cotton. These projects are financed 50–50 by local private industries and funds provided by Public Law 480. They are operated by the local industrial organizations and are aimed at increasing consumption of cotton in these countries. The total budget for cotton promotion outside the United States this year is more than $3 million or roughly 10 times the total of 2 years ago. About one-third of this budget is Public Law 480 money with foreign industry raising the balance. It is encouraging to note that although some of these countries' budgets are small by United States standards, yet seven of them are putting into promotion their own money, sums which represent higher per capita expenditures than that of the United States raw cotton industries.

Marketing studies which will illustrate the full potential for United States commodities in foreign countries are basic to a sound, long-range export program. Advertising and sales promotion are also important in expanding our exports, and I hope that greater emphasis will be given to expanding the use of foreign currencies for this purpose.

Since the passage of the Trade Development and Assistance Act, 2.6 million bales of cotton, 19 million hundredweight of rice, 432 million bushels of wheat and flour, 143 million pounds of tobacco, 130 million pounds of dairy products, 1.6 billion pounds of fats and oils, and 149 million pounds of meat had been programed as of the end of 1956.

Mr. President, title I of Public Law 480 has moved sizable quantities of surplus agricultural commodities in an orderly and businesslike way, and I hope that the 1-year extension of this act will receive the full support of the Senate.

This is another illustration of the growth of this fine program, which provides us with necessities which we would otherwise have to buy with hard dollars. We sell agricultural commodities to those countries for their currencies, and then spend the currencies of those countries for items which we would otherwise have to construct. That is another reason for the extension of the law, and, really, for expansion of the program. We have been feeling our way. We have before us a concrete illustration, in dollars and cents, in terms of housing units which are necessary. It shows the progress we are making, and the soundness of the law.

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

Mr. STENNIS. I yield.

Mr. RUSSELL. I am very glad the Senator has made the statement which he has made. In my judgment the Senator from Mississippi and other Senators associated with him in the subcommittee have rendered a real service in devising this program. Last year I had occasion to see some of these projects. They have been of exceedingly great assistance to our Armed Forces stationed overseas.

With respect to some of the countries involved—and I will make no invidious comparisons and give no names—about the only thing we have ever gotten out of them was the result of this program.

Mr. STENNIS. I appreciate the Senator's remarks.

The Senator from South Dakota [Mr. CASE] has been detained on another official errand. He has been very active in connection with this program. He helped to write the legislation. He has followed it up, and has made a valuable contribution toward the effective results which have been attained.

Mr. JAVITS. Mr. President, will the Senator from Mississippi yield to me in order that I may ask the minority leader one or two questions?

Mr. STENNIS. I yield.

Mr. JAVITS. I doubt if there is any Member of this body who more earnestly desires to breach the Iron Curtain, or who would sacrifice more to see it done.

I should like to ask the Senator from California one or two questions based upon my own experience in the House Committee on Foreign Affairs. I served there when the European recovery program was approved. I served there when Congress first approved aid to Yugoslavia. Upon each occasion—without divulging anything more than what is history—the fulcrum of decision was this point: The Soviet Union having constantly opposed any of its satellites obtaining economic aid from the West, and, as a matter of fact, having made the standard of judgment as to the heresy of Tito the fact that he sought economic aid from the West, what we were always looking for was another satellite which would seek economic aid, that being to us among the prime indicia of the fact that it was ready to break away, or break away sufficiently for our purpose. What is the significance of such action? I ask the distinguished minority leader if he will be good enough to comment on that point. Being a new Member, I do not like to rise to speak unless I can make a definite contribution.

I heard the discussion with respect to the looting of Poland, which is standard Soviet technique. We are dealing with a situation, in essence, which existed before Gomulka. Today the real point of difference between Yugoslavia and Poland, as the distinguished Senator has pointed out, is some element of military control.

Is that not answered by the fact that Gomulka is ready to commit the greatest Soviet heresy in history, up to date, which is to ask aid from the West? Therefore does my friend from Kentucky [Mr. COOPER] not have a great deal to his point that, if that be the case, if Poland is ready to commit that heresy, we would be unwise to relinquish the weapon which we have by turning down a request for such aid?

Mr. KNOWLAND. I will say to the distinguished Senator from New York, who has had long experience in the House, and who served on the Foreign Affairs Committee of that body, that it seems to me the basic point of difference, as I pointed out earlier, was the fact that at the time we entered into the program with respect to Yugoslavia, Yugoslavia was not under Soviet military occupation. A plausible argument can be based on the fact that Mr. Gomulka is showing a little independence. From some study of the situation, and out of a deep conviction, I will say that I believe we could make just as strong a case to prove that this show of independence is, in fact, with the concurrence and connivance of the men in the Kremlin.

The reason I say that is that after the Hungarian rebellion I think the men in the Kremlin were shaken to the foundations. They saw what the repercussions were in the Asian and African countries, and around the whole world, as a result of their repressive tactics.

I think the last thing in the world they wanted, or would have permitted, was the same type of situation in Poland. Over the years Poland has been very restless under the domination of either Germany, Imperial Russia, or Communist Russia. I believe that in order to hold down the unrest in Poland the men in the Kremlin were perfectly willing to go through with an act, a Potemkin village sort of demonstration, to deceive a great many people, by letting Mr. Gomulka and his government show some independence by making his application for aid from the West, which would relieve the Soviets of the obligation to send in foodstuffs, and possibly might enable them to take out more from Poland's production.

I admit that that is only a personal point of view, and that it is not the official judgment of the Department of State. But I have a very strong feeling that all we are doing in this case is fastening the hold of the Communist government more firmly upon the people of Poland, and not only sustaining and strengthening the Communist government's hold on Poland, but, if the same process should be followed in the other captive nations, actually increasing the strength of the whole monolithic Soviet empire.

Mr. JAVITS. The authority contained in the act is permissive, is it not?

Mr. KNOWLAND. Yes.

Mr. JAVITS. If we pass the bill, the President may or may not extend aid.

Mr. KNOWLAND. That is correct.

Mr. JAVITS. So it does not necessarily follow that we are to extend to all the other satellites the type of aid for which Mr. Gomulka has asked. He is the only one who has asked for it.

Mr. KNOWLAND. He has been invited to ask for it.

Mr. JAVITS. With respect to Kadar, I understand that he would like economic aid, but that we have no intention of giving him any such aid.

Mr. KNOWLAND. That is the record to date.

Mr. JAVITS. All we are doing is giving permission to the President to use the program as a weapon of foreign policy.

Mr. KNOWLAND. Let me ask the distinguished Senator a question. Leaving Mr. Kadar out of consideration for

the moment, because of the peculiar circumstances in which he came into power, just what argument is to be made to the Governments of Rumania, Bulgaria, and Czechoslovakia if they, seeing the success Mr. Gomulka has had, say, "We want to show a little independence of the Kremlin. Therefore, we not only came in under the surplus-food program, but we have had our agents negotiating for a $300 million American loan for not only agricultural products, but mining machinery, and so forth"? What argument is to be made if they say, "We will show a little independence, too, and ask for the same treatment"? Once we have gone behind the Iron Curtain in a country under Soviet occupation, on what basis can we discriminate against the poor non-Communist people of Rumania, Bulgaria, and Czechoslovakia?

Mr. JAVITS. I think there are two answers to that question.

I do not wish to debate it, because I have a very deep regard for the distinguished minority leader. I compliment him highly for the courage and frankness which are so typical of him, in starting what should be a great debate. The question deserves that type of approach, and the country deserves it.

Now, to answer the question. I believe that in the case of Poland there is a difference, because there the people have bared their breasts to the danger of force. They brought about a change in the regime by their own determination. They have met the test. The leaders and supporters of the Government are making representations to the West. The people themselves have made representations to the West. That is a very fundamental difference.

Secondly, and very importantly, we come to the question of discretion. What we are doing is giving the President discretion, and we ought to have confidence in ourselves as deep and as profound as the suspicion which we may have of the other side. I believe those would be the two ways in which I would answer the real doubt which the Senator raises.

Mr. KNOWLAND. I quite agree with the Senator. Again, this is a basic matter of policy. Regardless of how the vote goes on this amendment, we shall have to discuss the whole subject when the foreign-aid bill comes before the Senate. As I understand from a reading of the newspapers, and from discussions I have had, the Polish delegates came to this country to negotiate for $300 million and up. We indicated that that was more than we would give them. An article published in the Washington Post on last Saturday or last Sunday indicated that we might be prepared to offer them $50 million. I do not know whether that was a surmise on the part of the newspaperman who wrote the story, or whether it was a planted story which perhaps reflects the attitude of our Government.

At any rate, that issue will be before us on the occasion when we will have to determine the economic aid we will extend to countries. It is a matter in relation to which Congress has some responsibility. For that reason it ought to be discussed now, as I know it will be discussed in the future. With all due respect to the Senator from New York, I say again that this is merely an attempt of the camel to get its nose under the tent flap.

We will see this program extended if we grant this aid to Poland. If all the captive nations come under the foreign-aid program, we will see that program raised by at least a billion or two billion dollars a year, in order to meet the effort to stabilize the Communist regimes behind the Iron Curtain.

Mr. JAVITS. Fortunately, those countries will have to come here to make their requests.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a letter which was written by the State Department to the former chairman of the Committee on Foreign Relations under date of December 28, 1956. It is signed by Robert C. Hill, Assistant Secretary of State. It was classified confidential until today. The letter discusses the Secretary's findings with regard to proposed aid to Poland.

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

DECEMBER 28, 1956.

The Honorable WALTER F. GEORGE,
Chairman, Committee on Foreign Relations, United States Senate.

DEAR MR. CHAIRMAN: As you know, following the developments in Poland last October, the President stated that, to help freedom-loving people, such as the Polish people, would add strength to the security and peace of the free world. The executive branch is considering various measures, within the framework of existing legislation, which would contribute to the achievement of these objectives.

Poland has indicated a desire to purchase a number of items, including certain agricultural products, a number of which are in surplus. Following a reexamination of executive branch policy, it has been decided to allow surplus agricultural commodities to be exported for dollars at world-market prices to Eastern European countries (except the Soviet Union) on a selective basis in the national interest. Accordingly, it has been determined that surplus agricultural commodities may be sold to Poland for dollars at world-market prices.

The Secretary has also determined on the basis of a careful examination of the Polish situation since October 1956, that Poland is not now dominated or controlled by the U. S. S. R., and accordingly qualifies as a friendly nation within the meaning of section 107 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, 83d Cong., 2d sess.). He intends to inform the Secretary of Agriculture that Poland is eligible for title I and title III, Public Law 480 transactions. The Secretary has taken his decision on the basis of the current situation and all the evidence available to him. He recognizes, of course, that important new developments are taking place in Eastern Europe and that the future course of events may alter this situation.

Accordingly, these events will be followed closely and the validity of the current appraisal will be kept constantly under review.

Sincerely yours,

ROBERT C. HILL,
Assistant Secretary.

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

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). 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.

Mr. AIKEN. Mr. President, I think almost everyone is agreed that Public Law 480 has been a very effective instrument which has been used for many purposes to satisfy many people. We can point to the fact that it has raised the standard of living for many of the underprivileged nations of the world. We can point to the fact that it has stabilized political conditions and the economies of many nations. It has meant more business for the world as a whole, and it has meant more business for the United States. It has not injured private trade, because as Public Law 480 has been availed of, private trade also has increased materially.

Public Law 480 has been effective in starting the reduction of our domestic agricultural surpluses, particularly of cotton and wheat, so I think there is no real objection to extending it for these purposes for another year.

The difference of opinion which exists seems to be whether section 304 of the act shall be repealed. This section prohibits bartering with satellite countries, and is a question on which there can be an honest disagreement. I believe the bill should be left as it is, and that the amendment offered by the Senator from California should not be adopted.

I believe this provision has worked, in some ways, exactly the opposite from the way it was expected to work. We thought it would help us and hurt the Soviet Union.

Earlier today I pointed out as an example how Egypt and Czechoslovakia were forced to get together to make a trade which has worked definitely to our disadvantage. It has been emphasized by some persons that Poland appears to be a country which might be a candidate for some bartering. I am not certain about that; she might be. It has been said that the situation in Poland is analogous to that which has existed in Yugoslavia since 1948. I do not know whether or not this is an accurate analogy.

At that time Yugoslavia had been stripped clean by the Soviets and was in a destitute condition. The people of Yugoslavia were hungry. We gave them $38 million worth of grain to enable them to live through the winter. I do not think we ever made a better investment, even though we have had to help them ever since. We have given them several million dollars' worth of military equipment, but Yugoslavia has not gone back into the Soviet orbit. Instead, Yugoslavia has remained a nationalist Communist nation up to this time and has not gone back within the orbit of international communism. I suppose it will be necessary to help Yugoslavia for some time to come, because if we do not she could still be forced back into the Soviet group. If that were to happen, we do not know how Greece could remain independent. If the United States had not gone to the rescue of Yugoslavia, undoubtedly it would not have been possible to hold Greece as a member of the

Western nations because Greece would not have been strong enough to remain independent.

I realize that by bartering with any country behind the Iron Curtain is permissive only; it is not required. I hope that our Government will use extreme discretion. I would not expect our Government to barter with a nation which was occupied by Soviet troops or Soviet tanks, for instance. I point out, however, that we should be in a position to step in should one of the satellite countries need economic help either in the form of contributions or by way of bartering.

I also want to emphasize that the bill extends the law for only 1 more year. If there is some part of the bill that does not work well, it can be discontinued in another year.

It has also been said that if the United States steps in and helps Poland, and if our action works well, all the other satellite countries will be seeking our help. If we do help Poland, and if Poland does free herself from Soviet domination, I think it would be wise for us to help the other satellites to free themselves from Soviet domination also.

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

Mr. AIKEN. I yield.

Mr. RUSSELL. The Senator is referring to the bill solely in terms of assisting other nations. I was of the opinion that the Senate was considering language of the bill to provide that the United States should get something in return.

Mr. AIKEN. It provides for bartering.

Mr. RUSSELL. The Senator is referring to transactions of which I would not approve. I was disposed to vote for this particular provision because it was one under which we were to get something in return for the hundreds of millions of dollars we are spending overseas. I understood the purpose of repealing section 304 was to enable the United States to get strategic materials which were hard to get.

Mr. AIKEN. If my remarks made it appear that the provision to repeal section 304 would permit us to step in and assist the people abroad under title I, that was an inadvertence on my part. Repeal of section 304 would provide only for bartering. The Senator is entirely correct in that respect. I was speaking hastily prior to the vote and probably did not make myself clear; but the Senator from Georgia has made the subject entirely clear.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California [Mr. KNOWLAND].

Mr. HOLLAND. Mr. President, I strongly support the position already taken by the chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], and by the ranking minority member of the committee, the Senator from Vermont [Mr. AIKEN].

I think it is very greatly to the interest of the United States to follow the recommendation of the Secretary of Agriculture, the wisdom of which was so well borne out by the testimony of the Assistant Secretary of Agriculture, Dr. Butz, to allow bartering with satellite nations. I think they are taking a wise position, and that we can give them their heads safely, because they have made a strong case. I wish to read briefly into the RECORD a statement made by Dr. Butz before our committee, because his statements sounds to me like good commonsense. I have found Dr. Butz to be particularly helpful to fruit producers in the matter of foreign trade and in having straightened out some very real difficulties in the case of the United Kingdom and in the case of West Germany. This is what Dr. Butz said on the subject now under debate:

> With respect to our recommendations for repeal of section 304, that will, in effect, remove the prohibition in the act against bartering with the satellite nations. We feel that the Government should have the discretionary authority to conduct barter deals with satellite nations in those cases where it is clearly to our advantage to do so.
>
> This does not mean there is any disposition on the part of anybody in the executive branch of the Government to barter willy-nilly, but many of us feel that if we can barter a soft goods, like food or fiber, for a hard goods, like metals, it is clearly in our interest to do so even though it be with one of the satellite nations. And there have been opportunities to conduct barter deals of that kind in the last couple of years, that under the act we could not do.
>
> Therefore, we ask for a repeal of that provision so we can have the discretion to do it when it is clearly in the interest of the United States to do so.

Dr. Butz called the attention of our committee to the fact that there were occasions in the past when we could have traded some of our surplus food materials, which are so badly needed by the satellite nations, for hard goods like manganese, or other metals, which we need, if only we had been able to do so.

I cannot too strongly support the position taken by the distinguished Senator from Georgia [Mr. RUSSELL], indicating that in this instance, instead of trading our hard money for soft money, as in the case of dealing under title I—and I have strongly supported title I and shall continue to support it, because I think it really belongs in the picture—in this case, and in this case alone, we would get a full measure of return from our investment by permitting a setup which would allow us to trade our surplus agricultural products for valuable strategic materials which are hard to get.

I agree with Dr. Butz in his statement that—

> Many of us feel that if we can barter a soft goods, like food or fiber, for a hard goods, like metals, it is clearly in our interest to do so even though it be with one of the satellite nations.

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

Mr. HOLLAND. I yield.

Mr. HUMPHREY. I merely wish to underscore what the Senator is saying. I have just read through Dr. Butz's testimony. Not only has he testified in this manner this year, as the Senator well knows, but he testified in similar vein last year.

As I recall, the Senate last year approved the very same provision we are asked to approve now, but it was lost in the other body.

I should like to emphasize that the necessity for some flexibility on the part of the Department of Agriculture and the Department of State concerning our foreign policy relating to satellite countries has become increasingly evident. I think that what we are really seeking to do here is to give a little vote of confidence to those who administer these programs that they will not sell out the best interests of our country?

I for one would not believe that the Government of the United States and those responsible for the policies of our Government are going to do business with those countries to the detriment of our national security.

As the Senator from Florida has correctly stated, this provision deals only with bartering, not with sales from counterpart funds or from foreign currencies. It does not deal with credits. Therefore, we shall be gaining something, rather than losing something, under any deal we may consummate.

If the Senator from Florida will permit me to do so—for I do not wish to take any more of his time—I now ask unanimous consent to have printed at this point in the RECORD a statement on my analysis of Public Law 480 and the importance of its extension, as provided in the pending bill (S. 1314).

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

SENATOR HUMPHREY PROPOSES GREATER USE OF AMERICAN FOOD AS "YEAST OF FREEDOM"

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, today called for extension by 1 year and expansion of Public Law 480, the Agricultural Trade and Development Act of 1954, and termed food a tremendous and versatile weapon in the arsenal of peace.

In an address today on the Senate floor supporting passage of S. 1314, Senator HUMPHREY also called for an end to "administration timidity and indecision" in negotiations with Poland on surplus agricultural commodities, and for "forthright action on the proposal to bolster, the Polish people's recent progress toward an independent existence."

"By sharing our blessings of food abundance with the peoples who seek to break away from the Soviet tyranny, we can make American food the 'yeast of freedom' which can expand and strengthen the movement toward freedom and independence," Senator HUMPHREY declared.

"We are taking a calculated risk by such measures," he said, "but it is only the risk that the yeast will not rise. American food cannot be hurled back at us. All that we have to lose is the food itself, all that we can suffer is disappointment."

"Public Law 480 is not to be looked upon as merely a disposal program for surplus commodities," Senator HUMPHREY pointed out. "It has become a fundamental arm of our foreign policy. It has demonstrated the tremendous power of food and fiber in building stronger friendly nations, and at the same time it has developed new markets for the regular production of American agriculture."

The Minnesota Democrat stressed five distinct accomplishments of the Public Law 480 programs. They have, he said:

1. Increased the normal export markets. "Public Law 480 has enabled us to open new doors for America's surplus agricultural commodities," he said. "It has resulted in improved levels of income for many farmers.

Millions of man-hours of work have been added for American labor. Shipping has prospered."

Senator HUMPHREY pointed out that agricultural commodities under United States export programs accounted for about 25 percent of all exports in 1954, rose to 30 percent in 1955, and 41 percent in 1956. "Yet," he said, "sales outside of the program have remained fairly steady."

2. Provided economic development funds for needy countries. "The largest increase in program activity has been in sales for foreign currencies," Senator HUMPHREY said. "Thus, we have developed export programs based on the ability of foreign countries to pay for their purchases, although these payments have to be made in part in their own currency."

"By far the largest portion of the local currencies are being utilized in the form of loans by the United States to promote economic development and international trade," he reported.

3. Made possible the exchange of American food for strategic materials. "Since Public Law 480 was enaced, the value of strategic imports for stockpiling through the barter program has risen from $61.5 million in fiscal year 1955 to the rate of nearly $189 million annually in the first half of fiscal year 1957," Senator HUMPHREY said.

4. Strengthened our military security. "Through the end of 1956, $221 million of local currency proceeds of sales were earmarked to procure military equipment, materials, facilities, and services for the common defense," Senator HUMPHREY reported. "These quantities cover agreements signed with countries in many areas of the world, including Brazil, Iran, Korea, Pakistan, Yugoslavia, and the Republic of China."

5. Broadened our cultural and educational contacts with the free world. "Most of title I agreements," Senator HUMPHREY said, "have provided for the use of some of the local currency proceeds to finance international educational exchange programs. About $5 million has been set aside in agreements thus far to help American-sponsored schools abroad and bilateral organizations which promote better relationships between the United States and other countries."

Citing the opportunity in Poland to bolster an anti-Soviet regime and an anti-Soviet people with food and fiber as an example of the use to which Public Law 480, as amended by Senate bill 1314, can be used, Senator HUMPHREY charged the administration with "timidity and indecision at a crucial moment in the relations between Soviet Russia and the new Polish Government attempting to disengage itself from Soviet domination."

Mr. HUMPHREY. Mr. President, I have just received a copy of a telegram sent to President Eisenhower and Secretary Dulles from the American Order of General Pulaski. In the telegram, a loan is proposed to the Polish people, in the form of foodstuffs, raw material, and machinery for the textile industries.

Mr. President, I ask unanimous consent that the telegram be printed in the RECORD, and also be appropriately referred.

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

MARCH 16, 1957.

President DWIGHT D. EISENHOWER,
The White House,
Washington, D. C.

Hon. JOHN FOSTER DULLES,
Secretary of State,
Washington, D. C.:

May we suggest a loan in the form of food, raw material, and machinery for the textile and building industries to the Poles our gallant but almost forgotten allies whose friendship for the United States dates back to the birth of our Nation. This aid should be distributed under strict control and supervision of an American governmental agency similar to the post World War I Hoover Commission, partially manned by Americans of Polish origin to facilitate language barriers and to acquaint the Polish populace with our own American ways of life and our free American institutions. At heart the Poles abhor the evil and godless forces of the Red Kremlin.

In weighing a decision in this vital matter, let us be mindful of Poland's tragedy partly brought about by our own neglect and lack of understanding and foresight at Yalta 12 years ago when we allowed Stalin to have his diabolical way, and when the Polish people were, without their consent, turned over to communism which meant death, famine, rape, and slavery to a freedom-loving nation. May we respectfully add that according to newspaper reports Cardinal Stefan Wyszynski, Primate of Poland, is expected to be in Rome at Easter. This humble servant of God, a martyr of communism would be in a position to enlighten us as to the practicability and necessity of aid to the Polish people.

Respectfully,
AMERICAN ORDER OF GENERAL PULASKI.
K. STEFAN POMIERSKI,
President Emeritus,
GLEN COVE, N. Y.
CORNELIUS H. TUSZYNSKI, *President.*
JOSEPH P. PLONSKI,
Counsel and General Secretary.

Mr. HUMPHREY. Mr. President, I have just received a letter from the chairman and the secretary general of the Polish Christian Labor Party in New York.

The letter reviews the measured advances which have been achieved under the Gomulka regime, and encourages the administration to grant economic assistance to Poland.

I ask unanimous consent that the letter be printed in the RECORD, and appropriately referred.

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

POLISH CHRISTIAN LABOR PARTY,
New York, N. Y., March 27, 1957.

DEAR SIR: The executive committee in exile of the Polish Christian Labor Party at its meeting held in New York on March 27, 1957, reviewed the development of the present situation in Poland and resolved to make an appeal to the administration and Congress of the United States to provide substantial economic assistance to Poland.

The peaceful evolution in Poland, which especially from October 1956 until the time of the general elections in January 1957 followed a rapid course, showed the decisive will of the Polish nation to regain true freedom and brought our prudence and calm as characteristic of the Poles in time of trial.

In those 4 months Poland gained several great advantages through the unity and determination of its people:

The limitation of colonial exploitation by the Soviet Union;

The ability to make commercial agreements with non-Communist states;

The end of the system of terror and the relaxation of restrictions on civil liberties; and

Freedom of religious practice and instruction.

The progress of Poland toward liberty has been and may continue to be hindered by delay and deviation. Reactionary Stalinist forces, especially those acting from outside the country, have taken advantage of every weakness of Polish society, which is debilitated through the destructive practices of the former Communist regime and the economic crisis which logically and naturally resulted.

The Polish people are confident that the West, of which they are an integral cultural part, will help in gaining economic relief. The faith of the Poles in the good will of the West, severely tried on many occasions since 1939, now depends on economic aid quickly and generously granted. If such aid is denied or proves insufficient, the Poles will feel completely abandoned and isolated, which will have a regrettable political result.

The system of state capitalism imposed on Poland against the will of the nation and for which it cannot be held responsible makes it necessary that economic aid be administered by the state. However, this will not enhance the prestige of the United Workers (Communist) Party. On the contrary, the Poles will fully recognize the source of this assistance and the reason why it is granted. This will heighten the prestige of the West and demonstrate the impotence of the Communist system, which in a time of economic crisis is forced to look for help to countries which have a system of free economy.

In addition to economic aid, the Polish Christian Labor Party appeals for the development of economic exchange between the free world and Poland, thus strengthening the economic independence of Poland which forms the foundation of political independence.

The Polish Christian Labor Party expresses its confidence in the administration and Congress of the United States to find the necessary legal bases which will make possible the granting of economic assistance to Poland, even though the present system of government there does not entirely correspond with the democratic convictions of its people. Economic assistance will be considered an expression of confidence on the part of the West in the strong resolve of the Polish Nation to attain full democracy, and will prove a vital stimulus to the realization of this goal.

Very truly yours,
KONRAD SIENIEWICZ,
Secretary General.
KAROL POPIEL, *Chairman.*

Mr. HUMPHREY. Mr. President, the New York Times magazine for March 24, 1957, carried an article entitled "Poland's Gomulka Walks a Tightrope," written by Flora Lewis.

In a speech on the Senate floor on last Friday, I discussed many of the points raised in the article. I ask unanimous consent that the text of the article be printed in the RECORD.

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

POLAND'S GOMULKA WALKS A TIGHTROPE

(By Flora Lewis)

WARSAW.—Although Wladyslaw Gomulka became No. 1 man in Poland through a display of stubborn independence that made his name a symbol, there is no such word as Gomulkaism and most probably there never will be. The reasons are rooted in the worried but firm-minded country that he leads and in the character of the man. Poland today is an uneasy country, filled with vague yearnings and simple hopes, exhausted and yet lively with the jerky energy of a man shaking off a nightmare, uncertain about everything but the one desperate wish never to slip backward. Gomulka embodies both the hopes and the fears of the country.

His warning that a failure to support his Communist Party in the recent elections

meant "to cross Poland off the map of European states" was an extravagance of campaign oratory, but he knows, and Poles know that he knows, the dangerous truth within his words. He has proved, to Poland's satisfaction, that he has no hypnotic illusions about relations with the Soviet Union and that while he cares for communism he cares at least as much for Poland. That is one reason why his cause does not bear his name.

Nor did the man who stands unchallenged at the hub of a huge wheel of inchoate and often opposite desires launch the cause or set the wheel in motion. On the contrary, the cause assembled itself from a dozen corners—from the hatred and misery that exploded in the Polish riots last June, from the shame and shock released by the Soviet Communist Party's 20th Congress in February 1956, from the long mendacious years. It centered itself on Gomulka and created his program. Without Gomulka there would have been no place for the spokes of discontent to meet. But without the driving bitterness that sought a spokesman Gomulka would not have mattered.

As things are now Gomulka does matter. The aims and judgments of what one close associate called "the curious, impersonal man" are decisive. He alone of all the men who govern with him has the confidence and the ear of his country. It is a tentative confidence. He could lose it as quickly as he gained it if he failed to keep faith. Aware of this, Gomulka's test for making decisions is his own conception of how to find a place in the sun for the 28 million people of Poland.

It is not precisely everyone's conception, for points of view sprout lushly in Poland nowadays, but in its large outline it is shared by his countrymen who express their acceptance by calling it realistic. To be realistic in Poland means to acknowledge two facts which darken the land with their shadows. One is the nearness and the power of the Soviet Union. The other is the intolerable unhappiness the country has known. Very little more can be done to push back the Russian shadows. Much must be done to relieve the blackness of misery. The confidence given Gomulka is based on the belief that he sincerely wants to do what can be done.

The people who listen to him know surprisingly little about the man they trust. Gomulka's is a closed personality and no one claims to know his mind. His reserve separates him even from his most intimate acquaintances. He speaks calmly and plainly, but often irritability conquers him and he shouts with anger. He listens thoughtfully, a faint smile on his thin lips, a grave intensity in his deep-set gray eyes. And yet, what is inside him never quite breaks out.

His face and his slight, halting figure offer no clues to the fierce will they cloak. Nearly bald, with a rim of white hair around his wizened head, cheeks pink from Warsaw's sharp winter, he can peer through steel-rimmed glasses that slide a little down his sharp nose, as though he were looking at the world through the bemused eyes of a country grandfather.

The bones of his face are hard and square but the pale skin hangs loosely and softens the lines that once looked like chipped granite. A Western ambassador, newly arrived in Warsaw, watched him at an official reception where he stood shyly in the background, clearly ill at ease, and said, "Gomulka looks so gentle and benign, such a kindly little old man. I wonder if he can stand up to the sharks around him and impose his discipline?"

It was a gross misconception on several counts. To begin with, he is not old, only 51. His 3½ years in prison and his 8 years of enforced exile from the politics that are his whole life have aged him prematurely. Certainly he can and sometimes does impose discipline with a sharp impatience that leaves no room for retorts. And he defied Nikita Khrushchev last October and so earned his right to the place that had been made for him in Poland.

Gomulka's is a tough spirit and unyielding on points he has made his own. In that he has not changed from the period of his first reign as first secretary of the party from 1943 to 1948.

His aim then was to make Poland Communist. He pursued the aim with a combination of ruthless will and skilled if scarcely principled maneuver that reflected acceptance of the Communist adage, "You can't make an omelette without breaking eggs." Until shortly before his downfall under the charge of Titoism Gomulka played his part in administering Moscow's crushing tactics.

His experience as a "broken egg" did not undo the training of the long years before but in some ways it drastically modified their meaning. It bred in him a sort of tolerance that dwells oddly with the fierce strength of his will. His hand is often firmer in restraining headstrong supporters than in warding off the devious attacks of proved enemies. Associates call it his "complex on persecution."

This new complex buttresses Gomulka's resistance to temptations to use force. No one can say beforehand where a dire crisis will push a man. But Gomulka's Communist self-righteousness is tempered now by a revulsion for what might seem injustice or revenge. No one in Poland has been arrested for opposing Gomulka or for criticizing what he does. The punishment has been purely political—ouster from a seat at the table of power.

This does not mean that Gomulka sits at the table with relish. He wields power willingly but he does not seem to love it. He appears to have little or no personal vanity. There are no photographs or busts of Gomulka on Polish walls; he seethed with fury when students took to chanting his name, and the practice was stopped.

He lives with his wife and a dog in a small apartment in Prague, a Warsaw suburb. When he got his first monthly paycheck of 14,000 zlotys as the new first secretary he sent back 11,000, saying he did not need so much.

Speaking of the power he held under Stalin, clothed then "in the robes of the cult of the individual," Gomulka told the Polish Central Committee how he felt about it. He referred to himself in the third person, saying he "did not feel well in this attire. One can say that he was ashamed of it and did not want to wear it, although he could not completely take it off."

What then does Gomulka want? There is no clear, sure picture, probably not even in his own mind, for he is no philosopher or ideologist. The speech to the Central Committee is as close as he has ever come to setting forth his credo, and its 45 pages are filled with details about the situation in the mines, what is to be done for the peasants, how to revive cottage industry, what to do about hooliganism.

Since he was 16, Gomulka has worked as a Communist—sometimes as an agitator, sometimes as an administrator, but never as a theoretician. His jobs were practical ones, from distributing clandestine leaflets to running a Communist state. Now he is the leader of an important reformation, but he approaches his problems as practical ones.

This is his great strength. His pragmatic mind slips undisturbed from the fetters of doctrine and dogma whenever a concrete question demands an answer and a deed. He is an ardent and devoted Communist. But his conception of what constitutes communism has changed tremendously since the old days of struggle to impose a regime. And it is still open at one end.

Gomulka agrees with a small but vocal group of Polish Communists on what his concept is not. It is not a police state, it is not the willful spread of poverty, it is not a blinding, belligerent uniformity. These are profound changes in Communist thought and they could lead to staggering conclusions. Gomulka does not seek conclusions; he seeks to make life tolerable in Poland by repairing damage done and preventing new distress.

He gave the Central Committee his definition of communism, or socialism, as a Communist always calls it. "What is constant in socialism boils down to the abolition of the exploitation of man by man," he said. All else, associates explained later, Gomulka is willing to leave open to discussion.

All else is being discussed in Poland, sometimes by Gomulka, more often by others, and in startling terms. The vice chairman of the new State Economic Council, E. Lipinski, has written in the Polish Communist newspaper Trybunu Ludu: "The Council is necessary because so far there has been no economic thought in our economic policy."

With his disregard for doctrine when hard facts demand attention Gomulka has challenged what were long considered basic tenets of Communist faith. He has made peace with the church and has permitted the teaching of religion in the schools. He has restored full rights of ownership to peasants and has promised them, in a year or two when the problem of feeding the cities has eased, a free market with no compulsory deliveries to the state.

He has granted a role for private enterprise, small in scale, but meaningful. He has accepted the liberation of cultural life from politics. Above all, by abolishing the secret police, he has sought a way to govern by consent instead of force.

The need for consent now necessarily shoves off into the misty and improbable future the notion of creating "Socialist man." This dark utopianism results from the conceit that change can be imposed not only upon the society man lives in but upon man himself. It is the profound Communist arrogance.

Gomulka does not consciously repudiate it, but he has acquired a certain humility through his personal experience of human fallibility. There is every evidence that he believes Marxism to be a basically sound science of human society. But he has learned through suffering, his own and that of others, to consider it an experimental and not a revealed science.

So far as he has disclosed it, Gomulka's aim now is to remake Poland, not to rewrite the theories of communism. Not only does he disdain the wracking analysis and strained probing into which a new and brighter era has shoved many of his comrades—he has also made clear that he considers ideological challenge a positive menace to Poland's delicate equilibrium.

That, his closest associates say, is behind his recent orders to clamp down on the press where a grand debate on all but the innermost tenets of Marxism was building up. The current line, much stricter than that of a few weeks ago, forbids publication of anything even faintly perfumed with criticism of the Soviet Union or criticism of Communist doctrine.

"Gomulka feels that if we can succeed, it has to be first by improving the economic situation," a close coworker said recently. "We have to realize that we are not going to have any influence with our ideological haggling."

Russia is extremely tense about relations within her empire, seemingly more nervous now about words than about deeds. Gomulka has refused to explain himself, but carefully choosing their words, his associates say that his present purpose is to reassure Moscow that Poland will not break out of the Communist fold.

That is not only tactics. Gomulka is convinced that in the world as it is only a Communist Poland can survive. But the effort of reassuring Moscow has begun to worry some of Gomulka's supporters who fear that Poland may unwittingly be forging new chains for herself. They consider Gomulka's pragmatic problem-by-problem approach to be a weakness as well as a strength. Watching his feet as he takes steps for security and economic improvement, Gomulka could lose the way to independence and freedom of thought.

The return to the Government of pro-Soviet Stalinist Communists who had fought Gomulka is a part of this dilemma. The explanation given is that since he must get along with the Russians Gomulka dare not rid his party of the Eastern point of view.

Gomulka's backing is in the country. Within the upper ranks of the Polish Communist Party only a minority really supports the program he announced last October, although none dares attack him. Yet he is convinced that his regime can only be based on the party. The danger is that in his efforts to strengthen his party position by compromise with neo-Stalinists, he may weaken his national position.

It is an involved and precarious game. But the stakes are high and there are yet many hands to be dealt. For the time being Gomulka has chosen cautionsly to consolidate his gains and to curb high-spirited comrades who want to plunge ahead too fast.

The solid backstop of Gomulka's program, regardless of any possible change of heart in the leadership, is the eager impatience of the Polish people for a decent life. Nothing but colossal injections of foreign aid could perform the kind of quick miracle that would make salvation easy. But Poland is a Cinderella without a fairy godmother. Current prospects for American aid indicate that it will not be large enough to work wonders.

Nevertheless, if Poland can manage to make its way back toward prosperity and freedom, the effect on the whole Communist world will be tremendous.

As long as Poland is an island of relatively free thought surrounded by a sea of Communist orthodoxy, no more than limited success for Gomulka's experiment is possible. But even a limited success in Poland would stimulate new hope among the drowning satellites. Eventually—and this is Gomulka's prime importance to the rest of the world—it might stimulate enough new thought in Russia to change the nature of the sea itself.

This is an ultimate goal, perhaps not so much Gomulka's as of the people who support him. Poland as a Communist state might have an influence on the internal life of Russia that nothing from the West could bring to bear. It is not entirely wishful thinking to hope that a breeze from a more healthy Poland could stir the fetid Moscow air.

Gomulka's success would fan that breeze. If Gomulka's Poland can discover how Communist-ruled countries might work their way toward more freedom without violence, not only the peoples of the East but those of the West as well might at last have a chance to breathe more easily.

Mr. HUMPHREY. Mr. President, on Friday I spoke at length on this matter. My views appear in the CONGRESSIONAL RECORD. I urge the Senate to support the position taken by the Senator from Florida.

Mr. HOLLAND. Mr. President, I appreciate the supporting remarks very ably made by the distinguished Senator from Minnesota.

I do not think it is necessary to take further time on this subject, except to comment that in his official letter to the President of the Senate, the Secretary of Agriculture, Mr. Benson, very strongly urged this same action for this same reason.

So far as I am concerned, I found the Secretary of Agriculture and his Assistant Secretary and their experts in this field, able men of conscience and intelligence; and I am perfectly willing to give them authority to make deals which they believe to be in the interest of our country, in bartering soft, expendable goods for hard goods which we need and which we can store away against a time of greater need.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The question is on agreeing to the amendment of the Senator from California [Mr. KNOWLAND].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from North Carolina [Mr. SCOTT], the Senator from Florida [Mr. SMATHERS] and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

I further announce that, if present and voting, the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from North Carolina [Mr. SCOTT], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], the Senator from New York [Mr. IVES], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official business.

If present and voting the Senator from New Jersey [Mr. SMITH] would vote "nay."

The Senator from Wisconsin [Mr. MCCARTHY] is paired with the Senator from New York [Mr. IVES]. If present and voting the Senator from Wisconsin [Mr. MCCARTHY] would vote "yea," and the Senator from New York [Mr. IVES] would vote "nay."

The result was announced—yeas 23, nays 54, as follows:

YEAS—23

Allott	Bridges	Cotton
Barrett	Butler	Curtis
Bricker	Byrd	Dirksen
Dworshak	Malone	Schoeppel
Hruska	Martin, Pa.	Smith, Maine
Jenner	Mundt	Watkins
Knowland	Revercomb	Williams
Kuchel	Robertson	

NAYS—54

Aiken	Fulbright	Monroney
Anderson	Green	Morse
Beall	Hayden	Morton
Bible	Hennings	Neuberger
Bush	Hickenlooper	O'Mahoney
Capehart	Hill	Pastore
Carlson	Holland	Payne
Carroll	Humphrey	Potter
Case, N. J.	Jackson	Purtell
Case, S. Dak.	Javits	Russell
Church	Johnson, Tex.	Saltonstall
Clark	Johnston, S. C.	Sparkman
Cooper	Kefauver	Stennis
Douglas	Magnuson	Symington
Eastland	Mansfield	Thurmond
Ellender	Martin, Iowa	Thye
Ervin	McClellan	Wiley
Frear	McNamara	Young

NOT VOTING—19

Bennett	Kennedy	Neely
Blakley	Kerr	Scott
Chavez	Langer	Smathers
Flanders	Lausche	Smith, N. J.
Goldwater	Long	Talmadge
Gore	McCarthy	
Ives	Murray	

So Mr. KNOWLAND's amendment was rejected.

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

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

The bill (S. 1314) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(1) Sections 109 and 204 of such act are amended by striking out "1957" and substituting in lieu thereof "1958."

(2) Section 103 (b) of such act is amended by striking out "$3,000,000,000" and inserting in lieu thereof "$4,000,000,000."

(3) Section 203 of such act is amended by striking out "$500,000,000" and inserting in lieu thereof "$800,000,000."

(4) Section 304 of such act is deleted.

ORDER FOR ADJOURNMENT TO THURSDAY NEXT

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, when the Senate concludes its business today it is our plan to go over to Thursday, so committees which desire to do so may meet in the morning and in the afternoon, too.

Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until noon on Thursday next.

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

JOINT COMMITTEE ON THE BUDGET

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 160, Senate bill 1585.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1585) to amend the Legislative Reorganization Act of 1946 to provide for more

effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States.

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

The motion was agreed to; and the Senate proceeded to consider the bill.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I should like to announce that, so far as I am aware, there will be no other votes tonight, but the Senate will remain in session for as long as my colleagues may desire to address the Senate.

MENTAL HEALTH ACTIVITIES

Mr. KEFAUVER. Mr. President, we all know that the House presently is considering appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies.

I desire to call the attention of my colleagues to one item in the bill, which I understand is in danger of a cut in the present drive for economy, and which I think by all means should not be cut.

It is an appropriation of only $35,217,000 for mental-health activities. It would be a tragic thing, I think, to apply a straight percentage cut to this item.

The dollars reduction would make little difference in our $72 billion budget, but it would seriously impede the progress that is being made in research and treatment toward controlling mental illness, which is still one of our most serious problems.

More than 1 million patients are treated annually in our mental hospitals, and an additional large number are cared for in outpatient clinics and by private psychiatrists.

In my State of Tennessee, where we have during recent years made great strides in improving the treatment at our institutions, there is great support and interest in continuing the research and program, which is underway on both a national and State level, at its greatest efficiency.

To try to save on this program, when we know that about half of our hospital beds are occupied by mental patients and the annual costs of mental illness continue to mount and are over the billion dollar mark, is shortsighted economy.

For we are just beginning, through the research and treatment and psychiatric programs now being discovered, to make some headway against this once hopeless disease.

The new tranquilizer drugs have permitted a new attack on mental illness. The immediate future, if we do not curtail the work, will probably see the development of other drugs and treatments.

Mr. President, we cannot—we dare not—through shortsighted economy take the grave risk of turning man back in his long effort to control mental illnesses.

Mr. President, now I wish to speak on another subject.

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

FINANCIAL AND BUSINESS ACTIVITIES OF SECRETARY OF THE TREASURY GEORGE HUMPHREY

Mr. KEFAUVER. Mr. President, I wish to call the attention of the Senate to a portion of the column by Mr. Drew Pearson, which appeared in the Washington Post and Times Herald today.

The portion of the column to which I have reference refers to the activities of Secretary of the Treasury George Humphrey. It quotes Mr. Cyrus Eaton, of the Chesapeake & Ohio Railroad and of Otis & Co., on the financial and business activities of the Secretary, who continues to hold his stock in M. A. Hanna Co., and in his other farflung investments.

I ask unanimous consent that the portion of Mr. Pearson's column referring to Secretary Humphrey be printed at this point in my remarks.

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

[From the Washington Post and Times Herald of April 1, 1957]

CLEVELAND TYCOONS

Cyrus Eaton, of the Chesapeake & Ohio Railroad and the Cleveland investment firm, Otis & Co., had a recent private huddle with top Democratic leaders regarding another well-known Clevelander, Secretary of the Treasury George Humphrey.

Eaton urged a full Senate investigation of Humphrey, pointed out that the Secretary of the Treasury has not sold his stock in his farflung M. A. Hanna Co., said the stock had appreciated some $800 million while Humphrey was in the Treasury, and that almost everything the Treasury handled affected Humphrey's private interests in some way or other.

Foreign business firms, he pointed out, had in some cases purchased coal from Humphrey's Pittsburgh Consolidation Coal Co., largest coal company in the world, because their countries had to do important business with the Secretary of the Treasury. Humphrey is a member of the board which controls the Export-Import Bank from which many countries have to borrow money.

Later, Eaton wrote a private letter to the Senators, dated March 9, which follows:

SIXTY-BILLION-DOLLAR ORBIT

"A further illustration of the manner in which George Humphrey continually uses his high public post to buttress his private business interests is provided by the recent preemption of top offices of the Federal Reserve Bank of Cleveland by Humphrey henchmen.

"First, Arthur VanBuskirk, a director of Humphrey's Pittsburgh Consolidation Coal Co., was made chairman of the bank. This was swiftly followed by the naming of J. H. Thompson, president of Humphrey's M. A. Hanna Co., as vice chairman of the bank. With these adroit moves, another powerful financial institution boasting assets of $4,755,000,000 was added to the Humphrey orbit, to bring to the incredible total of $60,755,000,000 the combined assets of the corporations interlocked by officers and directors in the Humphrey-Hanna-Pittsburgh consolidated group.

"This does not tell the whole story, however, for there are other companies in which Humphrey exercises great influence without representation among officers and directors.

"Since the Secretary of the Treasury holds office by virtue of Senate approval, does the Senate not have a continuing moral obligation to take corrective action when the Secretary constantly uses his official public position to further his private business fortunes?"

Mr. KEFAUVER. Mr. President, it occurs to me that the business activities of a man of the undisputed influence on Government policy, both domestic and international, of Secretary Humphrey should be under the continuing scrutiny of the appropriate Senate committee.

A different standard was applied to Mr. Humphrey from that applied to other Cabinet members at the time of his confirmation. He, unlike Charles Wilson, who was then president of General Motors, was allowed to keep his stock. Perhaps that was not considered important at the time, but Mr. Humphrey is a strong-minded man and the imprint of the Secretary of the Treasury for better or worse, is indelible in all Government policy today. And furthermore it appears that the activities of the companies in which the Secretary is interested have expanded during the years since he was confirmed originally. The desirablity for reconsideration is indicated. Such vast power requires continuing surveillance.

I hope the appropriate committee will look into the matters discussed by Mr. Eaton.

Mr. Eaton is a man who is worthy of consideration; a man who has many business interests himself. He is a man of good repute. I hope the appropriate committee will look into the statement set forth in Mr. Pearson's article, which refers to certain letters Mr. Eaton has written to Members of the United States Senate, and that there will be some scrutiny of this matter, and an investigation of it.

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

Mr. KEFAUVER. I yield to the Senator from Oregon.

Mr. MORSE. I should like to have permission to supplement what the Senator has said.

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

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I am very glad that my very good friend, the Senator from Tennessee, has brought up the matter concerning the Secretary of the Treasury and his obvious conflict of interests.

A column in today's Washington Post and Times Herald, written by Drew Pearson, offers another good reason why the Senate should investigate the conflict of interests of the Secretary of the Treasury.

Some days ago the Senator from West Virginia [Mr. NEELY] did the Senate a service by bringing to the attention of the Senate the fact that among Secretary Humphrey's holdings were investments in the Standard Oil Company of New Jersey, a co-owner and operator of Middle Eastern oil properties.

Now we learn that the Secretary's business associates have taken over control of the Federal Reserve Bank of Cleveland.

I again request, Mr. President, that an appropriate committee of the Senate investigate the obvious conflict of interests between George M. Humphrey, Secretary of the Treasury, and George M.

Humphrey, the power behind the scenes of the giant M. A. Hanna empire, in which he and his family are major investors. I am inclined to believe that an impartial and thorough investigation of Mr. Humphrey's activities will show he is so involved in a conflict of interests that he is disqualified to serve further as Secretary of the Treasury of the United States.

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

Mr. MORSE. I yield.

Mr. KEFAUVER. Has it not been pointed out that the Secretary of the Treasury is a member, ex officio, of the Export-Import Bank, and has very great influence sitting on the board of that bank; and that the M. A. Hanna Co. and other companies in which Mr. Humphrey has investments have considerable business in Brazil and other nations, which business undoubtedly has some connection with the Export-Import Bank?

Mr. MORSE. Yes. It illustrates the point the Senator from Tennessee and I have made; namely, we had better find out where this man's financial holdings will lead us, so far as the determination of the foreign policy of this Government is concerned, because it is generally taken for granted that he exercises terrific influence on both the President of the United States and the Secretary of State in the field of foreign policy.

I think when there is a thorough investigation of the foreign policy of this country in the Middle East we will find such policy is determined more by oil than by any other factor.

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

Mr. MORSE. I yield with the understanding I shall not lose my right to the floor.

Mr. HENNINGS. Is not the problem of oil in the Middle East a very complex and difficult one?

Mr. MORSE. It is a very complex problem.

Mr. HENNINGS. I speak not for any one individual. Is it not a matter to be determined by the State Department of the United States, in conjunction with other agencies of the United States?

Mr. MORSE. There is no question as to that.

Mr. HENNINGS. It requires considerable elucidation.

Mr. MORSE. It requires not only considerable elucidation, but in my opinion it requires considerable investigation at the present time on the part of the Congress of the United States.

I wish to pay a deserved tribute to a great fighting liberal here in the Senate, a man by the name of JOE O'MAHONEY, of Wyoming, and to his associates on his committee, who have been conducting an investigation in recent weeks which, in my opinion, is of tremendous importance to the welfare of the country. What the O'Mahoney committee has already brought out with regard to Aramco, in my judgment, tells us more about American foreign policy in the Middle East than any other one thing.

When we take note, as the O'Mahoney committee brought out, of the manipulations of Aramco, and the steps they have taken even to effect changes in the tax laws in Saudi Arabia, so that they can get by with a kind of juggling of losses, permitting them to pay very little into the Treasury of the United States, but still collect the 27½-percent depletion allowance, we gain some insight into the influence oil has on American foreign policy.

My judgment is that if we really should conduct a thorough investigation of the oil policies of Aramco, it would make Teapot Dome look like petty larceny.

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

Mr. MORSE. I yield to the Senator from Missouri.

Mr. HENNINGS. Mr. President, again I should like to make a comment, at the risk of oversimplification. At one time, some 5 years ago, I believe, I made quite a study and submitted a little report, in my own way——

Mr. MORSE. It is too bad the Senate did not support the Senator from Missouri in his earlier investigation of this matter, because the Senator paved the way.

Mr. HENNINGS. I thank the Senator for his generous comment.

Mr. MORSE. Few Senators supported the Senator from Missouri then, as he will recall.

Mr. HENNINGS. Nobody supported me, because it was a matter of little or no interest.

Mr. MORSE. There was considerable support for the position the Senator took, particularly with respect to the depletion allowance.

Mr. HENNINGS. I may say to my distinguished friend from Oregon that I suspected a great deal then, but since then even more has been developed.

Over and beyond that, is it not true that when we go into the economics of this situation and of the matters about which the Senator from Tennessee and the Senator from Oregon are now inquiring—as have other Senators who serve upon the committee, who are unfortunately engaged sometimes on other matters—we find there is some of what might be called, in general parlance, "hocus-pocus" going on, and good fellowship where good fellowship obtains. If one is not a good fellow and does not get along, he just does not go along. I do not know the right and the wrong of it at the present, but I certainly think it should be looked into and examined into most thoroughly and meticulously. I commend my two friends, the Senator from Tennessee and the Senator from Oregon, for having investigated as far as they have gone. I hope they will not be deterred in their efforts.

Mr. MORSE. I wish to say to my friend from Missouri I always enjoy the delicacy and judiciousness of his language when he is dealing with a problem which he and I know is one that smells to high heaven. The linguistic restraint of the Senator from Missouri is something about which I marvel.

Mr. HENNINGS. "Hocus-pocus" is not very restrained

Mr. MORSE. I wish to say I think the Senator from Missouri was exceedingly kind when he used the words "hocus-pocus." There are other descriptive terms he could have used which I think would have been more appropriate.

I am glad to see the Senator from Wyoming [Mr. O'MAHONEY] entering the Chamber, since we were just discussing the great job the Senator and his committee colleagues have been doing with respect to investigating the policies of Aramco. I had a few things to say on this subject.

Mr. HENNINGS. I might have said "prestidigitation," which is a more polite word than "hocus-pocus."

Mr. MORSE. I am glad the Senator from Missouri is on that committee, because I know that his penetrating analytical power will bring to light, before the O'Mahoney committee is through, what I implied when I said that when we really get all the facts about what oil is doing with regard to foreign policy, it will make Teapot Dome look like petty larceny, although all the stealing will be done by way of legerdemain.

Mr. HENNINGS. "Sleight-of-hand" is another synonym for legerdemain. We could find a number of synonyms. I pretend to no expertness, except that I know there is a cabal, and we all know that there exists an agreement. There exists what we might even call——

Mr. MORSE. A cartel.

Mr. HENNINGS. "Cartel" is a very ugly word. It would be called a trust in this country, but it is an international cartel.

Mr. MORSE. It is an active one.

Mr. HENNINGS. The American people pay for it, and they do not know that they are paying for it; do they?

Mr. MORSE. We have only to look at the taxes paid by Aramco, or the taxes Aramco did not pay last year, to know how much the American people pay. They pay through the nose.

Mr. HENNINGS. Certainly, the Senator's statement appears to be correct.

EXPLANATION OF ABSENCES OF SENATOR MORSE FROM YEA-AND-NAY VOTES

Mr. MORSE. Mr. President, I move to another subject. Some 2 or 3 weeks ago I announced that whenever I was absent from the Senate and missed a yea-and-nay vote I intended to make a statement for the RECORD as to the reason for my absence.

In the last campaign I had a very delightful time setting my opposition straight as to my absences from the Senate after they had made gross misrepresentations about them.

I had already pointed out that on February 18 I was not present for a yea-and-nay vote on the deficiency appropriation bill, because while that vote was being taken—and I had been led to believe that in all probability a vote would not be taken—I was downtown at a conference in behalf of the port commission of Coos Bay, Oreg., in regard to the Port Chicago project. We were seeking favorable consideration for the heart of the Port Chicago project if it is transferred from its present location to Coos Bay, Oreg.

On February 28 the O'Mahoney amendment to the Middle East resolu-

tion was adopted by a vote of 82 to 0, with 14 Senators not voting. The Senator from Oregon was one of the absentees. I was recorded in favor of the resolution. The only reason I was not present in the Senate was that I was up in the air—and when I say I was up in the air, I mean I was literally up in the air. I was circling the skies above Washington, D. C., unable to get down because of weather conditions. I succeeded some time later in landing, but not in time for the yea-and-nay vote. Let the RECORD show.

On March 28 there was a yea-and-nay vote on the motion to recommit Senate bill 497, the omnibus public works bill. The motion was defeated by a vote of 55 to 27, with 14 Senators not voting.

On the same day there was a yea-and-nay vote on Senate bill 497, which passed by a vote of 42 to 22, with 32 Senators not voting. I was not present for either of those yea-and-nay votes. As the CONGRESSIONAL RECORD will show, I spoke on the floor of the Senate late the night before in regard to my position on the bill. I was, of course, opposed to the motion to recommit, and I was in favor of the bill, as the RECORD shows.

The reason for my absence on this particular occasion was that many weeks before I had accepted an invitation to return to my alma mater, the University of Wisconsin, and deliver a speech at a testimonial luncheon in behalf of one of the great educators of America, the incomparable Dr. Edwin Whitty, of the University of Wisconsin, who is retiring from the University of Wisconsin at the end of this academic year, at the age of 70.

In order to be of assistance to any political opponent who wishes to make anything of that absence, let me say that it was a mission of life and affection. No fee was involved in connection with this speech. I considered it a great honor to be invited to deliver an address, as scholars, public officials, and leaders throughout the country gathered at Madison, Wis., on that day to pay homage and tribute to this great economist. That was the reason for my absence from that vote.

The other vote I have mentioned was one which was held earlier this afternoon, in connection with the Zwicker nomination. Had I been present, of course, I would have voted to confirm the Zwicker nomination; and the CONGRESSIONAL RECORD will show that that position was taken on that issue.

The reason for missing that vote was that as recently at 12:30 p. m. today I spoke at Raleigh, N. C., where I went on another mission of public service. I spoke before the Southern Municipal and Industrial Waste Conference of the Southern States, sponsored by Duke University, the University of North Carolina, and North Carolina State College.

I believe, on the basis of the public service involved, that not only was it an invitation which I should have accepted, but I am highly honored that it was extended to me. I now ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the address which I delivered at that conference this noon—the keynote speech of the conference.

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

KEYNOTE ADDRESS OF SENATOR WAYNE L. MORSE TO SOUTHERN MUNICIPAL AND INDUSTRIAL WASTE CONFERENCE, RALEIGH, N. C., APRIL 1, 1957

Ladies and gentlemen, when I accepted the invitation from your chairman, Mr. Nemerow, to keynote this conference, I was impressed by the fact that this is your sixth annual conference on Southern Municipal and Industrial Waste. From the programs of the previous meetings Mr. Nemerow sent to me, I find that you have been meeting for some time in an effort to make some progress toward cleaning up river pollution in the South. The titles of your sessions are indicative of the study already given to the South's pollution problem; I commend you for showing the way. I particularly commend the leaders of industry for the active role they are playing in the region's pollution abatement, because without the cooperation and in fact, without the action of industry, we can expect little progress to be made.

It is important to point out first, I think, in a discussion of water pollution, that the interest in the great natural resource of water on the part of the Federal Government is wide and comprehensive. It begins with navigation, with the use of water in commerce as a carrier, as the cheapest form of transportation we have yet found despite all technological progress. It extends to the use of water for irrigation, and for cheap power, the control of water as a means of flood control, and the control of water for human and industrial uses. Certainly all of these are important. The first law passed by the first Congress was a bill relating to canal transportation. Since then, the Federal interest in water for navigation has expanded to include power, irrigation, and flood control. The Tennessee Valley development is still the world's prime example of what can be accomplished by a national community in a multipurpose program for water.

But the importance of water for these uses must be reevaluated to include water supply. The vast expansion in our need for water as a result of America's population growth and industrial development has occurred without much attention having been given to the problem it has posed for every section of the country.

Although this conference and its participants are familiar with the full extent of the increased need for water, I want to review a few of the figures. In 1956, when the House Committee on Public Works was holding hearings on the proposed bill which became the Water Pollution Control Act, the testimony showed that from 1900 to 1955, our water needs for domestic use only rose from 5 billion gallons a day to 22 billion gallons a day. The use of water by industry from its own sources of supply exclusive of what it took from the public supply increased from 15 billion gallons a day to 120 billion. The use of water for irrigation has risen in that time from 20 billion gallons a day to 120 billion. This means we are using over six times as much water now as we did in 1900, although our population has only doubled, rising from 76 million to 165 million. Per capita, we use about three times as much water. Part of the answer lies in increased personal use, but undoubtedly the real answer lies in the growth of our industrial production, which is over 700 percent of what it was in 1900.

Clearly, industry has played a major role in the increased use of water, and has a major interest in working out the problems that increased use has brought us.

But in addition to the demand for water that comes through pipes, every section of the country is finding that water for recreation is an industry in itself. More leisure time and more travel by auto has acquainted more Americans than ever before with the pleasures of fishing, boating, swimming and other uses of water in its natural surroundings as a major form of recreation. I need not point further for an example than to the Tennessee Valley, where a new industry has sprung up out of the storage lakes created by the TVA dams. In fact, States are competing for the tourist dollar by advertising and promoting what lakes and rivers are still suitable for recreation, or the new ones created for storage purposes. The importance of aquatic sports for recreation has become one of the prime considerations in storage plans. In some States, it is the largest source of income, or at least a principal one, as in my own State of Oregon.

Another important use we have for water is for waste disposal. As the population shifts to urban areas, streams, lakes, and coastal waters become the ultimate sewers of cities and suburban areas. There is no better example of that than in my wintertime residence of Washington, D. C. One of the Nation's most beautiful rivers is the Potomac. Its scenic route through from the Appalachians, down the foothills past the indescribably beautiful old town of Harpers Ferry, and the weathered hills of Maryland and Virginia is deservedly recognized as one of the loveliest of the eastern seaboard.

But by the time it reaches the District of Columbia, it is little more than a flowing sewer, too contaminated to permit bathing and threatening even the health of boaters and fishermen who breathe its spray or just wet their hands in it.

I am a member of the District of Columbia Committee of the Senate. Pollution control in the Potomac is one of the worst problems we have. Control of pollution must involve Maryland, Virginia, West Virginia, and Pennsylvania in addition to South Carolina; yet its greatest degree of pollution is in the District of Columbia area.

The estimates provided to our committee show that on the average throughout the year, 1 gallon of water out of 30 flowing through the District area of the Potomac is sewage. In the last summer, when rainfall is less, the proportion has frequently been as high as 1 gallon of sewage out of 6 gallons of river. As a result of the extreme degree of pollution, the Potomac is unfit for most recreational uses, excepting at risk of health. We have been told that every contributing factor to an epidemic of major proportions is present right now in the Potomac, threatening a population of 1½ million.

The Nation has now reached such a critical point in water supply that attention is turning to it as a matter of necessity. The prospect for the future is that consumption will increase at an even greater rate—that is, it will if we keep pace with the demand for it. The population outlook for 1975 is 210 million, or 45 million more than in 1955. The projected figures of water use by 1975 must include the large arid regions which must be irrigated if that many more Americans are to be fed. Irrigation alone will require 170 billion gallons, while industrial use is expected to take 246 billion gallons, exclusive of what it gets from public supplies. In total, the House Public Works Committee was advised that by 1975 we will consume water at the rate of 453 billion gallons a day. That is 1.7 times what we currently use.

The other side of this coin of increasing water use is supply, and on the supply side we have a constant, not a variable, figure. Excluding the future use of sea water made usable for domestic and industrial purposes—a development that is closer to realization than was thought possible a few years ago—we must draw upon a static supply of water. Rainfall—or precipitation in one form or

another—is our sole source of water, as it always has been. Precipitation varies from year to year in each region around the country, but our national average rainfall stays at about 30 inches a year. All this added demand for an expanding industrial, urban society must be met from the same given supply.

Up to now, we have barely begun to face the situation, and to take the steps that must be taken to cope with it. But they must be taken, for history teaches the sad and ugly lesson that as the water table of a nation goes down, its civilization withers and dies. Where does pollution abatement, for example, stand on the list of local and State outlays, relative to outlays for other State and local functions? The answer is just about at the bottom. Pollution control is a relatively recent addition to the more historic State and municipal functions like schools, hospitals, fire, police, and health protection, with all their accompanying expenses. Municipal water treatment facilities are notably lacking in glamor and in ability to attract civic interest and support when competing with a new school, a new hospital, or firehouse. The latter financial needs are also growing, and they have a traditional prior claim by virtue of having been there first. Pollution abatement is a johnny-come-lately to most local governments and is treated accordingly when budget time comes along.

We cannot overlook, either, the vulnerability of local governments to pressure against effective antipollution measures. Industry has poured waste into the Nation's water at an alarming rate, and it has been slow to clean up after itself. Although this is not universally true, it is true that objections on the ground of expense or inconvenience have been a prime obstacle to abatement in many cities and States. The awakening on the part of industry—and I hope it is a true awakening—has come as the industrial users of water have begun to appreciate that water is not an inexhaustible resource.

Society's leg in dealing with water waste and pollution has brought us to a point where many areas of the country are suffering from water shortages. In 1955, there were some 66 water shortage areas, affecting about 18 million people. Commercial and industrial activities are correspondingly curtailed. Power "brown-outs" in the Pacific Northwest are one of the examples of economic loss through an inadequate supply of water, or at least a supply of water inadequately managed for human use.

Industry, irrigation, and increased domestic consumption, together with drought conditions in several States produced the shortage. But pollution of even an ample supply can cause a shortage, too, and it is pollution that is responsible for many of our current water use restrictions in the populous, industrial East. Around Washington, D. C., as many of you know, home use of water is curtailed on certain days of the week in the summer, while the filthy Potomac and its filthy tributaries flow nearby.

Water can be conserved and pollution abated in a number of ways. Land management, transpiration and evaporation control measures, stream regulation, storage reservoirs, diversion from surplus to shortage areas, reuse and conservation practices, and pollution control are the primary ones.

Near the head of the list is multipurpose development of our river basins, embracing as it does flood control, irrigation, power, and water use, all through the mechanism of stream regulation.

If I were to select one single water conservation measure I regard as the most significant of all, it would be the full, comprehensive development of our river basins. This is conservation of a great natural resource in its essential meaning—the prevention of unnecessary and wasteful use, and the controlled use of water so that its greatest utility to man may be realized.

I frankly feel that this is one of the most important domestic issues before the country. I would have you think of our natural resources not in terms of the imagery of streams and dams and forests and irrigation, which are the materials of natural resource conservation, but look at the problem through the imagery of millions of faces of American boys and girls 25, 50, or 100 years in the future. The Federal Government in the middle of the 20th century can do no greater disservice to those future generations of Americans than to underdevelop our river basins. A sellout of the people's heritage now will result in the cheating of future Americans out of full enjoyment of the maximum potential of our river basins, and by "enjoyment" I do not mean recreational use only, but the enjoyment of the economic and social blessings of an ample water supply.

And I think the figures I have already cited prove the urgency of full, multipurpose river basin development if we are to have a normal population growth and its accompanying industrial expansion. We will find, I predict, that the adequacy of our water systems will be the ultimate limitation upon our capacity to grow.

There is no greater abuse of the water conservation principle than floods. Flood control is the foundation of water management for irrigation, power, and industrial and domestic use. And flood control cannot be and is not a function that can be undertaken by a private utility or by private enterprise. On our great river basins it must be a Federal undertaking. And a great basin undertaking on a scale that will embrace all these uses of water is not economically possible without electric power revenues. The electric power generated at multipurpose dams is vitally needed itself for farm, factory, and home. Unless its development is integrated with water storage for multiple use, all elements of development are retarded.

As we progress with pollution control, it will probably be found to have a major part to play in achieving that purpose as well.

Recognizing the central role of river basin development on a comprehensive basis—for power, flood control, irrigation, navigation, recreation, and pollution abatement for reuse of water, we must decide our future course. On great interstate streams like the Columbia and the Missouri, it is clear that the Federal Government has a responsibility and alone can provide the unifying factor, as it has for the Tennessee Valley. This doesn't mean doing the whole job, but it does mean the main job of coordination and of executing adequate plans. This means, as in TVA and the Columbia River systems, the operating control of the key multipurpose dams in the systems. Such a plan is quite compatible with small private or local projects which do not affect the basic system.

Where a State cannot undertake a comprehensive plan for full development of a navigable stream or system within its borders, the Federal Government has a major role, as well.

But it is not fair or right to expect that the Federal Government should bear the burden of nonreimbursable costs for flood control, for irrigation, for navigation, and for water reuse measures—and I emphasize the latter to this conference because that is what you are specifically concerned with—and surrender, give away, the power facilities which provide the revenue for the entire project. This is just what the so-called partnership policy is all about, and it is why I have fought so vigorously in every corner of my State and in most sections of the country against it. It means simply that the Federal Government—the taxpayer—makes the investment in the dams, and a private utility is allowed to reap the dividend by constructing and operating the power facilities. Even the label "partnership" is a phony one because partnership in its plain meaning implies sharing of sacrifice and reward. The partnership policy should more aptly be called a "heads I win, tails you lose" policy, because that is what it means to the American people and their water resource heritage.

I ask you to consider for a moment whether the water conservation enjoyed in the Tennessee Valley could have been accomplished even to its present degree without the power revenues from the TVA dams. Of course, the answer is that it could not. Give up the power revenues from these projects and you have given up the possibility of flood control, irrigation, and the future development of water pollution control as a part of multipurpose development. Power pays the bill for the other aspects of multipurpose basin development which are just as important—or you would not be meeting here—but which are nonreimbursable.

The project that best dramatizes the water-resource issue that I am discussing is the great Hells Canyon Dam issue. I am sure that no one came to this meeting expecting to go home without hearing me mention this issue. The Hells Canyon Dam issue symbolizes the great difference between a private-utility controlled river for private profit and a river controlled for all the purposes of water conservation. The Nation's farmers need the new low-cost phosphate fertilizer which low-cost Hells Canyon power alone can make possible to the fullest extent. The power to be generated at site and which Hells Canyon would make possible downstream will make possible new private enterprise with new plants and the businesses which spring up to serve new industrial communities. Water for irrigation and reclamation will be stored by a high Hells Canyon Dam. These water uses in addition to power would not be possible with private-utility development.

True conservation of water, in my judgment, therefore, begins with multipurpose river-basin development. Watershed improvement through soil conservation and reforestation is a concomitant of full river basin development which is not present once the decision is made to permit the cream of power revenues to be skimmed by private utilities. The addition of pollution abatement to multipurpose river development is still in its early stages, but I have little doubt that it will progress much faster where the public has already determined that a watershed is to be harnessed for all its uses.

I have been talking about conservation of water in terms of its utilization for many purposes and in terms of prevention of waste. In the future, we will have to give more attention to pollution abatement as an important form of water reuse. Conservation of water in its broad sense must therefore include pollution abatement. It does not require a comprehensive, multipurpose river-basin program to institute pollution control, and of course, if it did, many communities would never get started with it at all. Pollution control alone will not make up for the lack of comprehensive water conservation measures in our river basins; but it can be undertaken wherever the problem exists if there is sufficient interest in doing something about it.

The initial impetus for pollution abatement undoubtedly came more from the American sportsman than from any other single party interested in clean streams and lakes. I expect that the founding of the Izaak Walton League in 1922 for the purpose of defending the purity of public waters was the start of the antipollution movement. Other national conservation organizations came on the scene later and lent their support to the movement. As domestic and industrial demands for water skyrocketed,

public health agencies and industrial users have joined in the movement for control of pollution.

The Federal Water Pollution Control Act, Public Law 660 of the 84th Congress, marks the greatest forward step yet taken, in my judgment, in a concerted attack on pollution of public waters. It goes hand in hand with the responsibility of the Federal Government for unified river-basin development. But in this case, Congress has recognized—rightly so, I think—that its role must be to undertake the activities needed to complement the programs of State and interstate agencies, municipalities, and industries so that a cooperative, well-balanced, national pollution control program can be carried out.

The earlier Water Pollution Control Act of 1948, the first comprehensive Federal legislation in this field, declared it to be the policy of the Congress to recognize, preserve, and protect the primary responsibilities and rights of the States in controlling water pollution. That policy was not only repeated in Public Law 660 last year but it was stated further that "Nothing in this act shall be construed as impairing or in any manner affecting any right or jurisdiction of the States with respect to the waters (including boundary waters) of such States." In brief, the law is designed to encourage and aid the States in cleaning up river and lake pollution, not to put the Federal Government in that business itself. The States and local subdivisions have the basic responsibility to act under this new law, but they can now obtain technical and financial aid from the Public Health Service, the lack of which has retarded abatement measures so frequently. The act declares it to be the policy "to support and aid technical research relating to the prevention and control of water pollution, and to provide Federal technical services and financial aid to State and interstate agencies and to municipalities in connection with the prevention and control of water pollution."

Its main provisions are worth outlining here, I think. They authorize a broadened research program by both the Public Health Service itself and through grants to the States for research; authorize increased technical assistance to the States and financial grants to the States and to interstate agencies to extend and improve all aspects of their water-pollution-control programs; provide modified and simplified procedures governing Federal abatement actions to control interstate pollution; and authorize Federal grants of $50 million a year up to an aggregate of $500 million for the construction of municipal sewage-treatment works.

I think that the work of Congressman JOHN BLATNIK, of Minnesota, in formulating the bill that became Public Law 660, and guiding it through the Congress of the United States, deserves the highest praise and gratitude, because through this legislation, pollution abatement has been added to the governmental practices involved in comprehensive water conservation and utilization. I followed closely the progress of his bill through the Congress. The key provision of it, which aroused considerable dispute, was section 6, authorizing direct financial grants to municipalities for construction of waste-treatment works. Of this provision, Congressman BLATNIK has said that without direct grants to municipalities for construction purposes, the entire act would be like an automobile without a motor, because the crux of the national water-pollution problem has been the lag in construction of waste-treatment works.

The response to the proposal was initially hostile on the part of many who believed this was Federal interference in a State and local matter. Yet Congressman BLATNIK stuck to his guns and insisted that the provision be retained in the final version of his bill.

In discussing the early stages of the operation of the new law, the chief of the water-supply and water-pollution control program in the Public Health Service, Gordon McCallum, had this to say last month about section 6: "Within 4 months from the time appropriations were made available, forms were developed and printed, regulations and manuals of procedure were prepared and issued, conferences held with all State agencies, and the first projects approved for Higginsville, Miss., and Meridian, Miss. To our knowledge, no other program of this nature has gotten under way so quickly."

The interest to the South of Public Law 660 is apparent from the speedy action these communities took in securing help—financial help—under it. It demonstrates that Federal participation is needed and wanted to complete the industry-local-State-and-interstate teamwork. The adequacy of the amount of Federal aid made available under Public Law 660 and of the Federal activity authorized by the act itself will be known only through experience. After 2 or 3 years of operation it will be possible to assess more completely the extent of the grant program that is needed and other possible changes in the law.

But the basic decision to include pollution control among the activities of the Federal Government in its role as ultimate protector of America's water resource has been made. It is an important addition to the flood control, irrigation, navigation, and power activities already undertaken in many areas.

All are aimed at getting as much use out of a drop of water as possible. It is appropriate for us to bear in mind that since the creation, nature has been reusing the same water through the simple process of evaporation and condensation. It's about time that man learned the reuse of water. To the extent that we fail to learn it, and fail to apply what we learn, we will stunt the growth of our people and our Nation.

DENIAL OF CERTIORARI BY UNITED STATES SUPREME COURT IN THE HELLS CANYON CASE

Mr. MORSE. Mr. President, the last thing I wish to say this afternoon is by way of a comment upon the denial of certiorari by the United States Supreme Court in the Hells Canyon case.

The denial of certiorari by the United States Supreme Court in the Hells Canyon case has no bearing whatsoever on the public policy question involved. The petition for certiorari involves a very limited grounds for appeal and did not and could not raise the public policy issue as to whether or not it was in the best public interest to build a high dam at Hells Canyon. The Circuit Court of Appeals had ruled that the Federal Power Commission acted within its jurisdictional power to grant a license to the Idaho Power Co. to build three low head dams which, when built, will wash out for all time the high Hells Canyon Dam site.

The only basis for attacking the decision of the Circuit Court of Appeals was to try to get the Supreme Court to consider a legal question as to whether or not the Federal Power Commission had abused its discretion. All the denial of certiorari by the Supreme Court means in this case is that the Circuit Court of Appeals' decision concerning the exercise of discretion by the Federal Power Commission should stand.

It had been my hope that we could obtain a review of the Federal Power Commission's action, because I have been a consistent critic of the policy President Eisenhower followed in regard to his new appointments to the Federal Power Commission. As the present presiding officer of the Senate well knows, the President selected as chairman of the Committee Mr. Jerome K. Kuykendall, who has been one of the most outstanding public foes of Hells Canyon Dam. He was taken from Governor Langlie's entourage in the State of Washington and made Chairman of the Federal Power Commission. The President then had the audacity to take the position that the Hells Canyon Dam issue should be considered by the quasi-judicial Federal Power Commission after he, as President of the United States, had rigged the Commission.

That is exactly what he did. He put on the Commission men who had prejudged the issue, and who were not in a position to give judicial consideration to the matter. We were not in the position of a lawyer who, when he takes his client before a court knowing that the judge has prejudged the case, has the privilege of filing an affidavit of prejudice. There is no procedure for filing an affidavit of prejudice before the Federal Power Commission.

Of course if this situation had occurred in any of the courts of the country, those of us representing the Hells Canyon Dam Association would have automatically filed an affidavit of prejudice. However, we were in the position where we had to try the case before the Federal Trade Commission, which had been rigged by the President of the United States when he stacked it with men who had already prejudged the Hells Canyon issue.

It is on that point that I believe a question of abuse of discretion might possibly be considered if we could get it before a court. Of course, it is impossible to bring that out in a petition for certiorari. Therefore, the decision of the Court in denying the petition for certiorari was necessarily limited to the very limited legal question whether the Circuit Court of Appeals' findings should stand in regard to the discretionary power of the Federal Power Commission.

It has always been my position that the Congress of the United States should protect the American people against the shocking giveaway of the Hells Canyon Dam site by the Eisenhower administration. The record of the Eisenhower administration on the Hells Canyon issue is an unconscionable political steal which cheats future generations of American boys and girls out of their priceless heritage in a full development of the Columbia and Snake River Basins. The Supreme Court's denial of certiorari now puts the issue squarely up to the Congress in what will be a last-ditch fight in this Congress to save Hells Canyon.

Americans who believe in conserving and protecting the water resources of America and in keeping faith with our obligations of trusteeship over the natural resources of our country should make clear to their representatives in Congress that the sellout by the Eisenhower administration to exploiting big-business private-utility interests must be stopped by the passage of the Hells Canyon bill now before Congress.

PROGRAM FOR WEEK—ADJOURNMENT TO THURSDAY

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, that, pursuant to the order previously entered, the Senate will adjourn from today until Thursday. We expect to have a session on Thursday, and then go over until Monday. There is an Army demonstration to be held on Friday and Saturday which a number of Senators desire to attend.

I hope that during the week we may be able to make some progress with the Senate's committee work. The calendar is in reasonably good shape, but there are a number of bills being considered in committee. It would be well to afford the committees ample time to pass upon them.

I am hopeful that inasmuch as we will not have a session on Tuesday and Wednesday and Friday of this week, we will be able to make some real progress in committee work.

Mr. President, in accordance with the order previously entered, I move that the Senate stand adjourned until 12 o'clock noon on Thursday next.

The motion was agreed to; and (at 5 o'clock and 45 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, to Thursday, April 4, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 1, 1957:

NATIONAL SCIENCE FOUNDATION

Alan T. Waterman, of Connecticut, to be Director of the National Science Foundation for a term of 6 years (reappointment).

UNITED STATES ATTORNEYS

Clifford M. Raemer, of Illinois, to be United States attorney for the eastern district of Illinois for a term of 4 years. He is now serving in this office under an appointment which expires April 16, 1957.

George E. MacKinnon, of Minnesota, to be United States attorney for the district of Minnesota for a term of 4 years. He is now serving in this office under an appointment which expires March 24, 1957.

UNITED STATES MARSHAL

William J. Littell, of Illinois, to be United States marshal for the southern district of Illinois for a term of 4 years. He is now serving in this office under an appointment which expires April 16, 1957.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 1, 1957:

IN THE ARMY

The following-named officer for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, U. S. C., secs. 3284, 3306, and 3307:

To be brigadier general

Brig. Gen. Ralph Wise Zwicker, O16878.

The following-named officer for temporary appointment in the Army of the United States to the grade indicated under the provisions of title 10, U. S. C., secs. 3442 and 3447:

To be major general

Brig. Gen. Ralph Wise Zwicker, O16878.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 1, 1957

The House met at 12 o'clock noon.

Rev. Richard M. Thompson, pastor, Indian Creek Baptist Church, Stone Mountain, Ga., offered the following prayer:

Our eternal God and loving Father, we thank Thee that Thou hast challenged Thy people to offer prayer and make intercession for all men, "for kings, and for all that are in authority; that we may lead a quiet and peaceable life in all godliness and honesty."

We thank Thee for these ordained ministers of righteousness "for rulers who are not a terror to good works but to the evil." Lead the people of our land to obediently pay tribute to them also; "for they are God's ministers, attending continually upon this very thing." Thou art mindful that every decision made here today will have historical and eternal significance, so, fulfill Thy promise and grant Thy wisdom to all men liberally.

We thank Thee for the exalted position Thou hast given our Nation among the nations of the world. Daily remind us that, "righteousness exalteth a nation: but sin is a reproach to any people." Cause us to walk in paths of righteousness so that our place of leadership might be maintained until Thy kingdom is established in the world. We pray in the name of Thy Son who laid down His life for the cause of righteousness and peace. Amen.

The Journal of the proceedings of Friday, March 29, 1957, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On March 28, 1957:

H. R. 4939. An act to authorize and direct the Secretary of the Interior to convey certain property of the United States located in Juneau, Alaska, known as the Juneau Subport of Embarkation, to the Territory of Alaska.

On March 29, 1957:

H. R. 4090. An act to provide a 15-month extension of the existing corporate normal-tax rate and of certain excise-tax rates.

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. 5866. An act to amend the Atomic Energy Act of 1954, as amended, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4813. An act to extend the life of the District of Columbia Auditorium Commission, and for other purposes.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 42. An act to provide for the construction by the Secretary of the Interior of the San Angelo Federal reclamation project, Texas, and for other purposes;

S. 44. An act to authorize the Secretary of Agriculture to exchange certain lands in the State of New Mexico;

S. 78. An act to provide for the maintenance and operation of the bridge to be constructed over the Potomac River from Jones Point, Va., to Maryland;

S. 812. An act to amend the Agricultural Act of 1949 with respect to price support for extra-long-staple cotton;

S. 1442. An act to facilitate the regulation, control, and eradication of plant pests;

S. 1679. An act to increase the special-assistance authorization available to the Federal National Mortgage Association for the purchase of mortgages insured under title VIII of the National Housing Act; and

S. J. Res. 39. Joint resolution to authorize the construction of certain water-conservation projects to provide for a more adequate supply of water for irrigation purposes in the Pecos River Basin, N. Mex., and Tex.

H. R. 6127

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file majority and minority reports on H. R. 6127 as of March 19, 1957.

The SPEAKER. Is there objection?

There was no objection.

SEVENTY-FIFTH ANNIVERSARY OF KNIGHTS OF COLUMBUS

Mr. SADLAK. 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 Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, yesterday, Sunday, March 31, more than 1 million members of the Knights of Columbus celebrated their diamond jubilee.

This outstanding fraternity of which I am proud to be a member was chartered back in 1882 by the Connecticut General Assembly, and comprises a large segment of our Catholic population who in act and deed serve God and their country in lending a helping hand to others.

Since its inception 75 years ago the Knights of Columbus have kept alive the sense of responsibility that animates everyone dedicated to the duties of good citizenship.

In the cause of religion it fights atheism and the godless philosophies prevalent in the world today. It renders also constructive services in the field of education and social welfare in support of those freedoms upon which our Nation was established.

The people of Connecticut yesterday paid special honor to Father Michael J. McGivney, the founder of this organization. Memorial ceremonies were held in Waterbury—the place of his birth—where thousands of friends and followers came to witness the unveiling of a bronze statue to his memory—a fitting tribute to a great priest who nobly and devotedly inspired so many to participate in this worthy program of charitable and moral betterment.

The anniversary affords me this opportunity to pay tribute to all those valiant knights whose swords are drawn in defense of faith in God and country. The seed which Father McGivney planted has flowered and spread, but the fruits are still ripening. Better and greater accomplishments are yet to be realized as the organization projects its expanded programs into the future.

To the organization, and to its members, I want to extend my hearty congratulations.

RACKETEERING IN LABOR UNIONS

Mr. PELLY. 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 Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, I hope a wave of emotional antiunionism will not result from the congressional investigation into labor by the other body. My fear is not that the investigation will become a "witch hunt." Rather it is that antiunion forces will exploit the popular wave of public sentiment against racketeering and try to use it to hurt the labor movement itself.

I opposed, for example, a right-to-work initiative in the State of Washington. It was beaten 3 to 1 in the election last November. My argument, as an ex-employer, was that this initiative would not protect members of the public from racketeering of unions—a proper law to accomplish that purpose I said I would fully support.

Now I am fearful the public will be misled and fail to understand that no right-to-work law in my or any other State would cure any alleged misconduct charged or implied to union officials in the current Senate investigation. Let us be vigilant to see that labor unions do not suffer because of a few leaders who are under a cloud.

REORGANIZATION PLAN PROCEDURE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 145)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Government Operations, and ordered to be printed:

To the Congress of the United States:

The Reorganization Act of 1949, as amended, under which the President is authorized to prepare and transmit to the Congress plans for the reorganization of executive agencies, states that no provision contained in a reorganization plan shall take effect unless the plan is transmitted to the Congress before June 1, 1957.

I recommend that the Congress enact legislation to extend the period for transmitting reorganization plans for 4 years.

The reorganization plan procedure authorized by the Reorganization Act is an essential means by which the President and the Congress can cooperate to assure the timely promotion of better organization and sound management of the executive branch of the Government. Under the act, the President may transmit to the Congress reorganization plans which become effective after 60 days of congressional session unless disapproved by a majority of the membership of one of the Houses of the Congress. This method enables the President, who has direct responsibility for effective administration, to initiate improvements in organization, subject to review by the Congress.

Extensive accomplishments have been achieved under the Reorganization Acts of 1939 and 1945 and under the present statute, the Reorganization Act of 1949. The time for transmitting plans under the latter has been twice extended by the Congress: in 1953 and 1955.

The current act was adopted following the strong endorsement of the first Commission on Organization of the Executive Branch of the Government in 1949, which stated: "This authority is necessary if the machinery of government is to be made adaptable to the ever-changing requirements of administration and if efficiency is to become a continuing rather than a sporadic concern of the Federal Government." In December 1954, the second Commission on Organization of the Executive Branch of the Government unanimously recommended further extension of the act.

Accordingly, I urge the Congress to continue the practical arrangements contained in the Reorganization Act by which the Congress and the President can carry forward their cooperative endeavors to provide the best possible management of the public business.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 1, 1957.*

WITHDRAWAL OF CERTAIN PAPERS FROM THE FILES OF THE HOUSE

Mr. CELLER. Mr. Speaker, I ask unanimous consent to withdraw from the files of the House papers accompanying the petition numbered 279 of the 84th Congress filed by Mr. George J. Koontz, no adverse report having been made thereon.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE CONSENT CALENDAR

The SPEAKER. This is the day for the calling of the Consent Calendar. The Clerk will call the first bill on the calendar.

AMENDMENT OF SMALL RECLAMATION PROJECTS ACT OF 1956

The Clerk called the bill (H. R. 2146) to amend the Small Reclamation Projects Act of 1956.

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

Mr. BYRNES of Wisconsin. Mr. Speaker, I understand a rule has been reported on this bill. I therefore ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SETTLEMENT FOR LOSSES IN PAY BY OFFICERS OF SERVICES

The Clerk called the bill (H. R. 293) to authorize settlement for certain inequitable losses in pay sustained by officers of the commissioned services under the emergency economy legislation, and for other purposes.

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

INVENTIVE CONTRIBUTIONS AWARDS

The Clerk called the bill (H. R. 103) to authorize the National Inventors Council to make awards for inventive contributions relating to the national defense.

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

Mr. SCHENCK, Mr. CUNNINGHAM of Iowa, and Mr. WRIGHT objected.

Mr. SCHENCK. Mr. Speaker, on March 19, 1957, when H. R. 103 was included on the Consent Calendar, I objected in behalf of and at the request of the Dayton Patent Law Association and by unanimous consent included a letter dated March 12, 1957, signed by Herman O. Bauermeister, secretary, the Dayton Patent Law Association setting forth their views on H. R. 103. At that time I suggested that the Committee on the Judiciary seek a rule so that this proposed legislation could be debated and considered in the usual manner instead of under the Consent Calendar procedure.

It now appears that through an inadvertent error in Mr. Bauermeister's letter of March 12, 1957, he referred to the National Inventors Council. In response to a further request from Mr. Bauermeister, I ask consent that his letter to me dated March 27, 1957, in which he explains the error of transcription in his letter of March 12, 1957, be included at this point in the RECORD.

MARCH 27, 1957.

Mr. PAUL F. SCHENCK,
House of Representatives,
Washington, D. C.

DEAR MR. SCHENCK: The Dayton Patent Law Association appreciates the interest which you have taken in H. R. 103 and your prompt action in acting on this bill in the Consent Calendar.

If further action is taken on this matter, we should correct an error of transcription. The group which H. R. 103 refers to as being authorized to make awards is the National Inventors Council, and not the National Patent Council, which latter organization is a private group interested in the administration of the United States Patent System.

You have requested whether additional information can be provided for use in possible debate on H. R. 103. It is our belief that this bill authorizes the expenditure of large sums of money on a vague basis, and with no check on such expenditures. Furthermore, the National Inventors Council which is thus authorized to make the expenditures, is not even spending its own money but is actually authorized to spend the money of other Government agencies.

Section 8 (b) states:

"Awards so made shall be paid from funds appropriated to the defense agency principally interested in the contribution for which such award is made, as determined by the Council, and may be paid from any funds appropriated to such agency which are available for the procurement of equipment or supplies incorporating such contributions or resulting from the practice of such contributions. If such funds are not available to such agency for the payment of the award, the head of the agency shall so certify and shall include in his budget estimate for the next fiscal year an appropriate item for the payment of such award."

This preceding section is thought to be an utterly unwarranted grant of authority in giving one agency the power to spend the money of another agency.

We also maintain opposition to the bill on the grounds previously stated. The United States Patent System does give an inventor a basis for capitalizing for a limited time on his idea, and thereafter gives it free to all our citizens. In contrast H. R. 103 would draw in a vast stream of ideas of which only a few would be taken up, and the vast majority would be buried in the files thus being lost forever and never being taught to anyone.

Yours truly,

HERMAN O. BAUERMEISTER,
Secretary.

MONEYS RECEIVED FROM MINERAL LANDS IN ALASKA

The Clerk called the bill (H. R. 3477) relating to moneys received from mineral lands in Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the last sentence of section 9 of the act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes," approved October 20, 1914 (48 U. S. C. 439), is hereby amended to read as follows: "All net profits from operation of Government mines, and all bonuses, royalties, and rentals under leases as herein provided and all other payments received under this act shall be distributed as follows as soon as practicable after December 31 and June 30 of each year: (1) 90 percent thereof shall be paid by the Secretary of the Treasury to the Territory of Alaska for disposition by the legislature of the Territory of Alaska; and (2) 10 percent shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts."

SEC. 2. Section 35 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920, as amended (30 U. S. C. 191), is hereby amended by inserting immediately before the colon preceding the first proviso thereof the following: ", and of those from Alaska 52½ percent thereof shall be paid to the Territory of Alaska for disposition by the Legislature of the Territory of Alaska."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

REPRESENTATION OF DISTRICT JUDGES ON THE JUDICIAL CONFERENCE

The Clerk called the bill (H. R. 3819) to amend section 331 of title 28, United States Code, to provide representation of district judges on the Judicial Conference of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first two paragraphs of section 331 of title 28, United States Code, are amended so as to constitute three paragraphs reading as follows:

"§ 331. Judicial Conference of the United States

"The Chief Justice of the United States shall summon annually the chief judge of each judicial circuit, the chief judge of the Court of Claims, and a district judge from each judicial circuit to a conference at such time and place in the United States as he may designate. He shall preside at such conference which shall be known as the Judicial Conference of the United States. Special sessions of the conference may be called by the Chief Justice at such times and places as he may designate.

"The district judge to be summoned from each judicial circuit shall be chosen by the circuit and district judges of the circuit at the annual judicial conference of the circuit held pursuant to section 333 of this title and shall serve as a member of the conference for 3 successive years, except that in the year following the enactment of this amended section the judges in the 1st, 4th, 7th, and 10th circuit shall choose a district judge to serve for 1 year; the judges in the 2d, 5th, and 8th circuits shall choose a district judge to serve for 2 years; and the judges in the 3d, 6th, 9th, and District of Columbia circuits shall choose a district judge to serve for 3 years.

"If the chief judge of any circuit or the district judge chosen by the judges of the circuit is unable to attend, the Chief Justice may summon any other circuit or district judge from such circuit. If the chief judge of the Court of Claims is unable to attend, the Chief Justice may summon an associate judge of such court. Every judge summoned shall attend and, unless excused by the Chief Justice, shall remain throughout the sessions of the conference and advise as to the needs of his circuit or court and as to any matters in respect of which the administration of justice in the courts of the United States may be improved."

With the following committee amendment:

Page 1, line 3, strike out the word "two" and insert the word "three."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

INCREASING PRESCRIBED FEES OF UNITED STATES COMMISSIONERS

The Clerk called the bill (H. R. 4191) to amend section 633 of title 28, United States Code, prescribing fees of United States commissioners.

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, on the last call of the calendar I asked that this bill be passed over until we could get a report from the Bureau of the Budget. It is my understanding that the report has been received, although I have not seen it. I ask the chairman to state the substance of the report from the Bureau of the Budget.

Mr. CELLER. The Bureau of the Budget said they had no objection to the passage of the bill, none whatsoever. I shall be very glad to supply the gentleman with a copy of the letter.

Mr. BYRNES of Wisconsin. Mr. Speaker, I withdraw my objection.

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

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 633 of title 28 of the United States Code is amended to read as follows:

"United States commissioners in each judicial district, except national park commissioners, shall receive the following fees only for all services rendered, not to exceed $10,500 for any 1 calendar year:

"(1) For attending to any reference by order of court of a litigated matter in a civil case or in admiralty, $8 a day.

"(2) For taking and certifying depositions, 30 cents for each folio and for each copy thereof furnished on request, 20 cents per folio.

"(3) A fee graduated according to the aggregate number of cases in each quarterly accounting period, in the sum of $14 for each of the first 25 cases, $9 for each of the next 25 cases, $8 for each of the next 50 cases, and $2 for each additional case, of the following kinds:

"Issuance of an attachment and subsequent hearings in internal revenue matters pursuant to section 7604 (b) of title 26;

"Settling or certifying the nonpayment of a seaman's wage pursuant to sections 603 and 604 of title 46;

"Preliminary proceedings to hold an accused person to answer in district court, payable to the commissioner who disposes of the case by discharge or binding over, for all services rendered after presentation of the accused;

"Each accused person brought before the commissioner for holding to answer in district court shall be considered a case for the purpose of computation of fees.

"(4) For all services rendered for each accused person presented before him for purposes of bail only and not for holding to answer in district court, whether or not bail is taken or commitment ordered, $4.

"(5) Upon the filing of a sworn, written complaint, for all services rendered prior to presentation of the accused before the commissioner, $4 for each person accused.

"(6) For all services in connection with each formal, written application for a search warrant, whether granted or denied, $6.

"(7) For each proceeding for the discharge of an indigent prisoner, $6.

"(8) For each defendant tried or sentenced by him for a petty offense, in lieu of all other fees provided in this section, a fee graduated according to the aggregate number of cases in each quarterly accounting period, in the sum of $16 for each of the first 25 cases and $12 for each additional case."

SEC. 2. Subsection 633 (b) of title 28, United States Code, is hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLINT INDEPENDENT SCHOOL DISTRICT AND THE FABENS INDEPENDENT SCHOOL DISTRICT (TEXAS)

The Clerk called the bill (H. R. 1983) to provide for the conveyance of the reversionary interest of the United States in certain lands to the Clint Independent School District and the Fabens Independent School District in the State of Texas, or to either of them, and for other purposes.

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

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I note there are no departmental reports on this bill. I wonder if some member of the committee or the chairman of the committee can advise as to why that is true, or anybody else who can advise what the departmental situation is?

Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

BANKHEAD-JONES REFINANCING LOANS

The Clerk called the bill (H. R. 3988) to amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the second sentence of section 17 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1006 (e), as amended by Public Law 878, 84th Congress), is further amended to read as follows: "No such loan shall be made to an applicant whose total indebtedness is in excess of the amount certified by the county committee to be the value of the real estate and the reasonable value of the applicant's personal property of security value as determined by the Secretary, unless the aggregate of the outstanding indebtedness shall be adjusted so as to be within such values."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN PROPERTY UNDER JURISDICTION OF HOUSING AND HOME FINANCE ADMINISTRATOR TO THE STATE OF LOUISIANA

The Clerk called the bill (H. R. 5603) to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administration to the State of Louisiana.

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

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I notice that here again there is no report on this legislation from the Bureau of the Budget. I wonder if the gentleman can advise us as to why no report was received from the Bureau?

Mr. LONG. Mr. Speaker, I desire to explain that this legislation is a bill to transfer to the State of Louisiana certain buildings that the United States Government built on leased land belonging to the State of Louisiana, for the consideration of $300,000 of which $100,000 has been paid and the other $200,000 to be paid within the next 3 years.

Mr. BYRNES of Wisconsin. I understand that aspect of it, but it does involve the disposition of Government property. I am wondering, therefore, why the views of the Bureau of the Budget, as far as the terms and conditions of the transfer are concerned, should not have been received and why the House should not have the advantage of any views they might have. Also, I might ask the gentlemen this: I understand that the enabling legislation which must be enacted by the State of Louisiana was vetoed for some reason last year? Can the gentleman advise the position of the governor in vetoing the enabling legislation?

Mr. LONG. If the gentleman will permit me, I will explain this. I introduced a bill for this purpose last year. The State of Louisiana at that particular time passed a bill to appropriate $100,000. The ex-governor, Honorable Robert Kennon and the State Legislature. That left $200,000 to be appropriated. The present legislature passed a bill to appropriate this $200,000 and the present governor, Honorable Earl K. Long vetoed it. Now, the present governor is desirous of purchasing this property for the State, is the reason for this bill. If the Government should wish to retain this property and sell it to someone else they would first have to condemn the land and pay the State for it, which in my humble opinion, would cost them in the neighborhood of $180,000. Then I doubt if they would be able to sell the property for more than the $300,000 now offered by the State.

Mr. KILBURN. Mr. Speaker, will the gentleman yield?

Mr. LONG. I yield to the gentleman from New York.

Mr. KILBURN. Is it not true that the Banking and Currency Committee went into this very thoroughly and reported it unanimously?

Mr. LONG. Yes.

Mr. BYRNES of Wisconsin. It was a unanimous report?

Mr. KILBURN. Yes.

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

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That, notwithstanding the provisions of any other law, the Housing and Home Finance Administrator shall convey to the State of Louisiana all right, title, and interest of the United States in and to the projects identified as LA 16011 and LA 16012, constructed under the provisions of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended (42 U. S. C. 1521, and the following), on real property constituting a part of the grounds of the Central Louisiana Hospital for the Insane leased from the State of Louisiana. Such conveyance is to be made in consideration of the payment of $300,000 by the State of Louisiana in three equal annual installments.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following: "That, notwithstanding the provisions of sections 607 and 614 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended (42 U. S. C. 1521, and the following), or any other law, the Housing and Home Finance Administrator shall convey to the State of Louisiana all right, title, and interest of the United States in and to the projects identified as LA–16011 and LA–16012, constructed under the provisions of said act on real property constituting a part of the grounds of the Central Louisiana Hospital for the Insane leased from the State of Louisiana. Such conveyance is to be made in consideration of the payment of $300,000 by the State of Louisiana in three equal annual installments.

SEC. 2. Payments in lieu of taxes, pursuant to section 306 of the said act of October 14, 1940, as amended, shall be made only for the pro rata period of the tax year preceding the date of delivery of possession of said projects to the State of Louisiana.

SEC. 3. The provisions of this act shall be effective only if the first installment is paid within 60 days after the date of enactment of this act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read the third time, was read the third time and passed, and a motion to reconsider was laid on the table.

LOANS TO HOMESTEADERS AND DESERT-LAND ENTRYMEN

The Clerk called the bill (H. R. 3753) to enable the Secretary of Agriculture to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen.

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

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

SETTLEMENT OF CLAIMS OF PERSONNEL OF THE COAST GUARD

The Clerk called the bill (H. R. 3820) to amend section 490 of title 14, United States Code, relating to the settlement of claims of military and civilian personnel of the Coast Guard, and for other purposes.

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

Mr. BAILEY. Mr. Speaker, reserving the right to object, will the chairman of the committee explain the difference between the following proposal and the one now under consideration? What is proposed in the remaining legislation affecting claims of civilians in the Coast Guard?

Mr. FORRESTER. Mr. Speaker, I will say to the gentleman from West Virginia that the difference in these two bills

is that one refers to civilians and one to employees. Now, both of these bills come up by reason of executive requests which came down to us. These amendments are for the purpose of giving the Coast Guard the same rights possessed by the Secretaries of the other military departments. It seems probably they were left out.

Mr. BAILEY. The gentleman means they are not eligible for the filing of claims before the Court of Claims?

Mr. FORRESTER. That is what this is trying to do, to correct that; yes.

Mr. BAILEY. I withdraw my reservation of objection, Mr. Speaker.

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

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 490 of title 14 of the United States Code is amended as follows:

(1) By amending subsection (a) thereof by inserting there in the words "not in excess of $6,500" after the words "pay any claim."

(2) By redesignating subsections (b), (c), and (d) thereof as (c), (d), and (e) respectively, and by inserting after subsection (a) thereof the following new subsection:

"(b) In the event of the death of any person among the military personnel or civilian employees enumerated in subsection (a), the Secretary may consider, ascertain, adjust, determine, settle, and pay any claim, otherwise cognizable under this section, presented by the survivor of such person for damage to or loss, destruction, capture, or abandonment of the personal property of such person, regardless of whether such damage, loss, destruction, capture, or abandonment occurred concurrently with or subsequent to such death. For the purposes of this section, the term 'survivor' means surviving spouse, child or children, parent or parents, or brothers or sisters or both, of the decedent, and claims by survivors shall be settled and paid in that order of precedence."

(3) By amending redesignated subsection (c) thereof to read as follows:

"(c) No claim shall be settled under this section unless presented in writing within 2 years after the accident or incident out of which such claim arises has occurred; if such accident or incident occurs in time of war or in time of armed conflict in which the Armed Forces of the United States are engaged, or if war or such armed conflict intervenes within 2 years after its occurrence, any claim may, on good cause shown, be presented within 2 years after such good cause ceases to exist, but not later than 2 years after peace is established or such armed conflict terminates. The dates of commencement and termination of an armed conflict for the purpose of this subsection shall be as established by concurrent resolution of the Congress or by determination of the President."

SEC. 2. Notwithstanding the provisions of section 490 of title 14, United States Code, as amended by this act, any claim cognizable under that section which has not heretofore been presented for consideration, or has been presented for consideration and disapproved for the reason that the claimant did not file such claim within the time authorized by law, or any claim cognizable thereunder of any survivor which has not heretofore been presented for consideration, or has been presented for consideration and disapproved for the reason that heretofore such survivor acquired no right of recovery under that section may, at the written request of the claimant made within 1 year from the date of the enactment of this act, be considered or reconsidered and settled in accordance with the provisions thereof.

SEC. 3. The limitation of $6,500 inserted in section 490 of title 14, United States Code, by this act is effective only with respect to claims accruing after the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SETTLEMENT OF CLAIMS INCIDENT TO ACTIVITIES OF COAST GUARD

The Clerk called the bill (H. R. 4370) to amend section 645 of title 14, United States Code, relative to the settlement of claims incident to activities of the Coast Guard, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the fourth sentence of section 645 (a) of title 14, United States Code, be amended by deleting therefrom the words "The amount allowed on account of personal injury or death shall be limited to reasonable medical, hospital, and burial expenses actually incurred, except that", and by capitalizing the next following word "no."

SEC. 2. That section 645 (b) of title 14, United States Code, be amended to read as follows:

"(b) No claim shall be settled under this section unless presented in writing within 2 years after the occurrence of the accident or incident out of which such claim arises unless it occurs in time of war or armed conflict, or war or armed conflict intervenes within 2 years after its occurrence, in which event any claim may on good cause shown be presented within 2 years after peace is established or such armed conflict terminates. The dates of commencement and termination of an armed conflict for the purpose of this section shall be established by concurrent resolution of the Congress or by determination of the President."

SEC. 3. That the amendment made by section 1 of this act shall be effective only with respect to claims accruing after the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMEND TITLE 10, UNITED STATES CODE

The Clerk called the bill (H. R. 896) to provide for the performance of heraldic services for the United States by the Quartermaster General.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Quartermaster General of the Army shall design and procure all flags, colors, standards, insignia, badges, medals, seals, decorations, guidons, streamers, finial pieces for flagstaffs, decorative buttons and buckles, awards, trophies, marks, emblems, rosettes, distinctive markings, scrolls, braids, ribbons, knots, tabs, cords, and similar items used or required by any department, agency, or office of the United States. The Quartermaster General shall issue such regulations as may be necessary to carry out the provisions of this act.

SEC. 2. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this act.

SEC. 3. This act shall take effect on the first day of the first calendar month following the calendar month in which it is enacted.

With the following committee amendment:

Strike out all after the enacting clause and insert "That chapter 437 of title 10, United States Code, is amended—

"(1) by adding the following new section at the end thereof:

"'§ 4594. Furnishing of heraldic services

"'(a) Under regulations to be prescribed by the Secretary of the Army, an authority designated by him may, upon the request of, and subject to approval by, the Secretary of another military department, design flags, insignia, badges, medals, seals, decorations, guidons, streamers, finial pieces for flagstaffs, buttons, buckles, awards, trophies, marks, emblems, rosettes, scrolls, braids, ribbons, knots, tabs, cords and similar items for the requesting department.

"'(b) Upon request the Secretary of the Army may advise other departments and agencies of the United States on matters of heraldry.

"'(c) The Secretary of the Army may prescribe regulations providing for reimbursement for services furnished under this section.'; and

"(2) by adding the following new item at the end of the analysis:

"'4595. Furnishing of heraldic services'

"SEC. 2. This act takes effect on the first day of the first month after the month in which it is enacted."

The committee amendment was agreed to.

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

The title was amended so as to read: "A bill to amend title 10, United States Code, to authorize the Secretary of the Army to furnish heraldic services."

A motion to reconsider was laid on the table.

INCREASED COMPENSATION FOR DISABLED VETERANS

Mr. TEAGUE of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 76) to amend the Veterans Regulations to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb, as amended.

The Clerk read as follows:

Be it enacted etc., That subparagraph (k) of paragraph II, part I, Veterans Regulation No. 1 (a), as amended, is hereby amended to read as follows:

"(k) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of a creative organ, or 1 foot, or 1 hand, or both buttocks, or blindness of 1 eye, having only light perception, the rate of compensation therefor shall be $47 per month for each such loss or loss of use independent of any other compensation provided in part I, paragraph II, subparagraphs (a) to (j); and in the event of anatomical loss or loss of use of a creative organ, or 1 foot, or 1 hand, or both buttocks, or blindness of 1 eye, having only light perception, in addition to the requirement for any of the rates specified in subparagraphs (1) to (n), inclusive, of part I, paragraph II, the rate of compensation shall be increased by $47 per month for each such loss or loss of use, but in no event to exceed $420 per month."

SEC. 2. Any increased compensation because of a combination of blindness of one eye with another disability, as herein authorized, shall be effective as of the first day of the first month, following this enactment.

The SPEAKER. Is a second demanded?

Mr. ADAIR. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, this bill pertains only to service-connected veterans. It is a bill identical to one passed last year as well as in the 83d Congress. It affects about 400 veterans who have lost an eye in addition to having lost a leg or an arm. Its first-year cost is estimated at $227,000. The bill was reported unanimously. So far as I know, there is no objection to the bill.

Existing law authorizes basic rates of compensation which is paid according to degree of disability. For example, in wartime cases basic rates range from $17 for a 10-percent disability to $181 monthly for total disability. In addition, certain statutory awards are authorized for specific disabilities. Among such awards is the payment of an allowance of $47 per month—in wartime cases—in addition to the basic rate applicable, where the veteran has lost the use of a hand, a foot, both buttocks, an eye, or creative organ. However, unless the veteran has a combination of disabilities for which a specific award of $279—or higher but not exceeding $420—is payable, he may receive only one additional allowance of $47 for the mentioned specific losses even though he may have more than one such loss. This bill would authorize the payment of the additional allowance for each such loss, in addition to the basic rate of compensation. For example, a veteran with the loss of an eye, a hand, and a creative organ may now receive only one allowance of $47 in addition to the basic rate of compensation based on the combined degree of disability. Enactment of the bill will authorize in such a case an allowance of $141—three times $47—in addition to the basic rate. In peacetime cases the rates are 80 percent of the above-mentioned rates.

The Veterans' Administration does not have available data on which to base an estimate of the cost of the bill if enacted.

The amendments correct an error in the introduction of the bill but do not broaden the class of beneficiaries and conform to existing law.

Mr. Speaker, I yield to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Speaker, I know of no objection to this bill. It has been carefully considered by the Committee on Veterans' Affairs. As the chairman has pointed out, this legislation was passed by the House last year, and I believe it should be supported at this time.

Mrs. ROGERS of Massachusetts. Mr. Speaker, this bill, H. R. 76, is identical with a bill which I introduced in the 83d Congress, and is identical with one introduced by the chairman, Mr. TEAGUE, in the 84th Congress. In each instance the bill passed the House but failed of passage in the Senate. I pray the Senate will pass this bill this time.

It is most meritorious.

At present under the veterans' compensation laws a service-connected disability is given a percentage rating and basic compensation is payable according to that percentage rating. If, however, a veteran has suffered the loss or loss of use of a creative organ, 1 foot, 1 hand, both buttocks, or blindness of 1 eye having only light perception an allowance of $47 per month is payable in addition to the basic compensation. Under the present law only one additional allowance of $47 is payable in the case even though the veteran may have suffered the loss of two or more of the different disabilities noted above. H. R. 76 would amend the law to authorize $47 for each such disability. In other words, if a veteran has lost the use of an eye and also the loss of use of a foot and a creative organ, his additional allowance would be three times $47 or $141, in addition to the basic rate of compensation in his case.

Under the VA rating schedule the percentage ratings for these disabilities vary according to the severity of the particular loss. Basically the rating for loss of a foot is 40 percent and the loss of a right hand 70 percent—60 percent for left hand. Of course, higher ratings are authorized if the loss involves the leg, thigh, arm, and so forth. The loss or loss of use of an eye varies according to the extent of the vision in the other eye and ranges generally from 30 to 100 percent in rating. Ratings for the loss of a creative organ may range from 0 to 30 percent in the nondisease cases.

Most people do not realize that apart from the crippling handicap of these disabilities that the disabled veterans are in constant pain. We cannot compensate for their loss but we can make life a little easier for them.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

CODIFICATION OF LAWS ADMINISTERED BY VETERANS' ADMINISTRATION

Mr. TEAGUE of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 53) to consolidate into one act, and to simplify and make more uniform, the laws administered by the Veterans' Administration relating to compensation, pension, hospitalization, and burial benefits, and to consolidate into one act the laws pertaining to the administration of the laws administered by the Veterans' Administration, with the committee amendments in the reported bill.

The Clerk read as follows:

Be it enacted, etc., That this act, divided into titles and sections according to the following Table of Contents, may be cited as the "Veterans' Benefits Act of 1957."

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TITLE I—GENERAL

Definitions

SEC. 101. For the purposes of this act—

(1) The term "Administrator" means the Administrator of Veterans' Affairs.

(2) The term "veteran" means a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

(3) The term "widow" means a woman who, according to the law of the place where the parties resided when the marital relationship began or ended, was the lawful wife of a veteran at the time of his death, and who lived with him continuously from the date of marriage to the date of his death (except where there was a separation which was due to the misconduct of, or procured by, the veteran without the fault of the wife) and who has not remarried (unless the purported remarriage is void).

(4) The term "child" means a person who is unmarried and—

(A) who is under the age of 18 years;

(B) who, before attaining the age of 18 years, became permanently incapable of self-support; or

(C) who, after attaining the age of 18 years and until completion of education or training (but not after attaining the age of 21 years), is pursuing a course of instruction at an approved educational institution;

and who is a legitimate child, a legally adopted child, a stepchild who is a member of a veteran's household, or an illegitimate child but, as to the alleged father, only if acknowledged in writing signed by him, or if he has been judicially ordered to contribute to the child's support or has been, before his death, judicially decreed to be the father of such child, or if he is otherwise shown by evidence satisfactory to the Administrator to be the father of such child.

(5) The term "parent" means a father, a mother, a father through adoption, a mother through adoption, or an individual who for a period of not less than 1 year stood in the relationship of a parent to a veteran at any time before his entry into active military, naval, or air service or, if two persons stood in relationship of a father or a mother for 1 year or more, the person who last stood in the relationship of father or mother before the veteran's last entry into active military naval, or air service.

(6) The term "Spanish-American War" (A) means the period beginning on April 21, 1898, and ending on July 4, 1902, (B) includes the Philippine Insurrection and the Boxer Rebellion, and (C) in the case of a veteran who served with the United States military forces engaged in hostilities in the Moro Province, means the period beginning on April 21, 1898, and ending on July 15, 1903.

(7) The term "World War I" (A) means the period beginning on April 6, 1917, and ending on November 11, 1918, and (B) in the case of a veteran who served with the United States military forces in Russia, means the period beginning on April 6, 1917, and ending on April 1, 1920.

(8) The term "World War II" means the period beginning on December 7, 1941, and ending on December 31, 1946.

(9) The term "Korean conflict" means the period beginning on June 27, 1950, and ending on January 31, 1955.

(10) The term "Indian Wars" means the campaigns, engagements, and expeditions of the United States military forces against Indian tribes or nations, service in which has been recognized heretofore as pensionable service.

(11) The term "military, naval, or air service" means service in the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, including the Reserve components thereof.

(12) The term "period of war" means the Spanish-American War, World War I, World War II, the Korean conflict, and the period beginning on the date of any future declaration of war by the Congress and ending on a date prescribed by Presidential proclamation or concurrent resolution of the Congress.

(13) The term "veteran of any war" means any veteran who served in the active military, naval, or air service during a period of war.

(14) The term "compensation" means a monthly payment made by the Administrator to a veteran because of service-connected disability, or to a widow, child, or parent of a veteran because of the service-connected death of the veteran occurring before January 1, 1957.

(15) The term "dependency and indemnity compensation" means a monthly payment made by the Administrator to a widow, child, or parent (A) because of a service-connected death occurring after December 31, 1956, or (B) pursuant to the election of a widow, child, or parent, in the case of such a death occurring before January 1, 1957.

(16) The term "pension" means a monthly payment made by the Administrator to a veteran because of service, age, or non-service-connected disability, or to a widow or child of a veteran because of the non-service-connected death of the veteran.

(17) The term "service-connected" means, with respect to disability or death, that such disability was incurred or aggravated, or that the death resulted from a disability incurred or aggravated, in line of duty in the active military, naval, or air service.

(18) The term "non-service-connected" means, with respect to disability or death, that such disability was not incurred or aggravated, or that the death did not result from a disability incurred or aggravated, in line of duty in the active military, naval, or air service.

Dependent parents

SEC. 102. (a) Dependency of a parent, which may arise before or after the death of a veteran, shall be determined in accordance with regulations prescribed by the Administrator.

(b) Dependency of a parent shall not be denied (1) solely because of remarriage, or (2) in any case in the United States, its Territories, Commonwealths, and possessions, where the monthly income for a mother or father, not living together, does not exceed $105, or where the monthly income for a mother and father living together, does not exceed $175, plus, in either case, $45, for each additional member of the family whom the father or mother is under a moral or legal obligation to support, as determined by the Administrator.

(c) For the purposes of this section in determining monthly income the Administrator shall not consider any payments made by the United States because of disability or death under laws administered by the Veterans' Administration.

Determination of date of marriage

SEC. 103. Where a widow has been legally married to a veteran more than once, the date of original marriage will be used in determining whether the statutory requirement as to marriage has been met.

Approval of educational institutions

SEC. 104. (a) For the purpose of determining whether or not benefits are payable under this act and title II of the Servicemen's and Veterans' Survivor Benefits Act for a child over the age of 18 years and under the age of 21 years who is attending a school, college, academy, seminary, technical institute, university, or other educational institution, the Administrator may approve or disapprove such educational institutions.

(b) The Administrator may not approve an educational institution under this section unless such institution has agreed to report to him the termination of attendance

of any child. If any educational institution fails to report any such termination promptly, the approval of the Administrator shall be withdrawn.

Line of duty and misconduct

SEC. 105. An injury or disease incurred during military, naval, or air service will be deemed to have been incurred in line of duty and not the result of the veteran's own misconduct when the person on whose account benefits are claimed was, at the time the injury was suffered or disease contracted, in active military, naval, or air service, whether on active duty or on authorized leave, unless such injury or disease was the result of his own willful misconduct: *Provided*, That venereal disease shall not be presumed to be due to willful misconduct if the person in service complies with the regulations of the appropriate service department requiring him to report and receive treatment for such disease: *Provided further*, That the requirement for line of duty will not be met if it appears that at the time the injury was suffered or disease contracted the person on whose account benefits are claimed (1) was avoiding duty by deserting the service, or by absenting himself without leave materially interfering with the performance of military duties; or (2) was confined under sentence of court-martial or civil court: *Provided, however*, That disease, injury, or death incurred without willful misconduct on the part of the service person shall be deemed to have been incurred in line of duty if the sentence of the court-martial did not involve an unremitted dishonorable discharge or if the offense for which convicted by civil court did not involve a felony as defined under the laws of the jurisdiction where the service person was convicted by such civil court.

Discharge or release includes retirement

SEC. 106. For the purposes of all laws administered by the Veterans' Administration, retirement of an individual from the military, naval, or air service shall be considered to be a discharge or release from such service.

TITLE II—VETERANS' ADMINISTRATION; OFFICERS AND EMPLOYEES

Part A—Veterans' Administration

Veterans' Administration an independent agency

SEC. 201. The Veterans' Administration is an independent establishment in the executive branch of the Government, especially created for or concerned in the administration of laws relating to the relief and other benefits provided by law for veterans, their dependents, and their beneficiaries.

Seal of the Veterans' Administration

SEC. 202. The seal of the Veterans' Administration shall be judicially noticed. Copies of any public documents, records, or papers belonging to or in the files of the Veterans' Administration, when authenticated by the seal and certified by the Administrator or by any employee of the Veterans' Administration to whom proper authority shall have been delegated in writing by the Administrator, shall be evidence equal with the originals thereof.

Part B—Administrator of Veterans' Affairs

Appointment and general authority of Administrator

SEC. 210. (a) The Administrator of Veterans' Affairs is the head of the Veterans' Administration. He is appointed by the President, by and with the advice and consent of the Senate. He shall receive a salary of $21,000 a year, payable monthly.

(b) The Administrator, under the direction of the President, is responsible for the proper execution and administration of all laws administered by the Veterans' Administration and for the control, direction, and management of the Veterans' Administration. Except to the extent inconsistent with law, he may consolidate, eliminate, abolish, or redistribute the functions of the bureaus, agencies, offices, or activities in the Veterans' Administration, create new bureaus, agencies, offices, or activities therein, and fix the functions thereof and the duties and powers of their respective executive heads.

(c) The Administrator has authority to make all rules and regulations which are necessary or appropriate to carry out the laws administered by the Veterans' Administration and are consistent therewith, including regulations with respect to the nature and extent of proofs and evidence and the method of taking and furnishing them in order to establish the right to benefits under such laws, the forms of application by claimants under such laws, the methods of making investigations and medical examinations, and the manner and form of adjudications and awards.

Decisions by Administrator; opinions of Attorney General

SEC. 211. (a) Except as provided in section 1 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 455), section 617 of the National Service Life Insurance Act of 1940 (38 U. S. C., sec. 817), section 261 (a) of the Veterans' Readjustment Assistance Act of 1952 (38 U. S. C., sec. 971 (a)), and section 501 (a) of the War Orphans' Educational Assistance Act of 1956 (38 U. S. C., sec. 1033 (a)), the decisions of the Administrator on any question of law or fact concerning a claim for benefits or payments under any law administered by the Veterans' Administration shall be final and conclusive and no other official or any court of the United States shall have power or jurisdiction to review any such decision.

(b) The Administrator may require the opinion of the Attorney General on any question of law arising in the administration of the Veterans' Administration.

Delegation of authority and assignment of duties

SEC. 212. (a) The Administrator may assign duties, and delegate authority to render decisions, with respect to all laws administered by the Veterans' Administration, to such officers and employees as he may find necessary. Within the limitations of such delegations or assignments, all official acts and decisions of such officers and employees shall have the same force and effect as though performed or rendered by the Administrator.

(b) There shall be included on the technical and administrative staff of the Administrator such staff officers, experts, inspectors, and assistants (including legal assistants), as the Administrator may prescribe.

Reports to the Congress

SEC. 213. The Administrator shall make annually, at the close of each fiscal year, a report in writing to the Congress, giving an account of all moneys received and disbursed by the Veterans' Administration, describing the work done, and stating the activities of the Veterans' Administration for such fiscal year.

Publication of laws relating to veterans

SEC. 214. The Administrator may compile and publish all Federal laws relating to veterans' relief, including such laws as are administered by the Veterans' Administration as well as by other agencies of the Government, in such form as he deems advisable for the purpose of making currently available in convenient form for the use of the Veterans' Administration and full-time representatives of the several service organizations an annotated, indexed, and cross referenced statement of the laws providing veterans' relief. The Administrator may maintain such compilation on a current basis either by the publication, from time to time, of supplementary documents or by complete revision of the compilation. The distribution of the compilation to the representatives of the several service organizations shall be as determined by the Administrator.

Research by Administrator

SEC. 215. (a) The Administrator shall conduct research in the field of prosthesis, prosthetic appliances, orthopedic appliances, and sensory devices.

(b) In order that the unique investigative materials and research data in the possession of the Government may result in improved prosthetic appliances for all disabled persons, the Administrator may make available to any person the results of his research.

(c) There is authorized to be appropriated annually $1 million, to remain available until expended, to carry out this section.

Transcript of trial records

SEC. 216. The Administrator may purchase transcripts of the record, including all evidence, of trial of litigated cases.

Part C—Veterans' Administration regional offices; employees

Central and regional offices

SEC. 230. (a) The Central Office of the Veterans' Administration shall be in the District of Columbia. The Administrator may establish such regional offices and such other field offices within the United States, its Territories, Commonwealths, and possessions, as he deems necessary.

(b) The Administrator may exercise authority under this section in territory of the Republic of the Philippines until June 30, 1960.

Placement of employees in military installations

SEC. 231. The Administrator may place officers and employees of the Veterans' Administration in such Army, Navy, and Air Force installations as may be deemed advisable for the purpose of adjudicating disability claims of, and giving aid and advice to, members of the Armed Forces who are about to be discharged or released from active military, naval, or air service.

Employment of translators

SEC. 232. The Administrator may contract for the services of translators without regard to the act of August 5, 1882 (5 U. S. C., secs. 39, 46, and 50) and the Classification Act of 1949.

Employees' apparel; school transportation; recreational equipment; visual exhibits

SEC. 233. The Administrator, subject to such limitations as he may prescribe, may—

(1) furnish and launder such wearing apparel as may be prescribed for employees in the performance of their official duties;

(2) transport children of Veterans' Administration employees located at isolated stations to and from school in available Government-owned automotive equipment;

(3) provide recreational facilities, supplies, and equipment for the use of patients in hospitals, and employees in isolated installations; and

(4) provide for the preparation, shipment, installation, and display of exhibits, photographic displays, moving pictures and other visual educational information and descriptive material.

For the purposes of subparagraph (4), the Administrator may purchase or rent equipment.

Telephone service for medical officers

SEC. 234. The Administrator may pay for official telephone service and rental in the field whenever incurred in case of official telephones for medical officers of the Veterans' Administration where such telephones are installed in private residences or private apartments or quarters, when authorized under regulations established by the Administrator.

Courses of instruction for professional personnel

SEC. 235. (a) The Administrator may provide courses of instruction for the professional personnel of the Veterans' Administration, and may detail employees to attend such courses.

(b) The Administrator may detail not more than 2 percent of the professional personnel of the Veterans' Administration to attend professional courses conducted by agencies other than the Veterans' Administration.

(c) Employees detailed to attend courses under this section shall in addition to their salaries be paid their expenses incident to such detail, including transportation.

(d) This section does not authorize travel or instruction outside the 48 States and the District of Columbia.

TITLE III—COMPENSATION FOR SERVICE-CONNECTED DISABILITY OR DEATH

Part A—General

Definitions

SEC. 301. For the purposes of this title—

(1) The term "veteran" includes a person who died in the active military, naval, or air service.

(2) The term "period of war" includes, in the case of any veteran—

(A) any period of service performed by him after November 11, 1918, and before July 2, 1921, if such veteran served in the active military, naval, or air service after April 5, 1917, and before November 12, 1918; and

(B) any period of continuous service performed by him after December 31, 1946, and before July 26, 1947, if such period began before January 1, 1947.

(3) The term "chronic disease" includes—

Anemia, primary
Arteriosclerosis
Arthritis
Atrophy, progressive muscular
Brain hemorrhage
Brain thrombosis
Bronchiectasis
Calculi of the kidney, bladder, or gallbladder
Cardiovascular-renal disease, including hypertension
Cirrhosis of the liver
Coccidioidomycosis
Diabetes mellitus
Encephalitis lethargica residuals
Endocarditis
Endocrinopathies
Epilepsies
Hodgkin's disease
Leprosy
Leukemia
Myasthenia gravis
Myelitis
Myocarditis
Nephritis
Other organic diseases of the nervous system
Osteitis deformans (Paget's disease)
Osteomalacia
Palsy, bulbar
Paralysis agitans
Psychoses
Purpura idiopathic, hemorrhagic
Raynaud's disease
Sarcoidosis
Scleroderma
Sclerosis, amyotrophic lateral
Sclerosis, multiple
Syringomyelia
Thromboangiitis obliterans, Buerger's disease)
Tuberculosis, active
Tumors, malignant, or of the brain or spinal cord or peripheral nerves
Ulcers, peptic (gastric or duodenal)

and such other chronic diseases as the Administrator may add to this list;

(4) The term "tropical disease" includes—

Amebiasis
Blackwater fever
Cholera
Dracontiasis
Dysentery
Filariasis
Leishmaniasis, including kala-azar
Leprosy
Loiasis
Malaria
Onchocerciasis
Oroya fever
Pinta
Plague
Schistosomiasis
Yaws
Yellow fever

and such other tropical diseases as the Administrator may add to this list.

Special provisions relating to widows

SEC. 302. No compensation shall be paid to the widow of a veteran under this title unless she was married to him—

(1) before the expiration of 10 years after the termination of the period of service in which the injury or disease causing the death of the veteran was incurred or aggravated; or

(2) for 10 or more years.

Part B—Wartime disability compensation

Basic entitlement

SEC. 310. For disability resulting from personal injury suffered or disease contracted in line of duty, or for aggravation of a preexisting injury suffered or disease contracted in line of duty, in the active military, naval, or air service, during a period of war, the United States will pay to any veteran thus disabled and who was discharged under conditions other than dishonorable from the period of service in which said injury or disease was incurred, or preexisting injury or disease was aggravated, compensation as hereinafter provided in this part, but no compensation shall be paid if the disability is the result of the veteran's own willful misconduct.

Provisional acceptance

SEC. 311. Any person who after April 5, 1917, and before November 12, 1918, (1) applied for enlistment or enrollment in the active military, naval, or air service and was provisionally accepted and directed or ordered to report to a place for final acceptance into such service, or (2) was drafted for military, naval, or air service and after reporting pursuant to the call of his local draft board and prior to rejection, or (3) after being called into the Federal service as a member of the National Guard but before being enrolled for the Federal service, suffered an injury or contracted a disease in line of duty and not the result of his own misconduct, will be considered to have incurred such disability in the active military, naval, or air service. Such person and the survivors of any such person who dies from such disability before January 1, 1957, will be entitled to compensation provided by this title for veterans of World War I and their dependents.

Presumption of sound condition

SEC. 312. For the purposes of section 310, every veteran shall be taken to have been in sound condition when examined, accepted, and enrolled for service, except as to defects, infirmities, or disorders noted at the time of the examination, acceptance, and enrollment, or where clear and unmistakable evidence demonstrates that the injury or disease existed before acceptance and enrollment and was not aggravated by such service.

Presumptions relating to certain diseases

SEC. 313. For the purposes of section 310, and subject to the provisions of section 314, in the case of any veteran who served for 90 days or more during a period of war—

(1) a chronic disease becoming manifest to a degree of 10 percent or more within 1 year from the date of separation from such service;

(2) a tropical disease, and the resultant disorders or disease originating because of therapy, administered in connection with such diseases, or as a preventative thereof, becoming manifest to a degree of 10 percent or more within 1 year from the date of separation from such service, or at a time when standard or accepted treatises indicate that the incubation period thereof commenced during such service;

(3) active tuberculosis disease developing a 10 percent degree of disability or more within 3 years from the date of separation from such service;

(4) multiple sclerosis developing a 10 percent degree of disability or more within 2 years from the date of separation from such service;

shall be considered to have been incurred in or aggravated by such service, notwithstanding there is no record or evidence of such disease during the period of service.

Presumptions rebuttable

SEC. 314. (a) Where there is affirmative evidence to the contrary, or evidence to establish that an intercurrent injury or disease which is a recognized cause of any of the diseases within the purview of section 313, has been suffered between the date of separation from service and the onset of any of such diseases, or the disability is due to the veteran's own misconduct, service connection pursuant to section 313 will not be in order.

(b) Nothing in section 313 or subsection (a) of this section shall be construed to prevent the granting of service connection for any disease or disorder otherwise shown by sound judgment to have been incurred in or aggravated by active military, naval, or air service.

Rates of wartime disability compensation

SEC. 315. For the purposes of section 310—

(a) if and while the disability is rated 10 percent the monthy compensation shall be $17;

(b) if and while the disability is rated 20 percent the monthly compensation shall be $33;

(c) if and while the disability is rated 30 percent the monthly compensation shall be $50;

(d) if and while the disability is rated 40 percent the monthly compensation shall be $66;

(e) if and while the disability is rated 50 percent the monthly compensation shall be $91;

(f) if and while the disability is rated 60 percent the monthly compensation shall be $109;

(g) if and while the disability is rated 70 percent the monthly compensation shall be $127;

(h) if and while the disability is rated 80 percent the monthly compensation shall be $145;

(i) if and while the disability is rated 90 percent the monthly compensation shall be $163;

(j) if and while the disability is rated as total the monthly compensation shall be $181;

(k) if the veteran, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of a creative organ, or 1 foot, or 1 hand, or both buttocks, or blindness of 1 eye, having only light perception, the rate of compensation therefor shall be $47 per month independent of any other compensation provided in subsections (a) through (j) of this section; and in the event of anatomical loss or loss of use of a creative organ, or 1 foot, or 1 hand, or both buttocks, or blindness of 1 eye, having only light perception, in addition to the requirement for any of the rates specified in subsections (l) through (n) of this section, the rate of compensation shall be increased by

$47 per month for each such loss or loss of use, but in no event to exceed $420 per month;

(l) if the veteran, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of both hands, or both feet, or of 1 hand and 1 foot, or is blind in both eyes, with 5/200 visual acuity or less, or is permanently bedridden or so helpless as to be in need of regular aid and attendance, the monthly compensation shall be $279;

(m) if the veteran, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of two extremities at a level, or with complications, preventing natural elbow or knee action with prosthesis in place or has suffered blindness in both eyes, rendering him so helpless as to be in need of regular aid and attendance, the monthly compensation shall be $329;

(n) if the veteran, as the result of service-incurred disability, has suffered the anatomical loss of two extremities so near the shoulder or hip as to prevent the use of a prosthetic appliance or has suffered the anatomical loss of both eyes, the monthly compensation shall be $371;

(o) if the veteran, as the result of service-incurred disability, has suffered disability under conditions which would entitle him to two or more of the rates provided in one or more subsections (l) through (n) of this section, no condition being considered twice in the determination, or has suffered total deafness in combination with total blindness with 5/200 visual acuity or less, the monthly compensation shall be $420;

(p) in the event the veteran's service-incurred disabilities exceed the requirements for any of the rates prescribed in this section, the Administrator, in his discretion, may allow the next higher rate or an intermediate rate, but in no event in excess of $420; and

(q) if the veteran is shown to have had a service-incurred disability resulting from an active tuberculous disease, which disease in the judgment of the Administrator has reached a condition of complete arrest, the monthly compensation shall be not less than $67.

Additional compensation for dependents

SEC. 316. (a) Any veteran entitled to compensation at the rates provided in section 315, and whose disability is rated not less than 50 per centum, shall be entitled to additional compensation for dependents in the following monthly amounts:

(1) If and while rated totally disabled and—

(A) has a wife but no child living, $21;

(B) has a wife and 1 child living, $35;

(C) has a wife and 2 children living, $45.50;

(D) has a wife and 3 or more children living, $56;

(E) has no wife but 1 child living, $14;

(F) has no wife but 2 children living, $24.50;

(G) has no wife but 3 or more children living, $35; and

(H) has a mother or father, either or both dependent upon him for support, then, in addition to the above amounts, $17.50 for each parent so dependent.

(2) If and while rated partially disabled, but not less than 50 percent, in an amount having the same ratio to the amount specified in paragraph (1) as the degree of his disability bears to total disability.

(b) The additional compensation for a dependent or dependents provided by this section shall not be payable to any veteran during any period he is in receipt of an increased rate of subsistence allowance or education and training allowance on account of a dependent or dependents under any other law administered by the Veterans' Administration.

The veteran may elect to receive whichever is the greater.

Part C—Wartime death compensation

Basic entitlement

SEC. 321. The surviving widow, child or children, and dependent parent or parents of any veteran who died before January 1, 1957 (or after April 30, 1957, under the circumstances described in sec. 501 (a) (3) (B) of the Servicemen's and Veterans' Survivor Benefits Act) as the result of injury or disease incurred in or aggravated by active military, naval, or air service, in line of duty, during a period of war, shall be entitled to receive compensation at the monthly rates specified in section 322.

Rates of wartime death compensation

SEC. 322. The monthly rates of death compensation shall be as follows:

(1) Widow but no child, $87;

(2) Widow with 1 child, $121 (with $29 for each additional child);

(3) No widow but 1 child, $67;

(4) No widow but 2 children, $94 (equally divided);

(5) No widow but 3 children, $122 (equally divided) (with $23 for each additional child total amount to be equally divided);

(6) Dependent mother or father, $75;

(7) Dependent mother and father, $40 each.

Part D—Peacetime disability compensation

Basic entitlement

SEC. 331. For disability resulting from personal injury suffered or disease contracted in line of duty, or for aggravation of a preexisting injury suffered or disease contracted in line of duty, in the active military, naval, or air service, during other than a period of war, the United States will pay to any veteran thus disabled and who was discharged under conditions other than dishonorable from the period of service in which said injury or disease was incurred, or preexisting injury or disease was aggravated, compensation as hereinafter provided in this part, but no compensation shall be paid if the disability is the result of the veteran's own willful misconduct.

Provisional acceptance

SEC. 332. Any person, who, after August 26, 1940, and before January 1, 1947, or during the Korean conflict (1) applied for enlistment or enrollment in the active military, naval, or air service and was provisionally accepted and directed or ordered to report to a place for final acceptance into such service, (2) was selected for military, naval, or air service and after reporting pursuant to the call of his local draft board and prior to rejection, or (3) after being called into the Federal service as a member of the National Guard but before being enrolled for the Federal service, suffered an injury or contracted a disease in line of duty and not the result of his own misconduct, will be considered to have incurred such disability in the active military, naval, or air service. Such person and the survivors of any such person who died from such disability before January 1, 1957, will be entitled to compensation provided by this title for veterans of service during other than a period of war and their dependents. If the disability was incurred during World War II or the Korean conflict, the applicable rates of compensation provided by parts B and C shall be payable.

Presumption of sound condition

SEC. 333. For the purposes of section 331, every person employed in the active military, naval, or air service for 6 months or more shall be taken to have been in sound condition when examined, accepted and enrolled for service, except as to defects, infirmities, or disorders noted at the time of the examination, acceptance, and enrollment, or where evidence or medical judgment is such as to warrant a finding that the disease or injury existed before acceptance and enrollment.

Presumptions relating to certain diseases

SEC. 334. (a) For the purposes of section 331, and subject to the provisions of subsections (b) and (c) of this section, any veteran who served for 6 months or more and contracts a tropical disease or a resultant disorder or disease originating because of therapy administered in connection with a tropical disease, or as a preventative thereof, shall be deemed to have incurred such disability in the active military, naval, or air service when it is shown to exist within 1 year after separation from active service, or at a time when standard and accepted treatises indicate that the incubation period thereof commenced during active service.

(b) Service connection shall not be granted pursuant to subsection (a), in any case where the disease or disorder is shown by clear and unmistakable evidence to have had its inception before or after active service.

(c) Nothing in this section shall be construed to prevent the granting of service connection for any disease or disorder otherwise shown by sound judgment to have been incurred in or aggravated by active service.

Rates of peacetime disability compensation

SEC. 335. For the purposes of section 331 of this act, the compensation payable for the disability shall be equal to 80 percent of the compensation payable for such disability under section 315 of this act, adjusted upward or downward to the nearest dollar.

Additional compensation for dependents

SEC. 336. Any veteran entitled to compensation at the rates provided in section 335, and whose disability is rated not less than 50 percent, shall be entitled to additional monthly compensation for dependents equal to 80 percent of the additional compensation for dependents provided in section 316, and subject to the limitations thereof.

Conditions under which wartime rates payable

SEC. 337. Any veteran otherwise entitled to compensation under the provisions of this part shall be entitled to receive the rate of compensation provided in sections 315 and 316 of this act, if the disability of such veteran resulted from an injury or disease received in line of duty (1) as a direct result of armed conflict, (2) while engaged in extra-hazardous service, including such service under conditions simulating war, or (3) after December 31, 1946, and before July 26, 1947.

Part E—Peacetime death compensation

Basic entitlement

SEC. 341. The surviving widow, child or children, and dependent parent or parents of any veteran who died before January 1, 1957 (or after April 30, 1957, under the circumstances described in sec. 501 (a) (3) (B) of the Servicemen's and Veterans' Survivor Benefits Act) as the result of injury or disease incurred in or aggravated by active military, naval, or air service, in line of duty, during other than a period of war, shall be entitled to receive compensation as hereinafter provided in this part.

Rates of peacetime death compensation

SEC. 342. For the purposes of section 341, the monthly rates of death compensation payable shall be equal to 80 percent of the rates prescribed by section 322.

Conditions under which wartime rates payable

SEC. 343. The dependents of any deceased veteran otherwise entitled to compensation under the provisions of this part shall be entitled to receive the rate of compensation provided in section 322 of this act, if the death of such veteran resulted from an injury or disease received in line of duty (1) as a direct result of armed conflict, (2) while

engaged in extrahazardous service, including such service under conditions simulating war, or (3) after December 31, 1946, and before July 26, 1947, or (4) while the United States was engaged in any war before April 21, 1898.

Part F—General compensation provisions

Benefits for persons disabled by treatment

SEC. 351. Where any veteran shall have suffered an injury, or an aggravation of an injury, as the result of vocational rehabilitation training, hospitalization, or medical or surgical treatment, awarded him under any of the laws administered by the Veterans' Administration, or as a result of having submitted to an examination under any such law and not the result of his misconduct, and such injury or aggravation results in additional disability to or the death of such veteran, disability compensation under this title and dependency and indemnity compensation under the Servicemen's and Veterans' Survivors Benefits Act shall be awarded in the same manner as if such disability, aggravation, or death were service connected; except that no benefits shall be awarded unless application be made therefor within 2 years after such injury or aggravation was suffered, or such death occurred.

Persons heretofore having a compensable status

SEC. 352. The death and disability benefits of parts D and E shall, notwithstanding the service requirements of such parts, be granted to persons heretofore recognized by law as having a compensable status, including persons whose claims are based on war or peacetime service rendered before April 21, 1898.

Aggravation

SEC. 353. A preexisting injury or disease will be considered to have been aggravated by active military, naval, or air service, where there is an increase in disability during active service, unless there is a specific finding that the increase in disability is due to the natural progress of the disease.

Consideration to be accorded time, place, and circumstances of service

SEC. 354. (a) The Administrator is authorized and directed to include in the regulations pertaining to service connection of disabilities, additional provisions in effect requiring that in each case where a veteran is seeking service connection for any disability due consideration shall be given to the places, types, and circumstances of his service as shown by his service record, the official history of each organization in which he served, his medical records, and all pertinent medical and lay evidence.

(b) In the case of any veteran who engaged in combat with the enemy in active service with a military, naval, or air organization of the United States during a period of war, campaign, or expedition, the Administrator is authorized and directed to accept as sufficient proof of service connection of any disease or injury alleged to have been incurred in or aggravated by such service satisfactory lay or other evidence of service incurrence or aggravation of such injury or disease, if consistent with the circumstances, conditions, or hardships of such service, notwithstanding the fact that there is no official record of such incurrence or aggravation in such service, and, to that end, shall resolve every reasonable doubt in favor of the veteran. Service connection of such injury or disease may be rebutted by clear and convincing evidence to the contrary. The reasons for granting or denying service connection in each case shall be recorded in full.

Authority for schedule for rating disabilities

SEC. 355. The Administrator is authorized and directed to adopt and apply a schedule of ratings of reductions in earning capacity from specific injuries or combination of injuries. The ratings shall be based, as far as practicable, upon the average impairments of earning capacity resulting from such injuries in civil occupations. The schedule shall be constructed so as to provide 10 grades of disability and no more, upon which payments of compensation shall be based, namely, 10 percent, 20 percent, 30 percent, 40 percent, 50 percent, 60 percent, 70 percent, 80 percent, 90 percent, and total, 100 percent. The Administrator shall from time to time readjust this schedule of ratings in accordance with experience.

Minimum rating for arrested tuberculosis

SEC. 356. Any veteran shown to have active tuberculosis which is compensable under this title, who in the judgment of the Administrator has reached a condition of complete arrest, shall be rated as totally disabled for a period of 2 years following such date of arrest, as 50 percent disabled for an additional period of 4 years, and 30 percent for a further 5 years. Following far advanced active lesions the permanent rating shall be 30 percent, and following moderately advanced lesions, the permanent rating, after 11 years, shall be 20 percent, provided there is continued disability, dyspnea on exertion, impairment of health, and so forth; otherwise the rating shall be zero percent. The total disability rating herein provided for the 2 years following a complete arrest may be reduced to 50 percent for failure to follow prescribed treatment or to submit to examination when requested. This section shall not be construed as requiring a reduction of compensation authorized under any other provision of this title.

Combination of certain ratings

SEC. 357. The Administrator is authorized and directed to provide for the combination of ratings and to pay compensation at the rates prescribed in part B to those veterans who served during a period of war and during any other time, who have suffered disability in line of duty in each period of service.

Disappearance

SEC. 358. Where an incompetent veteran receiving compensation under this title disappears, the Administrator, in his discretion, may pay the compensation otherwise payable to the veteran to his wife, children, and parents. Payments made to a wife, child, or parent under the preceding sentence shall not exceed the amounts payable to each if the veteran had died from service-connected disability.

TITLE IV—PENSION FOR NON-SERVICE-CONNECTED DISABILITY OR DEATH, OR FOR SERVICE

Part A—General

Definition

SEC. 401. For the purposes of this title the term "World War I" includes, in the case of any veteran, any period of service performed by him after November 11, 1918, and before July 2, 1921, if such veteran served in the active military, naval, or air service after April 5, 1917, and before November 12, 1918.

Determinations with respect to disability

SEC. 402. (a) For the purposes of this title, a person shall be considered to be permanently and totally disabled if he is suffering from—

(1) any disability which is sufficient to render it impossible for the average person to follow a substantially gainful occupation, but only if it is reasonably certain that such disability will continue throughout the life of the disabled person; or

(2) any disease or disorder determined by the Administrator to be of such a nature or extent as to justify a determination that persons suffering therefrom are permanently and totally disabled.

(b) For the purposes of this title, a person shall be considered to be in need of regular aid and attendance if he is helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

Items not considered in determining income

SEC. 403. For the purposes of this title, in determining annual income, the Administrator shall not consider—

(1) payments under laws administered by the Veterans' Administration because of disability or death;

(2) payments of mustering-out pay;

(3) payments of the 6 months' death gratuity;

(4) annuities under chapter 73 of title 10 of the United States Code; and

(5) payments of adjusted compensation.

Persons heretofore having a pensionable status

SEC. 404. The pension benefits of parts B and C of this title shall, notwithstanding the service requirements of such parts, be granted to persons heretofore recognized by law as having a pensionable status.

Part B—Veterans' pensions

Subpart I—Service Pension

Indian war veterans

SEC. 411. (a) The Administrator shall pay to each veteran of the Indian Wars who meets the service requirements of this section a pension at the following monthly rate:

(1) $101.59; or

(2) $135.45 if the veteran is in need of regular aid and attendance.

(b) A veteran meets the service requirements of this section if he served in one of the Indian Wars—

(1) for thirty days or more; or

(2) for the duration of such Indian War; in any military organization, whether or not such service was the result of regular muster into the service of the United States, if such service was under the authority or by the approval of the United States or any State or Territory.

Spanish-American war veterans

SEC. 412. (a) (1) The Administrator shall pay to each veteran of the Spanish-American War who meets the service requirements of this subsection a pension at the following monthly rate:

(A) $101.59; or

(B) $135.45 if the veteran is in need of regular aid and attendance.

(2) A veteran meets the service requirements of this subsection if he served in the active military or naval service—

(A) for ninety days or more during the Spanish-American War;

(B) during the Spanish-American War and was discharged or released from such service for a service-connected disability; or

(C) for a period of ninety consecutive days or more and such period began or ended during the Spanish-American War.

(b) (1) The Administrator shall pay to each veteran of the Spanish-American War who does not meet the service requirements of subsection (a), but who meets the service requirements of this subsection, a pension at the following monthly rate:

(A) $67.73; or

(B) $88.04 if the veteran is in need of regular aid and attendance.

(2) A veteran meets the service requirements of this subsection if he served in the active military or naval service—

(A) for seventy days or more during the Spanish-American War; or

(B) for a period of seventy consecutive days or more and such period began or ended during the Spanish-American War.

Subpart II—Non-Service-Connected Disability Pension

Veterans of World War I, World War II, or the Korean conflict

SEC. 421. (a) The Administrator shall pay to each veteran of World War I, World War

II, or the Korean conflict, who meets the service requirements of this section, and who is permanently and totally disabled from non-service-connected disability not the result of the veteran's willful misconduct or vicious habits, a pension at the following monthly rate:

(1) $66.15; or

(2) $78.75 if (A) the veteran is sixty-five years of age or older, or (B) the veteran has been rated as permanently and totally disabled for a continuous period of ten years and he has been in receipt of Pension throughout such period; or

(3) $135.45 if the veteran is in need of regular aid and attendance.

(b) A veteran meets the service requirements of this section if he served in the active military, naval, or air service—

(1) for 90 days or more during either World War I, World War II, or the Korean conflict;

(2) during World War I, World War II, or the Korean conflict, and was discharged or released from such service for a service-connected disability; or

(3) for a period of 90 consecutive days or more and such period ended during World War I, or began or ended during World War II or the Korean conflict.

Income limitations

SEC. 422. (a) No pension shall be paid under this subpart to any unmarried veteran whose annual income exceeds $1,400, or to any married veteran or any veteran with children whose annual income exceeds $2,700.

(b) As a condition of granting or continuing pension under this subpart, the Administrator may require from any veteran applying for, or in receipt of, pension under this subpart such information, proofs, or evidence as he desires in order to determine the annual income of such veteran.

Combination of ratings

SEC. 423. (a) The Administrator shall provide that, for the purpose of determining whether or not a veteran is permanently and totally disabled, ratings for service-connected disabilities may be combined with ratings for non-service-connected disabilities.

(b) Where a veteran, by virtue of subsection (a), is found to be entitled to a pension under this subpart, and is entitled to compensation for a service-connected disability, the Administrator shall pay him the greater benefit.

Part C—Pensions to widows and children

Subpart I—Wars Before World War I

Widows of Mexican War veterans

SEC. 431. The Administrator shall pay to the widow of each veteran of the Mexican War a pension at the monthly rate of $52.50.

Widows of Civil War veterans

SEC. 432. (a) The Administrator shall pay to the widow of each Civil War veteran who met the service requirements of this section a pension at the following monthly rate:

(1) $40.64 if she is below 70 years of age; or

(2) $54.18 if she is 70 years of age or older;

unless she was the wife of the veteran during his service in the Civil War, in which case the monthly rate shall be $67.73.

(b) If there is a child of the veteran, the rate of pension paid to the widow under subsection (a) shall be increased by $8.13 per month for each such child.

(c) A veteran met the service requirements of this section if he served for 90 days or more in the active military or naval service during the Civil War, or if he was discharged or released from such service upon a surgeon's certificate of disability.

(d) No pension shall be paid to a widow of a veteran under this section unless she was married to him—

(1) before June 27, 1905; or

(2) for 10 or more years.

Children of Civil War veterans

SEC. 433. Whenever there is no widow entitled to pension under section 432, the Administrator shall pay to the children of each Civil War veteran who met the service requirements of section 432 a pension at the monthly rate of $48.77 for 1 child, plus $8.13 for each additional child, with the total amount equally divided.

Widows of Indian War veterans

SEC. 434. (a) The Administrator shall pay to the widow of each Indian War veteran who met the service requirements of section 411 a pension at the following monthly rate:

(1) $40.64 if she is below 70 years of age; or

(2) $54.18 if she is 70 years of age or older;

unless she was the wife of the veteran during his service in one of the Indian Wars, in which case the monthly rate shall be $67.73.

(b) If there is a child of the veteran, the rate of pension paid to the widow under subsection (a) shall be increased by $8.13 per month for each such child.

(c) No pension shall be paid to a widow of a veteran under this section unless she was married to him—

(1) before March 4, 1917; or

(2) for 10 or more years.

Children of Indian War veterans

SEC. 435. Whenever there is no widow entitled to pension under section 434, the Administrator shall pay to the children of each Indian War veteran who met the service requirements of section 411 a pension at the monthly rate of $48.77 for one child, plus $8.13 for each additional child, with the total amount equally divided.

Widows of Spanish-American War veterans

SEC. 436. (a) The Administrator shall pay to the widow of each Spanish-American War veteran who met the service requirements of section 412 (a) a pension at the monthly rate of $54.18, unless she was the wife of the veteran during his service in the Spanish-American War, in which case the monthly rate shall be $67.73.

(b) If there is a child of the veteran, the rate of pension paid to the widow under subsection (a) shall be increased by $8.13 per month for each such child.

(c) No pension shall be paid to a widow of a veteran under this section unless she was married to him—

(1) Before January 1, 1938; or

(2) for 10 or more years.

Children of Spanish-American War veterans

SEC. 437. Whenever there is no widow entitled to pension under section 436, the Administrator shall pay to the children of each Spanish-American War veteran who met the service requirements of section 412 (a) a pension at the monthly rate of $62.31 for 1 child, plus $8.13 for each additional child, with the total amount equally divided.

Subpart II—World War I, World War II, and the Korean Conflict

Widows of World War I veterans

SEC. 441. (a) The Administrator shall pay to the widow of each veteran of World War I who met the service requirements of section 421, or who at the time of his death was receiving (or entitled to receive) compensation or retirement pay based upon a service-connected disability, a pension at the following monthly rate:

(1) Widow, no child, $50.40;

(2) Widow, 1 child, $63; with $7.56 for each additional child.

(b) No pension shall be paid to a widow of a veteran under this section unless she was married to him—

(1) before December 14, 1944; or

(2) for 10 or more years.

Children of World War I veterans

SEC. 442. (a) Whenever there is no widow entitled to pension under section 441, the Administrator shall pay to the children of each veteran of World War I who met the service requirements of section 421, or who at the time of his death was receiving (or entitled to receive) compensation or retirement pay based upon a service-connected disability, a pension at the following monthly rate:

(1) One child, $27.30;

(2) Two children, $40.95; and

(3) Three children, $54.60, with $7.56 for each additional child.

(b) Pension prescribed by this section shall be paid to eligible children in equal shares.

Widows of World War II or Korean conflict veterans

SEC. 443. (a) The Administrator shall pay to the widow of each veteran of World War II or of the Korean conflict—

(1) who met the service requirements of section 421, and at the time of his death had a service-connected disability for which compensation would have been payable if 10 percent or more in degree disabling; or

(2) who, at the time of his death, was receiving (or entitled to receive) compensation or retirement pay based upon a service-connected disability;

a pension at the rate prescribed by section 441 for the widow of a veteran of World War I.

(b) (1) No pension shall be paid to a widow of a veteran of World War II under this section unless she was married to him before January 1, 1957.

(2) No pension shall be paid to a widow of a veteran of the Korean conflict under this section unless she was married to him before February 1, 1965.

Children of World War II or Korean conflict veterans

SEC. 444. Whenever there is no widow entitled to pension under section 443, the Administrator shall pay to the children of each veteran of World War II or of the Korean conflict described in paragraph (1) or (2) of section 443 (a) a pension at the rate prescribed by section 442 for the children of a veteran of World War I.

Income limitations

SEC. 445. (a) No pension shall be paid under this subpart to any widow without child, or to or on account of any child, whose annual income exceeds $1,400, or to a widow (with a child) whose annual income exceeds $2,700.

(b) Where pension is not payable to a widow because of this section, payments to children shall be made as though there were no widow.

Part D—Army, Navy, and Air Force Medal of Honor Roll

Medal of Honor Roll: persons eligible

SEC. 460. (a) There shall be in the Department of the Army, the Department of the Navy, and the Department of the Air Force, respectively, a roll designated as the "Army, Navy, and Air Force Medal of Honor Roll".

(b) Upon written application to the Secretary concerned, the Secretary shall enter and record on such roll the name of each surviving person who has served in the active military, naval, or air service of the United States in any war, who has attained the age of 65 years, and who has been awarded a medal of honor for having in action involving actual conflict with an enemy distinguished himself conspicuously by gallantry or intrepidity, at the risk of his life, above and beyond the call of duty, and who was honorably discharged from service by muster out, resignation, or otherwise.

(c) Applications for entry on such roll shall be made in the form and under regulations prescribed by the Department concerned. Proper blanks and instructions shall be furnished by the Secretary concerned, without charge upon the request of any person claiming the benefits of this part.

Certificate entitling holder to pension

SEC. 461. (a) The Secretary concerned shall determine whether or not each applicant is entitled to the benefits of this part. If the official award of the medal of honor to the applicant, or the official notice to him thereof, shows that the medal of honor was awarded to the applicant for an act described in section 460, such award or notice shall be sufficient to entitle the applicant to special pension under this part without further investigation; otherwise all official correspondence, orders, reports, recommendations, requests, and other evidence on file in any public office or department shall be considered.

(b) Each person whose name is entered on the Army, Navy, and Air Force Medal of Honor Roll shall be furnished a certificate of service and of the act of heroism, gallantry, bravery, or intrepidity for which the medal of honor was awarded, of enrollment on such roll, and of his right to special pension.

(c) The Secretary concerned shall deliver to the Administrator a certified copy of each certificate which he issues under this part. Such copy shall authorize the Administrator to pay to the person named in the certificate the special pension provided for in this part.

Special provisions relating to pension

SEC. 462. (a) The Administrator shall pay monthly to each person whose name has been entered on the Army, Navy, and Air Force Medal of Honor Roll a special pension at the rate of $10, beginning as of the date of application therefor under section 460.

(b) The receipt of special pension shall not deprive any person of any other pension or other benefit, right, or privilege to which he is or may hereafter be entitled under any existing or subsequent law. Special pension shall be paid in addition to all other payments under laws of the United States.

(c) Special pension shall not be subject to any attachment, execution, levy, tax lien, or detention under any process whatever.

(d) If any person has been awarded more than 1 medal of honor, he shall not receive more than 1 special pension.

TITLE V—HOSPITAL, DOMICILIARY, AND MEDICAL CARE

Part A—Definitions

Definitions

SEC. 501. For the purposes of this title—

(1) The term "disability" means a disease, injury, or other physical or mental defect.

(2) The term "veteran of any war" includes any veteran of the Indian Wars, and the term "period of war" includes each of the Indian Wars.

(3) The term "Veterans' Administration facilities" means—

(A) facilities over which the Administrator has direct and exclusive jurisdiction;

(B) Government facilities for which the Administrator contracts; and

(C) private facilities for which the Administrator contracts in order to provide hospital care (i) in emergency cases for persons suffering from service-connected disabilities or from disabilities for which such persons were discharged or released from the active military, naval, or air service; (ii) for women veterans of any war; or (iii) for veterans of any war in a Territory, Commonwealth, or possession of the United States.

(4) The term "hospital care" includes medical services rendered in the course of hospitalization and transportation and incidental expenses for veterans who are in need of treatment for a service-connected disability or are unable to defray the expense of transportation.

(5) The term "medical services" includes, in addition to medical examination and treatment, dental and surgical services, and dental appliances, wheelchairs, artificial limbs, trusses, and similar appliances, special clothing made necessary by the wearing of prosthetic appliances, and such other supplies as the Administrator determines to be reasonable and necessary.

(6) The term "domiciliary care" includes transportation and incidental expenses for veterans who are unable to defray the expense of transportation.

Presumption relating to psychosis

SEC. 502. For the purposes of this title, any veteran of World War II or of the Korean conflict who develops an active psychosis (1) within 2 years after his discharge or release from the active military, naval, or air service, and (2) before July 26, 1949, in the case of a veteran of World War II, or February 1, 1957, in the case of a veteran of the Korean conflict, shall be deemed to have incurred such disability in the active military, naval, or air service.

Part B—Hospital or domiciliary care and medical treatment

Eligibility for hospital and domiciliary care

SEC. 510. (a) The Administrator, within the limits of Veterans' Administration facilities, may furnish hospital care which he determines is needed to—

(1) a veteran of any war for a service-connected disability incurred or aggravated during a period of war, or for any other disability if such veteran is unable to defray the expenses of necessary hospital care;

(2) a veteran whose discharge or release from the active military, naval, or air service was for a disability incurred or aggravated in line of duty; and

(3) a person who is in receipt of disability compensation.

(b) The Administrator, within the limits of Veterans' Administration facilities, may furnish domiciliary care to—

(1) a veteran who was discharged or released from the active military, naval, or air service for a disability incurred or aggravated in line of duty, or a person who is in receipt of disability compensation, when he is suffering from a permanent disability or tuberculosis or neuropsychiatric ailment and is incapacitated from earning a living and has no adequate means of support; and

(2) a veteran of any war who is in need of domiciliary care, if he is unable to defray the expenses of necessary domiciliary care.

Hospitalization during examination and in emergencies

SEC. 511. (a) The Administrator may furnish hospital care incident to physical examinations where such examinations are necesary in carrying out the provisions of other laws administered by him.

(b) The Administrator may furnish hospital care as a humanitarian service in emergency cases, but he shall charge for such care at rates prescribed by him.

Eligibility for medical treatment

SEC. 512. (a) Except as provided in subsection (b), the Administrator, within the limits of Veterans' Administration facilities, may furnish such medical services for a service-connected disability as he finds to be reasonably necessary to a veteran of any war, to a veteran discharged or released from the active military, naval, or air service for a disability incurred or aggravated in line of duty, or to a person in receipt of disability compensation. Veterans eligible under this subsection by reason of discharge or release for disability incurred or aggravated in line of duty may also be furnished medical services for that disability, even though it is not a service-connected disability for the purpose of this title.

(b) Outpatient dental services and treatment, and related dental appliances, shall be furnished under this section only for a dental condition or disability—

(1) which is service connected and compensable in degree;

(2) which is service connected, but not compensable in degree, but only (A) if it is shown to have been in existence at time of discharge or release from active military, naval, or air service and (B) if application for treatment is made within 1 year after such discharge or release;

(3) which is a service-conected dental condition or disability due to combat wounds or other service trauma, or of a former prisoner of war;

(4) which is associated with and is aggravating a disability resulting from some other disease or injury which was incurred in or aggravated by active military, naval, or air service; or

(5) from which a veteran of the Spanish-American War is suffering.

(c) Dental services and related appliances for a dental condition or disability described in clause (2) of subsection (b) of this section shall be furnished on a one-time completion basis, unless the services rendered on a onetime completion basis are found unacceptable within the limitations of good professional standards, in which event such additional services may be afforded as are required to complete professionally acceptable treatment.

(d) Dental appliances, wheelchairs, artificial limbs, trusses, special clothing, and similar appliances to be furnished by the Administrator under this section may be procured by him either by purchase or by manufacture, whichever he determines may be advantageous and reasonably necessary.

(e) Any disability of a veteran of the Spanish-American War shall be considered, for the purposes of this section and outpatient medical services under section 524, to be a service-connected disability incurred or aggravated during a period of war.

Fitting and training in use of prosthetic appliances

SEC. 513. Any veteran who is entitled to a prosthetic appliance shall be furnished such fitting and training, including institutional training, in the use of such appliance as may be necessary, whether in a Veterans' Administration facility or other training institution, or by outpatient treatment, including such service under contract, and including necessary travel expenses to and from his home to such hospital or training institution.

Seeing-eye dogs

SEC. 514. The Administrator may provide seeing-eye or guide dogs trained for the aid of the blind to veterans who are entitled to disability compensation, and he may pay all necessary travel expenses to and from their homes and incurred in becoming adjusted to such seeing-eye or guide dogs. The Administrator may also provide such veterans with mechanical-electronic equipment for aiding them in overcoming the handicap of blindness.

Tobacco for hospitalized veterans

SEC. 515. The Administrator may furnish tobacco to veterans receiving hospital or domiciliary care.

Part C—Miscellaneous provisions relating to hospital care and medical treatment of veterans

Power to make rules and regulations

SEC. 521. The Administrator shall prescribed—

(1) such rules and procedure governing the furnishing of hospital and domiciliary care as he may deem proper and necessary;

(2) limitations in connection with the furnishing of hospital and domiciliary care; and

(3) such rules and regulations as he deems necessary in order to promote good conduct on the part of persons who are receiving hospital or domiciliary care in Veterans' Administration facilities.

Statement under oath

SEC. 522. For the purposes of section 510 (a) (1) and section 510 (b) (2), the statement under oath of an applicant on such form as may be prescribed by the Administrator shall be accepted as sufficient evidence of inability to defray necessary expenses.

Furnishing of clothing

SEC. 523. The Administrator shall not furnish clothing to persons who are in Veteran's Administration facilities, except (1) where the furnishing of such clothing to indigent persons is necessary to protect health or sanitation, and (2) where he furnishes veterans with special clothing made necessary by the wearing of prosthetic appliances.

Hospital care and medical services abroad

SEC. 524. The Administrator shall not furnish hospital or domiciliary care or medical services outside the continental limits of the United States, or a Territory, Commonwealth, or possession of the United States, except that he may furnish necessary hospital care and medical services for service-connected disabilities incurred during a period of war to veterans who are citizens of the United States temporarily sojourning or residing abroad.

Arrests for crimes in hospital and domiciliary reservations

SEC. 525. For the purpose of maintaining law and order and of protecting persons and property at hospitals and domiciliaries of the Veterans' Administration, the Administrator may designate at such hospitals and domiciliaries persons who shall have authority to make arrests for any crime or offense against the United States committed on the reservation of the hospital or domiciliary. Any person so arrested shall be taken forthwith before the nearest United States commissioner within whose jurisdiction the hospital is located.

Reimbursement for loss of personal effects by fire

SEC. 526. The Administrator shall, under regulations which he shall prescribe, reimburse veterans in Veterans' Administration hospitals and domiciliaries for any loss of personal effects sustained by fire while such effects were stored in designated locations in Veterans' Administration hospitals or domiciliaries.

Persons eligible under prior law

SEC. 527. Persons who have a status which would, under the laws in effect on the day before the effective date of this act, entitle them to the medical services, hospital and domiciliary care, and other benefits provided for in this title, but who do not meet the service requirements contained in this title, shall be entitled to such benefits notwithstanding failure to meet such service requirements.

TITLE VI—SPECIALLY ADAPTED HOUSING FOR DISABLED VETERANS

Veterans eligible for assistance

SEC. 601. The Administrator is authorized, under such regulations as he may prescribe, to assist any veteran who is entitled to compensation under title III of this act, based on service after April 20, 1898, for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheel chair, in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, and necessary land therefor. The regulations of the Administrator shall include, but not be limited to, provisions requiring findings that (1) it is medically feasible for such veteran to reside in the proposed housing unit and in the proposed locality; (2) the proposed housing unit bears a proper relation to the veteran's present and anticipated income and expenses; and (3) the nature and condition of the proposed housing unit are such as to be suitable to the veteran's needs for dwelling purposes.

Limitations on assistance furnished

SEC. 602. The assistance authorized by section 601 shall be limited in the case of any veteran to one housing unit, and necessary land therefor, and shall be afforded under one of the following plans, at the option of the veteran, but shall not exceed $10,000 in any one case—

(1) where the veteran elects to construct a housing unit on land to be acquired by him, the Administrator shall pay not to exceed 50 percent of the total cost to the veteran of (A) the housing unit and (B) the necessary land upon which it is to be situated;

(2) where the veteran elects to construct a housing unit on land acquired by him prior to application for assistance under this title, the Administrator shall pay not to exceed the smaller of the following sums: (A) 50 percent of the total cost to the veteran of the housing unit and the land necessary for such housing unit, or (B) 50 percent of the cost to the veteran of the housing unit plus the full amount of the unpaid balance, if any, of the cost to the veteran of the land necessary for such housing unit;

(3) where the veteran elects to remodel a dwelling, which is not adapted to the requirements of his disability, acquired by him prior to application for assistance under this title, the Administrator shall pay not to exceed the total of (A) 50 percent of the cost to the veteran of such remodeling, plus (B) the smaller of the following sums: (i) 50 percent of the cost to the veteran of such dwelling and the necessary land upon which it is situated, or (ii) the full amount of the unpaid balance, if any, of the cost to the veteran of such dwelling and the necessary land upon which it is situated; and

(4) where the veteran has acquired a suitable housing unit, the Administrator shall pay not to exceed the smaller of the following sums: (A) 50 percent of the cost to the veteran of such housing unit and the necessary land upon which it is situated, or (B) the full amount of the unpaid balance, if any, of the cost to the veteran of such housing unit and the necessary land upon which it is situated.

Furnishing of plans and specifications

SEC. 603. The Administrator is authorized to furnish to veterans eligible for assistance under this title, without cost to the veterans, model plans and specifications of suitable housing units.

Benefits additional to benefits under other laws

SEC. 604. Any veteran who accepts the benefits of this title shall not by reason thereof be denied the benefits of title III of the Servicemen's Readjustment Act of 1944; however, the assistance authorized by this title shall not be available to any veteran who has received financial assistance under part IX of Veterans Regulation No. 1 (a).

Nonliability of United States

SEC. 605. The Government of the United States shall have no liability in connection with any housing unit, or necessary land therefor, acquired under the provisions of this title.

TITLE VII—AUTOMOBILES FOR DISABLED VETERANS

Veterans eligible for assistance

SEC. 701. (a) The Administrator, under such regulations as he may prescribe, shall provide or assist in providing an automobile or other conveyance by paying not to exceed $1,600 on the purchase price, including equipment with such special attachments and devices as the Administrator may deem necessary, for each veteran who is entitled to compensation under title III of this act for any of the following due to disability incurred in or aggravated by active military, naval, or air service during World War II or the Korean conflict:

(1) Loss or permanent loss of use of one or both feet;

(2) Loss or permanent loss of use of one or both hands;

(3) Permanent impairment of vision of both eyes of the following status: Central visual acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity of more than 20/200 if there is a field defect in which the peripheral field has contracted to such an extent that the widest diameter of visual field subtends an angular distance no greater than 20 degrees in the better eye.

(b) For the purposes of this section, the term "World War II" includes, in the case of any veteran, any period of continuous service performed by him after December 31, 1946, and before July 26, 1947, if such period began before January 1, 1947.

Limitation on types of assistance furnished and veterans otherwise entitled

SEC. 702. No payment shall be made under this title for the repair, maintenance, or replacement of any such automobile or other conveyance and no veteran shall be given an automobile or other conveyance until it is established to the satisfaction of the Administrator that such veteran will be able to operate such automobile or other conveyance in a manner consistent with his own safety and the safety of others and will be licensed to operate such automobile or other conveyance by the State of his residence or other proper licensing authority; however, a veteran who cannot qualify to operate a vehicle shall nevertheless be entitled to the payment of not to exceed $1,600 on the purchase price of an automobile or other conveyance, as provided in section 701, to be operated for him by another person, but only if such veteran meets the other eligibility requirements of this title.

Limitation on amounts paid by United States

SEC. 703. The furnishing of such automobile or other conveyance, or the assisting therein, shall be accomplished by the Administrator paying the total purchase price, if not in excess of $1,600, or the amount of $1,600, if the total purchase price is in excess of $1,600, to the seller from whom the veteran is purchasing under sales agreement between the seller and the veteran.

Prohibition against duplication of benefits

SEC. 704. (a) No veteran shall be entitled to receive more than one automobile or other conveyance under the provisions of this title.

(b) No veteran who has received or who hereafter receives an automobile or other conveyance under (1) the provisions of the paragraph under the heading "Veterans' Administration" in the First Supplemental Appropriation Act, 1947, (2) the act of September 21, 1950 (64 Stat. 894), or (3) the act of October 20, 1951 (65 Stat. 574; 38 U. S. C., secs. 252a–252e), shall be entitled to receive an automobile or other conveyance under the provisions of this title.

Applications

SEC. 705. The benefits provided in this title shall not be available to any veteran who has not made application for such benefits to the Administrator within 5 years after the date of the veteran's discharge or release from active service; except that in the case of any veteran whose loss or permanent loss of use of 1 or both feet, or 1 or both hands, or permanent impairment of vision, as specified in section 701, shall have occurred after his discharge or release from active service, application may be made within 3 years after the occurrence of such disability. Notwith-

standing the foregoing time limits, no otherwise eligible veteran shall be denied the benefits of this title who makes application within 1 year from the date on which his entitlement to compensation for loss or permanent loss of use of 1 or both feet, or 1 or both hands, or permanent impairment of vision, as specified in section 701, shall have been determined.

TITLE VIII—BURIAL BENEFITS

Flags

SEC. 801. (a) The Administrator shall furnish a flag to drape the casket of each deceased veteran who—

(1) was a veteran of any war;

(2 had served at least one enlistment; or

(3) had been discharged or released from the active military, naval, or air service for a disability incurred or aggravated in line of duty.

(b) After the burial of the veteran the flag so furnished shall be given to his next of kin. If no claim is made for the flag by the next of kin, it may be given, upon request, to a close friend or associate of the deceased veteran. If a flag is given to a close friend or associate of the deceased veteran, no flag shall be given to any other person on account of the death of such veteran.

Funeral expenses

SEC. 802. (a) Where a veteran dies who—

(1) was a veteran of any war;

(2) had been discharged from the active military, naval, or air service for a disability incurred or aggravated in line of duty; or

:3) was in receipt of disability compensation;

the Administrator, in his discretion having due regard to the circumstances in each case, may pay a sum not exceeding $150 to such person as he prescribes to cover the burial and funeral expenses of the deceased veteran and the expense of preparing the body and transporting it to the place of burial.

(b) Except as hereafter provided in this subsection, no deduction shall be made from the burial allowance because of the veteran's net assets at the time of his death, or because of any contribution from any source toward the burial and funeral expenses (including transportation) unless the amount of expenses incurred is covered by the amount actually paid therefor by the United States, a State, any agency or political subdivision of the United States or of a State, the employer of the deceased veteran, or a burial association. No claim shall be allowed for more than the difference between the entire amount of the expenses incurred, and the amount paid by any or all of the foregoing. The Administrator shall not deny or reduce the amount of the burial allowance otherwise payable because of a cash contribution made by a burial association to any person other than the person rendering burial and funeral services. The burial allowance or any part thereof shall not be paid in any case where specific provision is otherwise made for payment of expenses of funeral, transportation, and interment under any other act.

Death in Veterans' Administration facility

SEC. 803. (a) Where death occurs in a Veterans' Administration facility to which the deceased was properly admitted for hospital or domiciliary care under authority of section 510 or 511 (a) of this act, the Administrator shall pay the actual cost (not to exceed $150) of the burial and funeral.

(b) In addition to the foregoing, when such a death occurs in the continental United States, the Administrator shall transport the body to the place of burial in the United States, or to the place of burial within Alaska if the deceased was a resident of Alaska who had been brought to the United States as a beneficiary of the Veterans' Administration for hospital or domiciliary care. Where such a death occurs in a Territory, a Commonwealth, or a possession of the United States, the Administrator shall transport the body to the place of burial within such Territory, Commonwealth, or possession.

(c) Within the limits prescribed in subsection (a), the Administrator may make contracts for burial and funeral services without regard to the laws requiring advertisement for proposals for supplies and services for the Veterans' Administration.

Claims for reimbursement

SEC. 804. Applications for payments under section 802 must be filed within 2 years after the burial of the veteran. If a claimant's application is incomplete at the time it is originally submitted, the Administrator shall notify the applicant of the evidence necessary to complete the application. If such evidence is not received within 1 year from the date of such notification, no allowance may be paid.

Persons eligible under prior law

SEC. 805. The death of any person who had a status which would, under the laws in effect on the day before the effective date of this act, afford entitlement to the burial benefits and other benefits provided for in this title, but who did not meet the service requirements contained in this title, shall afford entitlement to such benefits, notwithstanding the failure of such person to meet such service requirements.

TITLE IX—APPLICATIONS, EFFECTIVE DATES, AND PAYMENTS

Part A—Applications

Claims and forms

SEC. 901. (a) A specific claim in the form prescribed by the Administrator (or jointly with the Secretary of Health, Education, and Welfare under section 601 of the Servicemen's and Veterans' Survivor Benefits Act) must be filed in order for benefits to be paid or furnished to any individual under the laws administered by the Veterans' Administration.

(b) (1) A claim by a widow or child for compensation or dependency and indemnity compensation shall also be considered to be a claim for death pension and accrued benefits under section 921, and a claim by a widow or child for death pension shall be considered to be a claim for death compensation (or dependency and indemnity compensation) and accrued benefits under section 921.

(2) A claim by a parent for compensation or dependency and indemnity compensation shall also be considered to be a claim for accrual benefits under section 921.

Application forms furnished upon request

SEC. 902. Upon request made in person or in writing by any person claiming or applying for benefits under the laws administered by the Veterans' Administration, the Administrator shall furnish such person, free of all expense, all such printed instructions and forms as may be necessary in establishing such claim.

Incomplete applications

SEC. 903. (a) If a claimant's application for benefits under the laws administered by the Veterans' Administration is incomplete, the Administrator shall notify the claimant of the evidence necessary to complete the application. If such evidence is not received within 1 year from the date of such notification, no benefits may be paid or furnished by reason of such application.

(b) This section shall not apply to any application or claim for Government life insurance benefits.

Disallowed claims

SEC. 904. (a) Where a claim has been finally disallowed, a later claim on the same factual basis, if supported by new and material evidence, shall have the attributes of a new claim, except that whenever any disallowed claim is reopened and thereafter allowed on the basis of new and material evidence resulting from the correction of the military records of the proper service department under section 1552 of title 10 of the United States Code, the effective date of commencement of the benefits so awarded shall be the date on which an application was filed for correction of the military record.

(b) This section shall not apply to any application or claim for Government life insurance benefits.

Part B—Effective dates

Effective dates of awards

SEC. 910. (a) Unless specifically provided otherwise in this title, the effective date of an award of compensation, dependency and indemnity compensation, or pension, shall be fixed in accordance with the facts found, but shall not be earlier than the date of receipt of application therefor.

(b) The effective date of an award of disability compensation to a veteran shall be the date of his discharge or release if application therefor is received within 1 year from such date of discharge or release.

(c) The effective date of an award of death compensation, dependency and indemnity compensation, or death pension shall be the day after the date of death if application thereof is received within 1 year from such date of death.

(d) The effective date of an award of dependency and indemnity compensation to a child shall be the date the child's entitlement arose if application therefor is received within 1 year from such date the entitlement arose.

(e) Where a report or a finding of death of any person in the active military, naval, or air service has been made by the Secretary concerned, the effective date of an award of death compensation, dependency and indemnity compensation, or death pension, as applicable, shall be the day after the date fixed by Secretary as the date of death in such report or finding, if application therefor is received within 1 year from the date such report or finding has been made; however, such benefits shall not be payable to any person for any period for which such person has received, or was entitled to receive, an allowance, allotment, or service pay of the deceased.

Effective dates of increases

SEC. 911. The effective date of an award of increased compensation, dependency and indemnity compensation, or pension (amending, reopening, or supplementing a previous award, authorizing any payments not previously authorized to the individual involved) shall be fixed in accordance with the facts found, but shall not be earlier than the date of receipt of evidence showing entitlement thereto.

Effective dates of reductions and discontinuances

SEC. 912. (a) Except as otherwise specified in this section, the effective date of reduction or discontinuance of compensation, dependency and indemnity compensation, or pension shall be fixed in accordance with the facts found.

(b) Where compensation, dependency and indemnity compensation, or pension has been awarded and a reduction or discontinuance is thereafter effected as to rates, such reduction or discontinuance shall be effective the last day of the month in which the reduction or discontinuance is approved.

(c) The effective date of a reduction or discontinuance of compensation, dependency, and indemnity compensation, or pension—

(1) by reason of death, shall be the date of death;

(2) by reason of marriage or remarriage, shall be the day before the date of marriage or remarriage;

(3) by reason of attaining age 18 (or 21, as applicable), shall be the day before the 18th (or 21st) birthday;

(4) by reason of fraud on the part of the beneficiary, or with his knowledge, shall be the effective date of the award; and

(5) by reason of receipt of active service pay or retirement pay, shall be the day before the date such pay began.

Part C—Payment of benefits

Payment of benefits by check; delivery

SEC. 920. (a) Monetary benefits under laws administered by the Veterans' Administration shall be paid by checks drawn, pursuant to certification by the Administrator, by the Secretary of the Treasury in such form as to protect the United States against loss, and payable by the Secretary of the Treasury. Such checks shall be payable without separate vouchers or receipts except in any case in which the Administrator may consider a voucher necessary for the protection of the Government. Such checks shall be transmitted by mail to the payee thereof at his last-known address, and the envelope or cover thereof may bear an appropriate notice of the prohibition set forth in subsection (b).

(b) Postmasters, delivery clerks, letter carriers, and all other postal employees are prohibited from delivering any mail addressed by the United States and containing any such check to any person whomsoever, if he has died or moved, or in the case of a widow, if the postal employee believes that she has remarried (unless the mail is addressed to her in the name she has acquired by her remarriage). The preceding sentence shall apply in the case of checks in payment of benefits other than pension, compensation, dependency and indemnity compensation, and insurance, only insofar as the Administrator deems it necessary to protect the United States against loss.

(c) Whenever mail is not delivered because of the prohibition of subsection (b), such mail shall be returned forthwith by the postmaster with a statement of the reason for so doing, and if because of death or remarriage, the date thereof, if known. Checks returned under this subsection because of death or remarriage shall be canceled.

Payment of accrued benefits upon death of a beneficiary

SEC. 921. (a) Pension, compensation, dependency and indemnity compensation, retirement pay, subsistence allowance, education and training allowance, special training allowance, and educational assistance allowance to which an individual was entitled at his death under existing ratings or decisions, or those based on evidence in the file at date of death (hereafter in this section and section 922 referred to as "accrued benefits") and due and unpaid for a period not to exceed 1 year, shall, upon the death of such individual be paid as follows:

(1) Upon the death of a person receiving an apportioned share of benefits payable to a veteran, all or any part of such benefits to the veteran or to any other dependent or dependents of the veteran, as may be determined by the Administrator;

(2) Upon the death of a veteran, to the living person first listed below:

(A) His spouse;

(B) His children (in equal shares);

(C) His dependent parents (in equal shares);

(3) Upon the death of a widow or remarried widow, to the children of the deceased veteran;

(4) Upon the death of a child, to the surviving children of the veteran who are entitled to death compensation, dependency and indemnity compensation, or death pension; and

(5) In all other cases, only so much of the accrued benefits may be paid as may be necessary to reimburse the person who bore the expense of last sickness and burial.

(b) No part of any accrued benefits shall be used to reimburse any political subdivision of the United States for expenses incurred in the last sickness or burial of any beneficiary.

(c) Applications for accrued benefits must be filed within 1 year after the date of death. If a claimant's application is incomplete at the time it is originally submitted, the Administrator shall notify the claimant of the evidence necessary to complete the application. If such evidence is not received within 1 year from the date of such notification, no accrued benefits may be paid.

Cancellation of checks mailed to deceased payees

SEC. 922. A check received by a payee in payment of accrued benefits shall, if the payee died on or after the last day of the period covered by the check, be returned to the Veterans' Administration and canceled, unless negotiated by the payee or the duly appointed representative of his estate. The amount represented by such check, or any amount recovered by reason of improper negotiation of any such check, shall be payable in the manner provided in section 921, without regard to section 921 (c). Any amount not paid in the manner provided in section 921 shall be paid upon settlement by the General Accounting Office to the estate of the deceased payee unless the estate will escheat.

TITLE X—SPECIAL PROVISIONS RELATING TO BENEFITS

Nonassignability and exempt status of benefits

SEC. 1001. (a) Payments of benefits due or to become due under any law administered by the Veterans' Administration shall not be assignable except to the extent specifically authorized by law, and such payments made to, or on account of, a beneficiary shall be exempt from taxation, shall be exempt from the claim of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever, either before or after receipt by the beneficiary. The preceding sentence shall not apply to claims of the United States arising under such laws nor shall the exemption therein contained as to taxation extend to any property purchased in part or wholly out of such payments. The provisions of this section shall not be construed to prohibit the assignment by any person to whom converted insurance shall be payable under title III of the World War Veterans' Act of 1924 of his interest in such insurance to any other member of the permitted class of beneficiaries or the assignment, otherwise authorized, of insurance under the National Service Life Insurance Act of 1940, or of indemnity under the Servicemen's Indemnity Act of 1951.

(b) This section shall prohibit the collection by setoff or otherwise out of any benefits payable pursuant to any law administered by the Veterans' Administration and relating to veterans, their estates, or their dependents, of any claim of the United States or any agency thereof against (1) any person other than the indebted beneficiary or his estate; or (2) any beneficiary or his estate except amounts due the United States by such beneficiary or his estate by reason of overpayments or illegal payments made under such laws to such beneficiary or his estate or to his dependents as such. If the benefits referred to in the preceding sentence are insurance payable by reason of yearly renewable term or of United States Government life (converted) insurance or of National Service Life Insurance, issued by the United States, the exemption provided in this section shall not apply to indebtedness existing against the particular insurance contract upon the maturity of which the claim is based, whether such indebtedness is in the form of liens to secure unpaid premiums or loans, or interest on such premiums or loans, or indebtedness arising from overpayments of dividends, refunds, loans, or other insurance benefits.

(c) Notwithstanding subsection (a), payments of benefits under laws administered by the Veterans' Administration shall not be exempt from levy under subchapter D of chapter 64 of the Internal Revenue Code of 1954 (relating to seizure of property for collection of taxes).

Waiver of recovery of overpayments

SEC. 1002. (a) There shall be no recovery of overpayments of any benefits (except servicemen's indemnity) under any of the laws administered by the Veterans' Administration from any person who, in the judgment of the Administrator, is without fault on his part, and where, in the judgment of the Administrator, such recovery would defeat the purpose of benefits otherwise authorized or would be against equity and good conscience.

(b) No certifying or disbursing officer shall be liable for any amount paid to any person where the recovery of such amount is waived under subsection (a).

Certain bars to benefits

SEC. 1003. (a) The discharge or dismissal by reason of the sentence of a general court-martial of any person from the Armed Forces, or the discharge of any such person on the ground that he was a conscientious objector who refused to perform military duty or refused to wear the uniform or otherwise to comply with lawful orders of competent military authority, or as a deserter, or of an officer by the acceptance of his resignation for the good of the service, or (except as provided in subsection (c)) the discharge of any individual during a period of hostilities as an alien, shall bar all rights of such person under laws administered by the Veterans' Administration based upon the period of service from which discharged or dismissed.

(b) Notwithstanding subsection (a), if it is established to the satisfaction of the Administrator that, at the time of the commission of an offense leading to his court-martial, discharge, or resignation, any person was insane, such person shall not be precluded from benefits under laws administered by the Veterans' Administration based upon the period of service from which he was separated.

(c) Subsection (a) shall not apply to any alien whose service was honest and faithful, and who was not discharged on his own application or solicitation as an alien.

(d) This section shall not apply to any war-risk insurance, Government (converted) or national service life insurance policy.

Prohibition against duplication of benefits

SEC. 1004. (a) Except to the extent that retirement pay is waived under other laws, not more than one award of pension, compensation, emergency officers', regular, or reserve retirement pay, or initial award of naval pension granted after July 13, 1943, shall be made concurrently to any person based on his own service.

(b) The receipt of pension, compensation, or dependency and indemnity compensation by a widow, child, or parent on account of the death of any person, or receipt by any person of pension or compensation on account of his own service, shall not bar the payment of pension, compensation, or dependency and indemnity compensation on account of the death or disability of any other person.

(c) Pension, compensation, or retirement pay on account of his own service shall not be paid to any person for any period for which he receives active service pay.

Waiver of retired pay

SEC. 1005. Any person who is receiving pay pursuant to any provision of law relating to the retirement of persons in the regular military, naval, or air service, or relating to retirement from any reserve component of the military, naval, or air service for disability, and who would be eligible to receive pension or compensation under the laws ad-

ministered by the Veterans' Administration if he were not receiving such retired pay, shall be entitled to receive such pension or compensation upon the filing by such person with the department by which such retired pay is paid of a waiver of so much of his retired pay as is equal in amount to such pension or compensation. To prevent duplication of payments, the department with which any such waiver is filed shall notify the Veterans' Administration of the receipt of such waiver, the amount waived, and the effective date of the reduction in retired pay.

Renouncement of right to benefits

SEC. 1006. (a) Any person entitled to pension, compensation, or dependency and indemnity compensation under any of the laws administered by the Veterans' Administration may renounce his right thereto. The application renouncing the right shall be in writing over the person's signature. Upon the filing of such an application, payment of such benefits and the right thereto shall be terminated, and such person shall be denied any and all rights thereto from such filing.

(b) Renunciation of rights under subsection (a) or under prior law on this subject shall not preclude any person from filing a new application for pension, compensation, or dependency and indemnity compensation at a later date, but such new application shall be treated as an original application, and no payments shall be made for any period before the date such new application is filed.

Apportionment of benefits

SEC. 1007. (a) All or any part of the compensation, pension, or emergency officers retirement pay payable on account of any veteran may—

(1) if the veteran is being furnished hospital treatment, institutional, or domiciliary care by the United States, or any political subdivision thereof, be apportioned on behalf of his wife, children, or dependent parents; and

(2) if the veteran is not living with his wife, or if his children are not in his custody, be apportioned as may be prescribed by the Administrator.

(b) Where any of the children of a deceased veteran are not in the custody of the veteran's widow, the pension, compensation, or dependency and indemnity compensation otherwise payable to the widow may be apportioned as prescribed by the Administrator.

Withholding benefits of persons in territory of the enemy

SEC. 1008. (a) When any alien entitled to gratuitous benefits under laws administered by the Veterans' Administration is located in territory of, or under military control of, an enemy of the United States or of any of its allies, any award of such benefits in favor of such alien shall be terminated forthwith.

(b) Any alien whose award is terminated under subsection (a) shall not thereafter be entitled to any such gratuitous benefits except upon the filing of a new claim, accompanied by evidence satisfactory to the Administrator showing that such alien was not guilty of mutiny, treason, sabotage, or rendering assistance to such enemy. Except as provided in section 2106, such gratuitous benefits shall not be paid for any period before the date the new claim is filed.

(c) While such alien is located in territory of, or under military control of, an enemy of the United States or any of its allies, the Administrator, in his discretion, may apportion and pay any part of such benefits to the dependents of such alien. No dependent of such alien shall receive benefits by reason of this subsection in excess of the amount to which he would be entitled if such alien were dead.

TITLE XI—PENAL AND FORFEITURE PROVISIONS

Misappropriation by fiduciaries

SEC. 1101. (a) Whoever, being a guardian, curator, conservator, committee, or person legally vested with the responsibility or care of a claimant or his estate, or any other person having charge and custody in a fiduciary capacity of money heretofore or hereafter paid under any of the laws administered by the Veterans' Administration for the benefit of any minor, incompetent, or other beneficiary, shall lend, borrow, pledge, hypothecate, use, or exchange for other funds or property, except as authorized by law, or embezzle or in any manner misappropriate any such money or property derived therefrom in whole or in part and coming into his control in any manner whatever in the execution of his trust, or under color of his office or service as such fiduciary, shall be fined not more than $2,000 or imprisoned not more than 5 years, or both.

(b) Any willful neglect or refusal to make and file proper accountings or reports concerning such money or property as required by law shall be taken to be sufficient evidence prima facie of such embezzlement or misappropriation.

Fraudulent acceptance of payments

SEC. 1102. (a) Any person entitled to monetary benefits under any of the laws administered by the Veterans' Administration whose right to payment thereof ceases upon the happening of any contingency, who thereafter fraudulently accepts any such payment, shall be fined not more than $2,000, or imprisoned not more than 1 year, or both.

(b) Whoever obtains or receives any money or check under any of the laws administered by the Veterans' Administration without being entitled to it, and with intent to defraud the United States or any beneficiary of the United States, shall be fined not more than $2,000, or imprisoned not more than 1 year, or both.

Forfeiture for fraud

SEC. 1103. (a) Whoever knowingly makes or causes to be made or conspires, combines, aids, or assists in, agrees to, arranges for, or in any way procures the making or presentation of a false or fraudulent affidavit, declaration, certificate, statement, voucher, or paper, concerning any claim for benefits under any of the laws administered by the Veterans' Administration (except laws pertaining to insurance benefits) shall forfeit all rights, claims, and benefits under all laws administered by the Veterans' Administration (except laws pertaining to insurance benefits).

(b) Whenever a veteran entitled to disability compensation has forfeited his right to such compensation under section 504 of the World War Veterans' Act, 1924, section 15 of Public, No. 2, 73d Congress, or this section, the compensation payable but for the forfeiture shall thereafter be paid to his wife, children, and parents. Payments made to a wife, children, and parents under the preceding sentence shall not exceed the amounts payable to each if the veteran had died from service-connected disability. No wife, child, or parent who participated in the fraud for which forfeiture was imposed shall receive any payment by reason of this subsection.

(c) Forfeiture of benefits by a veteran under this section or prior law on such subject shall not prohibit payment of the burial allowance, death compensation, dependency and indemnity compensation, or death pension in the event of his death.

Forfeiture for treason

SEC. 1104. (a) Any person shown by evidence satisfactory to the Administrator to be guilty of mutiny, treason, sabotage, or rendering assistance to an enemy of the United States or of its allies shall forfeit all accrued or future gratuitous benefits under laws administered by the Veterans' Administration.

(b) The Administrator, in his discretion, may apportion and pay any part of benefits forfeited under subsection (a) to the dependents of the person forfeiting such benefits. No dependent of any person shall receive benefits by reason of this subsection in excess of the amount to which he would be entitled if such person were dead.

TITLE XII—DISCLOSURE OF INFORMATION AND FURNISHING COPIES OF RECORDS; INVESTIGATIONS

Part A—Disclosure of information

Confidential nature of claims

SEC. 1201. All files, records, reports, and other papers and documents pertaining to any claim under any of the laws administered by the Veterans' Administration shall be confidential and privileged, and no disclosure thereof shall be made except as follows:

(1) To a claimant or his duly authorized agent or representative as to matters concerning himself alone when, in the judgment of the Administrator, such disclosure would not be injurious to the physical or mental health of the claimant;

(2) When required by process of a United States court to be produced in any suit or proceeding therein pending or when such production is deemed by the Administrator to be necessary in any suit or proceeding brought under the World War Veterans' Act, 1924, or the National Service Life Insurance Act of 1940;

(3) When required by any department or other agency of the United States Government;

(4) In all proceedings in the nature of an inquest into the mental competency of a claimant;

(5) In any judicial proceeding when in the judgment of the Administrator of Veterans' Affairs such disclosure is deemed necessary and proper;

(6) The amount of pension, compensation, or dependency and indemnity compensation of any beneficiary shall be made known to any person who applies for such information, and the Administrator, with the approval of the President, upon determination that the public interest warrants or requires, may, at any time and in any manner, publish any or all information of record pertaining to any claim;

(7) The Administrator in his discretion may authorize an inspection of Veterans' Administration records by duly authorized representatives of recognized organizations;

(8) The Administrator may release information, statistics, or reports to individuals or organizations when in his judgment such release would serve a useful purpose.

Furnishing of records

SEC. 1202. (a) Any person desiring a copy of any record, paper, and so forth, in the custody of the Veterans' Administration, which may be disclosed under section 1201, must make written application therefor to the Veterans' Administration, stating specifically:

(1) The particular record, paper, and so forth, a copy of which is desired and whether certified or uncertified; and

(2) The purpose for which such copy is desired to be used.

(b) The Administrator is authorized to fix a schedule of fees for copies and certification of such records.

Part B—Investigations

Authority to issue subpenas

SEC. 1211. For the purposes of the laws administered by the Veterans' Administration, the Administrator, and those employees to whom the Administrator may delegate such authority, to the extent of the authority so delegated, shall have the power to issue subpenas for and compel the attendance of witnesses within a radius of 100 miles from the place of hearing, to require the production of books, papers, documents, and other evidence, to take affidavits, to administer oaths and affirmations, to aid claimants in the preparation and presentation of claims, and

to make investigations and examine witnesses upon any matter within the jurisdiction of the Veterans' Administration. Any person required by such subpena to attend as a witness shall be allowed and paid the same fees and mileage as are paid witnesses in the district courts of the United States.

Validity of affidavits

SEC. 1212. Any such oath, affirmation, affidavit, or examination, when certified under the hand of any such employee by whom it was administered or taken and authenticated by the seal of the Veterans' Administration, may be offered or used in any court of the United States and without further proof of the identity or authority of such employee shall have like force and effect as if administered or taken before a clerk of such court.

Disobedience to subpena

SEC. 1213. In case of disobedience to any such subpena, the aid of any district court of the United States may be invoked in requiring the attendance and testimony of witnesses and the production of documentary evidence, and such court within the jurisdiction of which the inquiry is carried on may, in case of contumacy or refusal to obey a subpena issued to any officer, agent, or employee of any corporation or to any other person, issue an order requiring such corporation or other person to appear or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

TITLE XIII—BOARD OF VETERANS' APPEALS

Composition of Board of Veterans' Appeals

SEC. 1301. (a) There shall be in the Veterans' Administration a Board of Veterans' Appeals (hereafter in this title referred to as the "Board") under the administrative control and supervision of a Chairman directly responsible to the Administrator. The Board shall consist of a Chairman, a Vice Chairman, such number (not more than 50) of associate members as may be found necessary, and such other professional, administrative, clerical, and stenographic personnel as are necessary in conducting hearings and considering and disposing of appeals properly before the Board.

(b) Members of the Board (including the Chairman and Vice Chairman) shall be appointed by the Administrator with the approval of the President.

Assignment of members of Board

SEC. 1302. The Chairman may from time to time divide the Board into sections of three members, assign the members of the Board thereto, and designate the Chief thereof. If a section as a result of a vacancy or absence or inability of a member assigned thereto to serve thereon is composed of a number of members less than designated for the section, the Chairman may assign other members to the section or direct the section to proceed with the transaction of business without awaiting any additional assignment of members thereto. A hearing docket shall be maintained and formal recorded hearings shall be held by such associate member or members as the Chairman may designate, the associate member or members being of the section which will make final determination in the claim. A section of the Board shall make a determination on any proceeding instituted before the Board and on any motion in connection therewith assigned to such section by the Chairman and shall make a report of any such determination, which report shall constitute its final disposition of the proceeding.

Determinations by the Board

SEC. 1303. (a) The determination of the section, when unanimously concurred in by the members of the section, shall be the final determination of the Board, except that the Board on its own motion may correct an obvious error in the record, or may upon the basis of additional official information from the service department concerned reach a contrary conclusion.

(b) When there is a disagreement among the members of the section the concurrence of the chairman with the majority of members of such section shall constitute the final determination of the Board, except that the Board on its own motion may correct an obvious error in the record, or may upon the basis of additional official information from the service department concerned reach a contrary conclusion.

Jurisdiction of the Board

SEC. 1304. (a) All questions on claims involving benefits under the laws administered by the Veterans' Administration shall be subject to one review on appeal to the Administrator. Final decisions on such appeals shall be made by the Board.

(b) When a claim is disallowed by the Board, it may not thereafter be reopened and allowed, and no claim based upon the same factual basis shall be considered; however, where subsequent to disallowance of a claim, new and material evidence in the form of official reports from the proper service department is secured, the Board may authorize the reopening of the claim and review of the former decision.

(c) The Board shall be bound in its decisions by the regulations of the Veterans' Administration, instructions of the Administrator, and the precedent opinions of the chief law officer.

Applications for review on appeal

SEC. 1305. (a) Except in the case of simultaneously contested claims, applications for review on appeal shall be filed within 1 year from the date of mailing of notice of the result of initial review or determination. Such applications must be filed with the activity which entered the denial. If such an application is timely filed, a reasonable time thereafter will be allowed, if requested, for the perfection of the appeal and the presentation of additional evidence before final determination or decision is made. Applications postmarked before the expiration of the 1-year period will be accepted as timely filed.

(b) If no application for review on appeal is filed in accordance with this title within the 1-year period, the action taken on initial review or determination shall become final and the claim will not thereafter be reopened or allowed, except that where subsequent to such disallowance new and material evidence in the form of official reports from the proper service department is secured the Administrator may authorize the reopening of the claim and review of the former decision.

(c) (1) Application for review on appeal may be made in writing by the claimant, his legal guardian, or such accredited representative, or authorized agent, as may be selected by him. Not more than one recognized organization or authorized agent will be recognized at any one time in the prosecution of a claim.

(2) Application for review on appeal may be made within the 1-year period prescribed by this section by such officials of the Veterans' Administration as may be designated by the Administrator. An application entered under this paragraph shall not operate to deprive the claimant of the right of review on appeal as provided in this title.

(d) In each application for review on appeal the name and service of the veteran on account of whose service the claim is based must be stated, together with the number of the claim and the date of the action from which the appeal is taken. The application must clearly identify the benefit sought.

(e) Each application for review on appeal should contain specific assignments of the alleged mistake of fact or error of law in the adjudication of the claim. Any application which is insufficient may be dismissed.

Docketing of appeals

SEC. 1306. All cases received pursuant to application for review on appeal shall be considered and decided in regular order according to their places upon the docket; however, for cause shown a case may be advanced on motion for earlier consideration and determination. Every such motion shall set forth succinctly the grounds upon which it is based. No such motion shall be granted except in cases involving interpretation of law of general application affecting other claims, or for other sufficient cause shown.

Simultaneously contested claims

SEC. 1307. (a) In simultaneously contested claims where one is allowed and one rejected, the time allowed for the filing of an application for review on appeal shall be 60 days from the date notice is mailed of the original action to the claimant to whom the action is adverse. In such cases the activity concerned shall promptly notify all parties in interest of the original action taken, expressly inviting attention to the fact that an application for review on appeal will not be entertained unless filed within the 60-day period prescribed by this subsection. Such notices shall be forwarded to the parties in interest to the last known address of record.

(b) Upon the filing of an application for review on appeal in simultaneously contested claims, all parties other than the applicant for review on appeal whose interests may be adversely affected by the decision, shall be notified of the substance thereof and allowed 30 days from the date of mailing of such notice within which to file brief or argument in answer thereto before the record is forwarded on application for review of appeal. Such notice shall be forwarded to the last known address of record of the parties whose interests may be adversely affected, and such action shall constitute sufficient evidence of notice.

Rejection of applications

SEC. 1308. An application for review on appeal shall not be entertained unless it is in conformity with this title.

TITLE XIV—DEPARTMENT OF MEDICINE AND SURGERY

Functions of department

SEC. 1401. There shall be in the Veterans' Administration a Department of Medicine and Surgery under a Chief Medical Director. The functions of the Department of Medicine and Surgery shall be those necessary for a complete medical and hospital service, as prescribed by the Administrator pursuant to this part and other statutory authority, for the medical care and treatment of veterans.

Divisions of department

SEC. 1402. The Department of Medicine and Surgery shall include the following: Office of the Chief Medical Director, Medical Service, Dental Service, Nursing Service, and Auxiliary Service.

Appointments and compensation

SEC. 1403. (a) The Office of the Chief Medical Director shall consist of the Chief Medical Director, one Deputy Chief Medical Director, not to exceed 8 Assistant Chief Medical Directors, and such other personnel and employees as may be authorized by this part.

(b) The Chief Medical Director shall be the Chief of the Department of Medicine and Surgery and shall be directly responsible to the Administrator for the operations of the Department. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such, the Chief Medical Director shall be paid a salary of $17,800 a year.

(c) The Deputy Chief Medical Director shall be the principal assistant of the Chief Medical Director. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such, the Deputy Chief Medical Director shall be paid a salary of $16,800 a year.

(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of $15,800. One Assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service. Not to exceed twenty directors of service or chiefs of division, designated by the Chief Medical Director, shall, within the limitations otherwise prescribed in this title, be paid a salary of $13,225 minimum to $14,300 maximum.

(e) The Director and Deputy Director of Nursing Service shall be qualified registered nurses, appointed by the Administrator and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of her service as such, the Director of Nursing Service shall be paid a salary of $11,610 a year and the Deputy Director shall be paid a salary of $10,320 a year.

(f) The Administrator may appoint a chief pharmacist, a chief dietitian, a chief physical therapist, and a chief occupational therapist. During the period of his service as such, each chief shall be paid a salary of $10,320 a year.

(g) Any appointment hereinabove provided shall be for a period of 4 years subject to removal by the Administrator for cause.

(h) Reappointments may be made for successive like periods.

Additional appointments

SEC. 1404. There shall be appointed by the Administrator additional personnel as he may find necessary for the medical care of veterans, as follows:

(1) Physicians, dentists, and nurses;

(2) Managers, pharmacists, physical therapists, occupational therapists, dietitians, scientific personnel, such as pathologists, bacteriologists, chemists, biostatisticians, and other medical and dental technologists.

Qualifications of appointees

SEC. 1405. (a) Any person to be eligible for appointment in the Department of Medicine and Surgery must—

(1) be a citizen of the United States;

(2) in the Medical Service—

hold the degree of doctor of medicine or of doctor of osteopathy from a college or university approved by the Administrator, have completed an internship satisfactory to the Administrator, and be licensed to practice medicine, surgery, or osteopathy in one of the States or Territories of the United States or in the District of Columbia;

(3) in the Dental Service—

hold the degree of doctor of dental surgery or dental medicine from a college or university approved by the Administrator, and be licensed to practice dentistry in one of the States or Territories of the United States or in the District of Columbia;

(4) in the Nursing Service—

have successfully completed a full course of nursing in a recognized school of nursing, approved by the Administrator, and be registered as a graduate nurse in one of the States, Territories, or Commonwealths of the United States or in the District of Columbia;

(5) in the Auxiliary Service—

(A) manager of hospital, home, or center—

have such business and administrative experience and qualifications as the Administrator shall prescribe;

(B) pharmacist—

hold the degree of bachelor of science in pharmacy, or its equivalent, from a school of pharmacy approved by the Administrator, and be registered as a pharmacist in one of the States, Territories, or Commonwealths of the United States or in the District of Columbia;

(C) physical therapists, occupational therapists, dietitians, and other auxiliary employees shall have such scientific or technical qualifications as the Administrator shall prescribe.

(b) Persons may be appointed under this title while on terminal leave from the Armed Forces and may be paid for their services rendered under such appointment notwithstanding any law or regulation to the contrary.

Period of appointments; promotions

SEC. 1406. (a) Appointments of physicians, dentists, and nurses shall be made only after qualifications have been satisfactorily established in accordance with regulations prescribed by the Administrator, without regard to civil-service requirements.

(b) Such appointments as described in subsection (a) of this section shall be for a probationary period of 3 years and the record of each person serving under such appointment in the Medical, Dental, and Nursing Services shall be reviewed from time to time by a board, appointed in accordance with regulations of the Administrator, and if said board shall find him not fully qualified and satisfactory he shall be separated from the service.

(c) Promotions of physicians, dentists, and nurses shall be made only after examination given in accordance with regulations prescribed by the Administrator. Automatic promotions within grade may be made in increments of the minimum pay of the grade in accordance with regulations prescribed by the Administrator.

(d) In determining eligibility for reinstatement in Federal civil service of persons appointed to positions in the Department of Medicine and Surgery, who at the time of appointment shall have a civil-service status, and whose employment in the Department of Medicine and Surgery is terminated, the period of service performed in the Department of Medicine and Surgery shall be included in computing the period of service under applicable Civil Service rules and regulations.

Grades and pay scales

SEC. 1407. (a) The grades and per annum full-pay ranges for positions provided in paragraph (1) of section 1404 shall be as follows:

Medical service

Chief grade, $11,610 minimum to $12,685 maximum.

Senior grade, $10,320 minimum to $11,395 maximum.

Intermediate grade, $8,990 minimum to $10,065 maximum.

Full grade, $7,570 minimum to $8,645 maximum.

Associate grade, $6,390 minimum to $7,465 maximum.

Junior grade, $5,915 minimum to $6,720 maximum.

Dental service

Chief grade, $11,610 minimum to $12,685 maximum.

Senior grade, $10,320 minimum to $11,395 maximum.

Intermediate grade, $8,990 minimum to $10,065 maximum.

Full grade, $7,570 minimum to $8,645 maximum.

Associate grade, $6,390 minimum to $7,465 maximum.

Junior grade, $5,915 minimum to $6,720 maximum.

Nursing service

Assistant Director, $7,570 minimum to $8,645 maximum.

Senior grade, $6,390 minimum to $7,465 maximum.

Full grade, $5,440 minimum to $6,250 maximum.

Associate grade, $4,730 minimum to $5,590 maximum.

Junior grade, $4,025 minimum to $4,885 maximum.

Administration

(b) Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.

Specialist ratings

SEC. 1408. (a) Within the restrictions herein imposed, the Chief Medical Director may rate any physician appointed under paragraph (1) of section 1404 as a medical or surgical specialist, and, upon the recommendation of the Assistant Chief Medical Director for Dentistry, may rate any doctor of dental surgery or dental medicine, appointed under paragraph (1) of section 1404 as a dental specialist; however, no person shall at any one time hold more than one such rating.

(b) No person may be rated as a medical, surgical, or dental specialist unless he is certified as a specialist by an American specialty board, recognized by the Administrator where such boards exist; or if no such boards exist, he has been examined and found qualified by a board appointed by the Chief Medical Director from specialists of the Department of Medicine and Surgery holding ratings in the specialty to which the candidate aspires. Whenever there are insufficient specialists, rated in the proper specialty, who are readily available to constitute such a board, the Chief Medical Director may substitute consultants with comparable qualifications employed under section 1414.

(c) Any person, rated as a medical, surgical, or dental specialist under the provisions of this section shall retain such rating until it shall be withdrawn by the Chief Medical Director. The Chief Medical Director shall not withdraw any such rating until it shall have been determined by a board of specialists that the person holding such rating is no longer qualified in his specialty.

(d) Any person, rated as a medical, surgical, or dental specialist under the provisions of this section or prior corresponding provisions of law, shall receive, in addition to his basic pay, an allowance equal to 25 percent of such pay, but in no event shall the pay plus the allowance authorized by this subsection exceed $13,760 per annum.

Retirement rights

SEC. 1409. Persons appointed to the Department of Medicine and Surgery shall be subject to the provisions of and entitled to benefits under the Civil Service Retirement Act.

Disciplinary boards

SEC. 1410. (a) The Chief Medical Director, under regulations prescribed by the Administrator shall from time to time appoint boards to be known as disciplinary boards, each such board to consist of not less than 3 nor more than 5 employees, senior in grade, of the Department of Medicine and Surgery, to determine, upon notice and fair hearing, charges of inaptitude, inefficiency, or misconduct of any person employed in a position provided in paragraph (1) of section 1404. When such charges concern a dentist, the majority of employees on the disciplinary board shall be dentists.

(b) The Administrator shall appoint the chairman and secretary of the board, each of whom shall have authority to administer oaths.

(c) The Chief Medical Director may designate or appoint one or more investigators, to assist each disciplinary board in the collection and presentation of evidence. Any person answering to charges before a disciplinary board may be represented by counsel of his own choosing.

(d) A disciplinary board, when in its judgment charges are sustained, shall recommend to the Administrator suitable disciplinary action, within limitation prescribed by the Administrator, which shall include reprimand, suspension without pay, reduction in grade, and discharge from the Department of Medicine and Surgery of such person. The Administrator shall either approve the recommendation of the board, approve such recommendation with modification or exception, approve such recommendation and suspend further action at the time, or disapprove such recommendation. He shall cause to be executed such action as he approves. The decision of the Administrator shall be final.

Appointment of additional employees

SEC. 1411. There shall be appointed by the Administrator under civil-service laws, rules, and regulations, such additional employees, other than those provided in section 1403, paragraph (1) of section 1404, and those specified in section 1414, as may be necessary to carry out the provisions of this title.

Medical advisory group

SEC. 1412. The Administrator shall establish a special medical advisory group composed of members of the medical, dental, and allied scientific professions, nominated by the Chief Medical Director, whose duties shall be to advise the Administrator, through the Chief Medical Director, and the Chief Medical Director direct, relative to the care and treatment of disabled veterans, and other matters pertinent to the Department of Medicine and Surgery. The special medical advisory group shall conduct regular calendar quarterly meetings. The number, terms of service, compensation, and allowances to members of such advisory group shall be in accord with existing law and regulations.

Travel expenses of employees

SEC. 1413. (a) The Administrator may pay the expenses, except membership fees, of employees described in section 1403 and paragraph (1) of section 1404 detailed by the Chief Medical Director to attend meetings of associations for the promotion of medical and related science.

(b) (1) The Administrator may place in schools of the Army, Navy, Air Force, and Public Health Service, and in civil institutions of learning, with the consent of the authorities concerned, full-time professional, technical, and medical administrative employees of outstanding ability employed in the Department of Medicine and Surgery, other than temporary employees appointed under section 1414 (a), on duty for a period not to exceed 280 days in a year, for the purpose of increasing their professional knowledge or technical training in fields of medical education, research, and related sciences and occupations, or their proficiency in medical administrative techniques and which will materially contribute to the medical care and treatment of veterans and the more effective functioning of the Department of Medicine and Surgery; however, the number of any one class of employees placed upon such duty at any one time shall not exceed 5 percent of full-time personnel of such class employed in the Department, and no full-time employee with less than 2 years of experience in the service of the Veterans' Administration shall be placed upon such duty for a full academic year or the equivalent thereof.

(2) The Administrator is authorized, subject to available appropriations, to pay for tuition, transportation, and educational fees of personnel placed on duty under the provisions of paragraph (1) of this subsection.

(c) Any person authorized to attend a course of training shall be required to reimburse the Veterans' Administration the expenses thereof if he voluntarily leaves the service within 2 years after completion of such course.

Temporary and part-time appointments

SEC. 1414. (a) The Administrator, upon the recommendation of the Chief Medical Director, may employ, without regard to the Classification Act of 1949, physicians, dentists, and nurses, on a temporary full-time, part-time, or fee basis; and dietitians, social workers, librarians, and such other professional, clerical, technical, and unskilled personnel, in addition to personnel described in section 1403, paragraph (1) of section 1404, and section 1411, on a temporary full-time or part-time basis at such rates of pay as he may prescribe. No temporary full-time appointment shall be for a period of more than 90 days.

(b) The Administrator shall have authority to establish residencies and internships; to appoint qualified persons to such positions without regard to civil-service or classification laws, rules, or regulations; and to prescribe the conditions of such employment, including necessary training and the customary amount and terms of pay during the period of such employment and training.

Regulations

SEC. 1415. The Chief Medical Director with the approval of the Administrator, unless specifically otherwise provided, shall promulgate all regulations necessary to the administration of the Department of Medicine and Surgery and consistent with existing law, including regulations relating to travel, transportation of household goods and effects, and deductions from pay for quarters and subsistence; and to the custody, use, and preservation of the records, papers, and property of the Department of Medicine and Surgery.

TITLE XV—MINORS, INCOMPETENTS, AND OTHER WARDS

Commitment actions

SEC. 1501. The Administrator may incur necessary court costs and other expenses incident to proceedings for the commitment of mentally incompetent veterans to a Veterans' Administration hospital or domiciliary when necessary for treatment or domiciliary purposes.

Payments to and supervision of guardians

SEC. 1502. (a) Where any payment of benefits under any law administered by the Veterans' Administration is to be made to a minor, other than a person in the active military, naval, or air service, or to a person mentally incompetent, or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian, curator, or conservator by the laws of the State of residence of the claimant, or who is otherwise legally vested with the care of the claimant or his estate. Where in the opinion of the Administrator any guardian, curator, conservator, or other person is acting as fiduciary in such a number of cases as to make it impracticable to conserve properly the estates or to supervise the persons of the wards, the Administrator may refuse to make future payments in such cases as he may deem proper. Before receipt of notice by the Veterans' Administration that any such person is under such other legal disability adjudged by some court of competent jurisdiction, payment may be made to such person direct. Where no guardian, curator, or conservator of the person under a legal disability has been appointed under the laws of the State of residence of the claimant, the Administrator shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

(b) Whenever it appears that any guardian, curator, conservator, or other person, in the opinion of the Administrator, is not properly executing or has not properly executed the duties of his trust or has collected or paid, or is attempting to collect or pay, fees, commissions, or allowances that are inequitable or in excess of those allowed by law for the duties performed or expenses incurred, or has failed to make such payments as may be necessary for the benefit of the ward or the dependents of the ward, then the Administrator may appear, by his duly authorized attorney, in the court which has appointed such fiduciary, or in any court having original, concurrent, or appellate jurisdiction over said cause, and make proper presentation of such matters. The Administrator, in his discretion, may suspend payments to any such guardian, curator, conservator, or other person who shall neglect or refuse, after reasonable notice, to render an account to the Administrator from time to time showing the application of such payments for the benefit of such incompetent or minor beneficiary, or who shall neglect or refuse to administer the estate according to law. The Administrator may appear or intervene by his duly authorized attorney in any court as an interested party in any litigation instituted by himself or otherwise, directly affecting money paid to such fiduciary under this section.

(c) Authority is hereby granted for the payment of any court or other expenses incident to any investigation or court proceeding for the appointment of any guardian, curator, conservator, or other person legally vested with the care of the claimant or his estate or the removal of such fiduciary and appointment of another, and of expenses in connection with the administration of such estates by such fiduciaries, or in connection with any other court proceeding hereby authorized, when such payment is authorized by the Administrator.

(d) All or any part of any benefit the payment of which is suspended or withheld under this section may, in the discretion of the Administrator, be paid temporarily to the person having custody and control of the incompetent or minor beneficiary, to be used solely for the benefit of such beneficiary, or, in the case of an incompetent veteran, may be apportioned to the dependent or dependents, if any, of such veteran. Any part not so paid and any funds of a mentally incompetent or insane veteran not paid to the chief officer of the institution in which such veteran is an inmate nor apportioned to his dependent or dependents may be ordered held in the Treasury to the credit of such beneficiary. All funds so held shall be disbursed under the order and in the discretion of the Administrator for the benefit of such beneficiary or his dependents. Any balance remaining in such fund to the credit of any beneficiary may be paid to him if he recovers and is found competent, or, if a minor, attains majority, or otherwise to his guardian, curator, or conservator, or, in the event of his death, to his personal representative, except as otherwise provided by law; however, payment will not be made to his personal representative if, under the law of his last legal residence, his estate would escheat to the State. Any funds in the hands of a guardian, curator, conservator, or person legally vested with the care of the beneficiary or his estate, derived from benefits payable under laws administered by the Veterans' Administration, which under the law of the State wherein the beneficiary had his last legal residence would escheat to the State, shall escheat to the United States and shall be returned by such guardian, curator, conservator, or person legally vested with the care of the beneficiary or his estate, or by the personal representative of the deceased beneficiary, less legal expenses of any administration necessary to determine that an escheat is in order, to the Veterans' Administration, and shall be deposited to the credit of the applicable current appropriation.

(e) In the case of any incompetent veteral having no guardian, payment of compensation, pension, or retirement pay may be made in the discretion of the Administrator to the wife of such veteran for the use of the veteran and his dependents.

(f) Payment of death benefits to a widow for herself and child or children, if any, may be made directly to such widow, notwithstanding she may be a minor.

Hospitalized veterans and estates of incompetent institutionalized veterans

SEC. 1503. (a) (1) Where any veteran having neither wife, child, nor dependent parent is being furnished hospital treatment, institutional or domiliciary care by the Veterans' Administration any pension, compensation, or retirement pay otherwise payable shall continue without reduction until the first day of the seventh calendar month following the month of admission of such veteran for treatment or care. If treatment or care extends beyond that period, the pension, compensation, or retirement pay, if $30 per month or less, shall continue without reduction, but if greater than $30 per month, the pension, compensation, or retirement pay shall not exceed 50 percent of the amount otherwise payable or $30 per month, whichever is the greater. If such veteran is discharged from such treatment or care upon certification by the officer in charge of the hospital, institution, or home, that maximum benefits have been received or that release is approved, he shall be paid in a lump sum such additional amount as would equal the total sum by which his pension, compensation, or retirement pay has been reduced under this section. If treatment or care is terminated by the veteran against medical advice or as the result of disciplinary action the amount by which any pension, compensation, or retirement pay is reduced hereunder, shall be paid to him at the expiration of 6 months after such termination or, in the event of his prior death, as provided in paragraph (2) of this subsection; and the pension, compensation, or retirement pay of any veteran leaving against medical advice or as the result of disciplinary action shall, upon a succeeding readmission for treatment or care, be subject to reduction, as herein provided, from the date of such readmission, but if such subsequent treatment or care is continued until discharge therefrom upon certification, by the officer in charge of the hospital, institution, or home in which treatment or care was furnished, that maximum benefits have been received or that release is approved, the veteran shall be paid in a lump sum such additional amount as would equal the total sum by which his pension, compensation, or retirement pay has been reduced under this section after such readmission.

(2) (A) In the event of the death of any veteran subject to the provisions of this section, while receiving hospital treatment, institutional or domiciliary care, or before payment of any lump sum authorized herein, such lump sum shall be paid in the following order of precedence: First, to the spouse; second, if the decedent left no spouse, or if the spouse is dead at time of settlement, then to the children (without regard to their age or marital status) in equal parts; third if no spouse or child, then to the father and mother in equal parts; fourth, if either the father or mother is dead, then to the one surviving; fifth, if there is no spouse, child, father, or mother at the time of settlement, then to the brothers and sisters in equal parts. If there are no persons in the classes named to whom payment may be made under this paragraph, no payment shall be made, except there may be paid only so much of the lump sum as may be necessary to reimburse a person who bore the expenses of last sickness or burial, but no part of the lump sum shall be used to reimburse any political subdivision of the United States for expenses incurred in the last sickness or burial of such veteran.

(B) No payment shall be made under this paragraph (2) unless claim therefor is filed with the Veterans' Administration within 5 years after the death of the veteran, except that if any person so entitled under this paragraph is under legal disability at the time of death of the veteran, such 5-year period of limitation shall run from the termination or removal of the legal disability.

(b) (1) Where any veteran having neither wife, child, nor dependent parent is being furnished hospital treatment, institutional or domiciliary care by the Veterans' Administration, and is rated by the Veterans' Administration in accordance with regulations as being incompetent by reason of mental illness, the pension, compensation, or retirement pay of such veteran shall be subject to the provisions of subsection (a) of this section; however, no payment of a lump sum herein authorized shall be made until after the expiration of 6 months following a finding of competency.

(2) In any case where the estate of such incompetent veteran derived from any source (except retired pay, but including emergency officers' retirement pay) equals or exceeds $1,500, further payments of such benefits shall not be made until the estate is reduced to $500; however, the amount which would be payable but for this subsection shall be paid to the veteran as provided for the lump sum in paragraph (1) of this subsection but in the event of the veteran's death no part thereof shall be payable.

(3) All or any part of the pension, compensation, or retirement pay payable on account of any incompetent veteran who is being furnished hospital treatment, institutional or domiciliary care may, in the discretion of the Administrator, be paid to the chief officer of the institution wherein the veteran is being furnished such treatment or care, to be properly accounted for by such chief officer and to be used for the benefit of the veteran.

(c) Any veteran subject to the provisions of subsection (a) or (b) shall be deemed to be single and without dependents in the absence of satisfactory evidence to the contrary. In no event shall increased compensation, pension, or retirement pay of such veteran be granted for any period more than 1 year before receipt of satisfactory evidence showing such veteran has a wife, child, or dependent parent.

(d) Notwithstanding any other provision of this section or any other provision of law, no reduction shall be made in the pension, compensation, or retirement pay of any veteran for any part of the period during which he is furnished hospital treatment, or institutional or domiciliary care, for Hansen's disease, by the United States or any political subdivision thereof.

Administration of trust funds

SEC. 1504. All cash balances in the personal funds of patients and the funds due incompetent beneficiaries trust funds administered by the Veterans' Administration, and all moneys received which are properly for deposit into these funds, may be deposited, respectively, into special deposit accounts with the Treasurer of the United States for credit to the several disbursing officers of the Division of Disbursement, Treasury Department, and such balances and deposits shall thereupon be available for disbursement for properly authorized purposes without covering into the Treasury of the United States and withdrawal on money requisitions. When any balances have been on deposit with the Treasurer of the United States for more than 1 year and represent moneys belonging to individuals whose whereabouts are unknown, they shall be transferred and disposed of as directed in the last proviso of subsection (a) of section 20 of the Permanent Appropriation Repeal Act, 1934 (31 U. S. C., sec. 725s).

TITLE XVI—AGENTS AND ATTORNEYS

Prohibition against acting as claims agent or attorney

SEC. 1601. No individual may act as an agent or attorney in the preparation, presentation, or prosecution of any claim under laws administered by the Veterans' Administration unless he has been recognized for such purposes by the Administrator.

Recognition of representatives of organizations

SEC. 1602. (a) (1) The Administrator may recognize representatives of the American National Red Cross, the American Legion, the Disabled American Veterans, the United Spanish War Veterans, the Veterans of Foreign Wars, and such other organizations as he may approve, in the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration.

(2) The Administrator may, in his discretion, furnish, if available, space and office facilities for the use of paid full-time representatives of national organizations so recognized.

(b) No individual shall be recognized under this section—

(1) unless he has certified to the Administrator that no fee or compensation of any nature will be charged any individual for services rendered in connection with any claim; and

(2) unless, with respect to each claim, such individual has filed with the Administrator a power of attorney, executed in such manner and form as the Administrator may prescribe.

(c) Service rendered in connection with any such claim, while not on active duty, by any retired officer, warrant officer, or enlisted man of the Armed Forces recognized under this section shall not be a violation of section 281 or 283 of title 18 of the United States Code, or a violation of section 190 of the Revised Statutes of the United States (5 U. S. C., sec. 99).

Recognition with respect to particular claims

SEC. 1603. The Administrator may recognize any individual for the preparation, presentation, and prosecution of any particular claim for benefits under any of the laws administered by the Veterans' Administration if—

(1) such individual has certified to the Administrator that no fee or compensation of any nature will be charged any individual for services rendered in connection with such claim; and

(2) such individual has filed with the Administrator a power of attorney, executed in such manner and in such form as the Administrator may prescribe.

Recognition of agents and attorneys generally

SEC. 1604. (a) The Administrator may recognize any individual as an agent or attorney for the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration. The Administrator may require that individuals, before being recognized under this section, show that they are of good moral character and in good repute, are qualified to render claimants valuable service, and otherwise are competent to assist claimants in presenting claims.

(b) The Administrator, after notice and opportunity for a hearing, may suspend or exclude from further practice before the Veterans' Administration any agent or attorney recognized under this section if he finds that such agent or attorney—

(1) has engaged in any unlawful, unprofessional, or dishonest practice;

(2) has been guilty of disreputable conduct;

(3) is incompetent;

(4) has violated or refused to comply with any of the laws administered by the Veterans' Administration, or with any of the regulations or instructions governing practice before the Veterans' Administration; or

(5) has in any manner deceived, misled, or threatened any actual or prospective claimant.

(c) The Administrator shall determine and pay fees to agents or attorneys recognized under this section in allowed claims for monetary benefits under laws administered by the Veterans' Administration. Such fees—

(1) shall be determined and paid as prescribed by the Administrator;

(2) shall not exceed $10 with respect to any one claim; and

(3) shall be deducted from monetary benefits claimed and allowed.

Penalty for certain acts

SEC. 1605. Whoever (1) directly or indirectly solicits contracts for, charges, or receives, or attempts to solicit, contract for, charge, or receive, any fee or compensation except as provided in section 1604 of this title, section 19 of the World War Veterans' Act, 1924, or section 617 of the National Service Life Insurance Act of 1940, or (2) wrongfully withholds from any claimant or beneficiary any part of a benefit or claim allowed and due him, shall be fined not more than $500 or imprisoned at hard labor for not more than 2 years, or both.

TITLE XVII—ACQUISITION AND OPERATION OF HOSPITAL AND DOMICILIARY FACILITIES; PROCUREMENT AND SUPPLY

Part A—Provisions relating to hospitals and homes

Hospital and domiciliary facilities

SEC. 1701. (a) The Administrator, subject to the approval of the President, shall provide hospitals, domiciliaries, and out-patient dispensary facilities for veterans entitled under this act to hospital or domiciliary care or medical services. Such hospitals, domiciliaries, and other facilities may be provided by (1) purchase, replacement, or remodeling or extension of existing plants, or (2) construction of such facilities on sites already owned by the United States or on sites acquired by purchase, condemnation, gift, or otherwise.

(b) Hospital and domiciliaries provided by the Administrator under subsection (a) shall be of fireproof construction. Where an existing plant is purchased it shall be remodeled to be fireproof.

(c) The location of each hospital or domiciliary and its nature (whether for domiciliary care or the treatment of tuberculosis, neuropsychiatric cases, or general medical and surgical cases) shall be within the discretion of the Administrator, subject to the approval of the President.

(d) The Administrator may accept gifts or donations for any of the purposes of this section.

(e) The Administrator, subject to the approval of the President, may use as hospitals, domiciliaries, or outpatient dispensary facilities such suitable buildings, structures, and grounds owned by the United States on March 3, 1925, as may be available for such purposes, and the President may by Executive order transfer any such buildings, structures, and grounds to the control and jurisdiction of the Veterans' Administration upon the request of the Administrator.

(f) As used in this section and in sections 1702 and 1703, the term "hospitals, domiciliaries, or outpatient dispensary facilities" includes necessary buildings and auxiliary structures, mechanical equipment, approach work, roads, and trackage facilities leading thereto, sidewalks abutting hospital reservations, vehicles, livestock, furniture, equipment, accessories, accommodations for officers, nurses, and attending personnel, and proper and suitable recreational facilities.

Construction and repair of buildings

SEC. 1702. The construction of new hospitals, domiciliaries, and outpatient dispensary facilities, or the replacement, extension, alteration, remodeling, or repair of all such facilities shall be done in such manner as the President may determine. The President may require the architectural, engineering, constructing, or other forces of any of the departments of the Government to do or assist in such work, and he may employ individuals and agencies not connected with the Government, if in his opinion desirable, at such compensation as he may consider reasonable.

Use of Armed Forces facilities

SEC. 1703. The Administrator and the Secretary of the Army, the Secretary of the Air Force, and the Secretary of the Navy may enter into agreements and contracts for the mutual use or exchange of use of hospitals and domiciliary facilities, and such supplies, equipment, and material as may be needed to operate such facilities properly, or for the transfer, without reimbursement of appropriations, of facilities, supplies, equipment, or material necessary and proper for authorized care for veterans, except that at no time shall the Administrator enter into any agreement which will result in a permanent reduction of Veterans' Administration hospital and domiciliary beds below the number established or approved on June 22, 1944, plus the estimated number required to meet the load of eligibles under this act, or in any way subordinate or transfer the operation of the Veterans' Administration to any other agency of the Government.

Garages on hospital and domiciliary reservations

SEC. 1704. The Administrator may construct and maintain on reservations of Veterans' Administration hospitals and domiciliaries, garages for the accommodation of privately owned automobiles of employees at such hospitals and domiciliaries. Employees using such garages shall make such reimbursement therefor as the Administrator may deem reasonable. Money received from the use of such garages shall be covered into the Treasury of the United States as miscellaneous receipts.

Acceptance of certain property

SEC. 1705. The President may accept from any State or other political subdivision, or from any person, any building, structure, equipment, or grounds suitable for the care of the disabled, with due regard to fire or other hazards, state of repair, and all other pertinent considerations. He may designate which agency of the Federal Government shall have the control and management of any property so accepted.

Part B—Procurement and supply

Revolving supply fund

SEC. 1711. (a) The revolving supply fund established for the operation and maintenance of a supply system for the Veterans' Administration (including procurement of supplies and equipment and personal service) shall be—

(1) available without fiscal year limitations for all expenses necessary for the operation and maintenance of such supply system;

(2) reimbursed from appropriations for the cost of all services, equipment, and supplies furnished, at rates determined by the Administrator on the basis of estimated or actual direct and indirect cost; and

(3) credited with advances from appropriations for activities to which services or supplies are to be furnished, and all other receipts resulting from the operation of the fund, including the proceeds of disposal of scrap, excess or surplus personal property of the fund, and receipts from carriers and others for loss of or damage to personal property.

At the end of each fiscal year, any net income of the fund, after making provision for prior losses, shall be covered into the Treasury of the United States as miscellaneous receipts.

(b) An adequate system of accounts for the fund shall be maintained on the accrual method, and financial reports prepared on the basis of such accounts. An annual business type budget shall be prepared for operations under the fund.

(c) The Administrator is authorized to capitalize, at fair and reasonable values as determined by him, all supplies and materials and depot stocks of equipment on hand or on order.

Authority to procure and dispose of property

SEC. 1712. (a) The Administrator may lease for a term not exceeding 3 years lands or building, or parts or parcels thereof, belonging to the United States and under his control. The proceeds from such leases, less expenses for maintenance, operation, and repair of buildings leased for living quarters, shall be covered into the Treasury of the United States as miscellaneous receipts.

(b) The Administrator may, for the purpose of extending benefits to veterans and dependents, and to the extent he deems necessary, procure the necessary space for administrative, clinical, medical, and outpatient treatment purposes by lease, purchase, or construction of buildings, or by condemnation or declaration of taking, pursuant to law.

Procurement of prosthetic appliances

SEC. 1713. The Administrator may procure prosthetic appliances and necessary services required in the fitting, supplying, and training and use of prosthetic appliances by purchase, manufacture, contract, or in such other manner as he may determine to be proper, without regard to any other provision of law.

Property formerly owned by National Home for Disabled Volunteer Soldiers

SEC. 1714. If by reason of any defeasance or conditional clause or clauses contained in any deed of conveyance of property to the National Home for Disabled Volunteer Soldiers, which property is owned by the United States, the full and complete enjoyment and use of such property is threatened, the Attorney General, upon request of the President, shall institute in the United States district court for the district in which the propery is located such proceedings as may be proper to extinguish all outstanding adverse interests. The Attorney General may procure and accept on behalf of the United States by gift, purchase, cession, or otherwise absolute title to and complete jurisdiction over all such property.

Grant of easements in Government-owned lands

SEC. 1715. The Administrator, whenever he deems it advantageous to the Government and upon such terms and conditions as he deems advisable, may grant on behalf of the United States to any State, or any agency or political subdivision thereof, or to any public-service company, easements in and rights-of-way over lands belonging to the United States which are under his supervision and control. Such grant may include the use of such easements or rights-of-way by public utilities to the extent authorized and under the conditions imposed by the laws of such State relating to use of public highways. Such partial, concurrent, or exclusive jurisdiction over the areas covered by such easements or rights-of-way, as the Administrator deems necessary or desirable, is hereby ceded to the State in which the land is located. The Administrator may accept or secure on behalf of the United States from

the State in which is situated any land conveyed in exchange for any such easment or right-of-way, such jurisdiction as he may deem necessary or desirable over the land so acquired. Any such easement or right-of-way shall be terminated upon abandonment or nonuse of the same and all right, title, and interest in the land covered thereby shall thereupon revert to the United States or its assignee.

Contracts and personal services

SEC. 1716. The Administrator may, for purposes of all laws administered by the Veterans' Administration, accept uncompensated services, and enter into contracts or agreements with private or public agencies or persons, for such necessary services (including personal services) as he may deem practicable.

TITLE XVIII—ACCEPTANCE OF GIFTS AND BEQUESTS

Authority to accept gifts, devises, and bequests

SEC. 1801. The Administrator may accept devises, bequests, and gifts, made in any manner, with respect to which the testator or donor shall have indicated his intention that such property shall be for the benefit of groups of persons formerly in the active military, naval, or air service who by virtue of such service alone, or disability suffered therein or therefrom, are or shall be patients or members of any one or more hospitals or homes operated by the United States Government, or has indicated his intention that such property shall be for the benefit of any such hospital or home, or shall be paid or delivered to any official, as such, or any agency in administrative control thereof.

Legal proceedings

SEC. 1802. For the purpose of acquiring title to and possession of any property which he is by this title authorized to accept, the Administrator may initiate and appear in any appropriate legal proceedings, and take such steps therein or in connection therewith as in his discretion may be desirable and appropriate to reduce said property to possession. He may incur such expenses incident to such proceedings as he deems necessary or appropriate, which shall be paid as are other administrative expenses of the Veterans' Administration. All funds received by devise, bequest, gift, or otherwise, for the purposes contemplated in this title, including net proceeds of sales authorized by this title, shall be deposited with the Treasurer of the United States to the credit of the General Post Fund.

Restricted gifts

SEC. 1803. Disbursements from the General Post Fund shall be made on orders by and within the discretion of the Administrator and in the manner prescribed in section 1923; except that (1) if the testator or donor has directed or shall direct that his devise, bequest, or gift be devoted to a particular use authorized by this title, the same, less expenses incurred, or the net proceeds thereof, shall be used or disbursed as directed, except that a precatory direction shall be fulfilled only insofar as may be proper or practicable; and (2) if the testator or donor shall have indicated his desire that his devise, bequest, or gift shall be for the benefit of persons in hospitals or homes, or other institutions operated by the United States but under the jurisdiction of an official other than the Administrator, the same, less expenses incurred, or the net proceeds thereof which may come into possession of the Administrator shall be disbursed by transfer to the governing authorities of such institution, or otherwise, in such manner as the Administrator may determine, for the benefit of the persons in the institution indicated by the testator or donor, for proper purposes, as nearly as practicable in conformity with such desire of the testator or donor.

Disposition of property

SEC. 1804. If the Administrator receives any property other than moneys as contemplated by this title, he is authorized in his discretion to sell, assign, transfer, and convey the same, or any interest therein claimed by virtue of such devise, bequest, or gift, for such price and upon such terms as he deems advantageous (including consent to partition of realty and compromise of contested claim of title), and his assignment, deed, or other conveyance of any such property, executed in the name and on behalf of the United States, shall be valid to pass to the purchaser thereof such title to said property as the United States, beneficially or as trustee of the general post fund, may have by virtue of any such devise, bequest, or gift, and the proceedings incident thereto, subject to the conditions, limitations, and provisions of the instruments so executed by the Administrator.

Saving provision

SEC. 1805. (a) Nothing contained in this title shall be construed to repeal or modify section 4831 of the Revised Statutes of the United States, or any other statute authorizing the acceptance of devises, bequests, or gifts to the United States for their own use and benefit or for any particular purpose specified by the donors or testators.

(b) Whenever the United States receives property and it appears that it is, or shall have been, the intention of the testator or donor that such devise, bequest, or gift be for the benefit of those persons described in section 1801, or any particular hospital or other institution operated primarily for their benefit, such property or the proceeds thereof shall be credited to the general post fund, and shall be used or disbursed in accordance with the provisions of this title.

TITLE XIX—DISPOSITION OF DECEASED VETERANS' PERSONAL PROPERTY

Part A—Property left on Veterans' Administration facility

Vesting of property left by decedents

SEC. 1901. (a) Personal property left by any decedent upon premises used as a Veterans' Administration facility, which premises are subject to the exclusive legislative jurisdiction of the United States and are within the exterior boundaries of any State, Territory, Commonwealth, insular possession, or dependency of the United States, shall vest and be disposed of as provided in this part, except that—

(1) if such person died leaving a last will and testament probated under the laws of the place of his domicile or under the laws of the State, Territory, Commonwealth, insular possession, or dependency of the United States within the exterior boundaries of which such premises or a part thereof may be, the personal property of such decedent situated upon such premises shall vest in the person or persons entitled thereto under the provisions of such last will and testament; and

(2) if such person died leaving any such property not disposed of by a last will and testament probated in accord with the provisions of paragraph (1) such property shall vest in the persons entitled to take such property by inheritance under and upon the conditions provided by the law of the decedent's domicile. This paragraph shall not apply to property to which the United States is entitled except where such title is divested out of the United States.

(b) Any officer or employee of the United States in possession of any such property may deliver same to the executor (or the administrator with will annexed) who shall have qualified in either jurisdiction as provided in subsection (a) (1); or if none such then to the domiciliary administrator or to any other qualified administrator who shall demand such property. When delivery shall have been made to any such executor or administrator in accordance with this subsection, neither the United States nor any officer or employee thereof shall be liable therefor.

Disposition of unclaimed personal property

SEC. 1902. (a) Notwithstanding the provisions of section 1901, the Administrator may dispose of the personal property of such decedent left or found upon such premises as hereafter provided in this part.

(b) If any veteran (admitted as a veteran), upon his last admission to, or during his last period of maintenance in, a Veterans' Administration facility, shall have designated in writing a person (natural or corporate) to whom he desires his personal property situated upon such facility to be delivered, upon the death of such veteran the Administrator or employee of the Veterans' Administration authorized by him so to act, may transfer possession of such personal property to the person so designated. If there exists no person so designated by the veteran or if the one so designated declines to receive such property, or if he has failed to request such property within 90 days after the Veterans' Administration mails to such designate a notice of death and of the fact of such designation, a description of the property, and an estimate of transportation cost, which shall be paid by such designate if required under the regulations hereinafter mentioned, or if the Administrator declines to transfer possession to such designate, possession of such property may in the discretion of the Administrator of Veterans' Affairs, or his designated subordinate, be transferred to the following persons in the order and manner herein specified unless the parties otherwise agree as provided in this part, namely, executor or administrator, or if no notice of appointment received, to the spouse, child, grandchild, mother, father, grandmother, grandfather, brother, or sister of the veteran. In case two or more of those named above request the property, only one shall be entitled to possession thereof and in the order hereinbefore set forth, unless they otherwise agree in writing delivered to the Veterans' Administration. If claim is made by two or more such relatives having equal priorities, as hereinabove prescribed, or if there are conflicting claims the Administrator or his designee may in such case select the one to receive such possession, or may make delivery as may be agreed upon by those entitled, or may in his discretion withhold delivery from them and require the qualification of an administrator or executor of the veterans' estate and thereupon make delivery to such.

(c) If the property of any decedent is not so delivered or claimed and accepted the Administrator or his designee may dispose of such property by public or private sale in accordance with the provisions of this part and regulations prescribed by the Administrator.

(d) All sales authorized by this part shall be for cash upon delivery at the premises where sold and without warranty, express or implied. The proceeds of such sales after payment of any expenses incident thereto as may be prescribed by regulations, together with any other moneys left or found on a facility, not disposed of in accordance with this part, shall be credited to the General Post Fund, National Homes, Veterans' Administration, a trust fund provided for in section 20 (45) of the Permanent Appropriation Repeal Act, 1934 (31 U. S. C., sec. 725s). In addition to the purposes for which such fund may be used under the existing law, disbursements may be made therefrom as authorized by the Administrator by regulation or otherwise for the purpose of satisfying any legal liability incurred by any employee in administering the provisions of this part, including any expense incurred in connection therewith. Legal liability shall

not exist when delivery or sale shall have been made in accordance with this part.

(e) If, notwithstanding such sale, a claim is filed with the Administrator within 5 years after notice of sale as herein required, by or on behalf of any person or persons who if known would have been entitled to the property under section 1901 or to possession thereof under this section, the Administrator shall determine the person or persons entitled under the provisions of this part and may pay to such person or persons so entitled the proceeds of sale of such property, less expenses. Such payment shall be made out of the said trust fund, and in accord with the provisions of this section or section 1901. Persons under legal disability to sue in their own name may make claim for the proceeds of sale of such property at any time within 5 years after termination of such legal disability.

(f) Any such property, the sale of which is authorized under this part and which remains unsold, may be used, destroyed, or otherwise disposed of in accordance with regulations promulgated by the Administrator.

Notice of provisions of this part

SEC. 1903. All persons having or bringing personal property on the premises of a Veterans' Administration facility shall be given reasonable notice of the provisions of this part. In case of a mentally incompetent person, notice hereof shall be given the guardian or other person having custody or control of such person or, if none, to his nearest relative if known. The admission to or continued maintenance in such facility after reasonable notice of the provisions of this part shall constitute consent to the provisions hereof. The death of any person on any such facility or the leaving of property thereon shall be prima facie evidence of a valid agreement for the disposition of such property in accordance with the provisions of this part.

Disposition of other unclaimed property

SEC. 1904. Any other unclaimed property found on the premises under the control of the Veterans' Administration shall be stored by the officer in charge of such premises and may be sold, used, destroyed, or otherwise disposed of in accordance with regulations promulgated by the Administrator if the owner thereof fails to claim same within 90 days. If undisposed of, the same may be reclaimed by the owner, his personal representative or next of kin, upon payment of reasonable storage charges prescribed by regulations. If sold, the net proceeds thereof shall be credited to said post fund to be expended as other assets of such funds. The person who was entitled to such property, or his legal representative, or assignee shall be paid the proceeds of sale thereof, less expenses if claim therefor be made within 5 years from the date of finding. If the owner shall have died intestate without creditors or next of kin surviving, such proceeds shall not be paid to his legal representative.

Sale or other disposition of property

SEC. 1905. Any unclaimed personal property as described in section 1902 of veterans who have heretofore died or who may hereafter die while maintained as such in a Veterans' Administration facility, and also any unclaimed property heretofore or hereafter found or situated in such facility, may be sold, used, destroyed, or otherwise disposed of in accordance with this part, and subject to regulations promulgated by the Administrator pursuant hereto; and the net proceeds of sale thereof shall be credited and be subject to disbursement as provided in this part.

Notice of sale

SEC. 1906. At least 90 days before any sale pursuant to this part, written or printed notice thereof describing the property to be sold shall be mailed to the owner of the property or, if deceased, to his executor or administrator, or to the nearest kin, if any such appear by the records of the Veterans' Administration. If none such appears from said records, similar notice shall be posted at the facility where the death occurred or property shall have been found (if in existence) and at the place where such property is situated at the time of such notice, and also at the place where probate notices are posted in the county wherein the sale is to be had. The person posting such notice shall make an affidavit setting forth the time and place of such posting and attaching thereto a copy of such notice, and such affidavit shall be prima facie evidence of such posting and admissible in evidence as proof of the same.

Payment of small shipping charges

SEC. 1907. Upon receipt of a proper claim for such property under the provisions of this part the Administrator is hereby authorized, in his discretion and in accordance with regulations by him promulgated, to pay mailing or shipping charges not to exceed $10 in the case of each deceased veteran as hereinabove defined.

Relinquishment of Federal jurisdiction

SEC. 1908. Subject to the provisions of this part and to the extent necessary to effectuate the purposes of this part, there is hereby relinquished to the respective State, Territory, Commonwealth, insular possession, or dependency of the United States such jurisdiction pertaining to the administration of estates of decedents as may have been ceded to the United States by said State, Territory, Commonwealth, insular possession, or dependency of the United States respecting the Federal reservation on which is situated any Veterans' Administration facility while such facility is operated by the Veterans' Administration; such jurisdiction with respect to any such property on any such reservation to be to the same extent as if such premises had not been ceded to the United States. Nothing in this section shall be construed to deprive any said State, Territory, Commonwealth, insular possession, or dependency of the United States of any jurisdiction which it now has nor to give any State, Territory, Commonwealth, insular possession, or dependency of the United States authority over any Federal official as such on such premises or otherwise.

Definitions

SEC. 1909. The term "facility" or "Veterans' Administration facility" as used in this part means those facilities over which the Veterans' Administration has direct and exclusive administrative jurisdiction, including hospitals or other facilities on property owned or leased by the United States while operated by the Veterans' Administration.

Finality of decisions

SEC. 1910. Decisions by the Administrator under this part shall not be reviewable administratively by any other officer of the United States.

Part B—Death while inmate of Veterans' Administration facility

Vesting of property left by decedents

SEC. 1920. (a) Whenever any veteran (admitted as a veteran) shall die while a member or patient in any facility, or any hospital while being furnished care or treatment therein by the Veterans' Administration, and shall not leave surviving him any spouse, next of kin, or heirs entitled, under the laws of his domicile, to his personal property as to which he dies intestate, all such property, including money and choses in action, owned by him at the time of death and not disposed of by will or otherwise, shall immediately vest in and become the property of the United States as trustee for the sole use and benefit of the General Post Fund (hereafter in this part referred to as the "Fund"), a trust fund prescribed by section 20 (45) of the Permanent Appropriation Repeal Act, 1934 (31 U. S. C., sec. 725s (45)).

(b) The provisions of subsection (a) are conditions precedent to the initial, and also to the further furnishing of care or treatment by the Veterans' Administration in a facility or hospital. The acceptance and the continued acceptance of care or treatment by any veteran (admitted as a veteran to a Veterans' Administration facility or hospital) shall constitute an acceptance of the provisions and conditions of this part and have the effect of an assignment, effective at his death, of such assets in accordance with and subject to the provisions of this part and regulations issued in accordance with this part and former provisions of law on this subject.

Presumption of contract for disposition of personalty

SEC. 1921. The fact of death of a veteran (admitted as such) in a facility or hospital, while being furnished care or treatment therein by the Veterans' Administration, leaving no spouse, next of kin, or heirs, shall give rise to a conclusive presumption of a valid contract for the disposition in accordance with this part, but subject to its conditions, of all property described in section 1920 owned by said decedent at death and as to which he dies intestate.

Sale of assets accruing to the fund

SEC. 1922. Any assets heretofore or hereafter accruing to the benefit of the fund, other than money, but including jewelry and other personal effects, may be sold at the times and places and in the manner prescribed by regulations issued by the Administrator. Upon receipt of the purchase price he is authorized to deliver at the place of sale, said property sold, and upon request to execute and deliver appropriate assignments or other conveyances thereof in the name of the United States, which shall pass to the purchaser such title as decedent had at date of death. The net proceeds after paying any proper sales expenses as determined by the Administrator shall forthwith be paid to the Treasurer of the United States to the credit of the fund; and may be disbursed as are other moneys in the fund by the Division of Disbursements, Treasury Department, upon order of said Administrator. Articles of personal adornment which are obviously of sentimental value shall be retained and not sold or otherwise disposed of until the expiration of 5 years from the date of death of the veteran, without a claim therefor, unless for sanitary or other proper reasons it is deemed unsafe to retain same, in which event they may be destroyed forthwith. Any other articles coming into possession of the Administrator or his representatives by virtue of this part which, under regulations promulgated by the Administrator, are determined to be unsalable may be destroyed forthwith or at the time prescribed by regulations, or may be used for the purposes for which disbursements might properly be made from the fund or, if not usable, otherwise disposed of in accordance with regulations.

Disbursements from the fund

SEC. 1923. Disbursements from the fund shall be made by the Division of Disbursements, Treasury Department, upon the order and within the discretion of the Administrator for the benefit of members and patients while being supplied care or treatment by the Veterans' Administration in any facility or hospital. The authority contained in the preceding sentence is not limited to facilities or hospitals under direct administrative control of the Veterans' Administration. There shall be paid out of the assets of the decedent so far as may be the valid claims of creditors against his estate that would be legally payable therefrom in the absence

of this part and without the benefit of any exemption statute, and which may be presented to the Veterans' Administration within 1 year from the date of death, or within the time, to the person, and in the manner required or permitted by the law of the State wherein administration, if any, is had upon the estate of the deceased veteran; and also the proper expenses and costs of administration, if any. If the decedent's estate is insolvent the distribution to creditors shall be in accordance with the laws of his domicile, and the preferences and priorities prescribed thereby shall govern, subject to any applicable law of the United States.

Disposal of remaining assets

SEC. 1924. The remainder of such assets or their proceeds shall become assets of the United States as trustee for the fund and disposed of in accordance with this part. If there is administration upon the decedent's estate such assets, other than money, upon claim therefor within the time required by law, shall be delivered by the administrator of the estate to the Administrator or his authorized representative, as upon final distribution; and upon the same claim there shall be paid to the Treasurer of the United States for credit to the fund any such money, available for final distribution. In the absence of administration, any money, chose in action, or other property of the deceased veteran held by any person shall be paid or transferred to the Administrator upon demand by him or his duly authorized representative, who shall deliver itemized receipt therefor. Such payment or transfer shall constitute a complete acquittance of the transferor with respect to any claims by any administrator, creditor, or next of kin of such decedent.

Court actions

SEC. 1925. If necessary to obtain such assets the Administrator, through his authorized attorneys, may bring and prosecute appropriate actions at law or other legal proceedings, the costs and expenses thereof to be paid as are other administrative expenses of the Veterans' Administration.

Filing of claims for assets

SEC. 1926. Notwithstanding the crediting to said fund of the assets, or proceeds thereof, of any decedent, whether upon determination by a court or the Veterans' Administration pursuant to the provisions of section 1920, any person claiming a right to such assets may within 5 years after the death of the decedent file a claim on behalf of himself and any others claiming with the Administrator. Upon receipt of due proof that any person was at date of death of the veteran entitled to his personal property, or a part thereof, under the laws of the State of domicile of the decedent, the Administrator may pay out of the fund, but not to exceed the net amount credited thereto from said decedent's estate less any necessary expenses, the amount to which such person, or persons, was or were so entitled, and upon similar claim any assets of the decedent which shall not have been disposed of shall be delivered in kind to the parties legally entitled thereto. If any person so entitled is under legal disability at the date of death of such decedent, such 5-year period of limitation shall run from the termination or removal of legal disability. In the event of doubt as to entitlement, the Administrator may cause administration or other appropriate proceedings to be instituted in any court having jurisdiction. In determining questions of fact or law involved in the adjudication of claims made under this section, no judgment, decree, or order entered in any action at law, suit in equity, or other legal proceeding of any character purporting to determine entitlement to said assets or any part thereof, shall be binding upon the United States or the Administrator or determinative of any fact or question involving entitlement to any such property or the proceeds thereof, or any part of the fund, unless the Administrator has been reasonably served with notice and permitted to become a party to such suit or proceeding if he makes a request therefor within 30 days after such notice. Notice may be served in person or by registered mail upon the Administrator, or upon his authorized attorney in the State wherein the action or proceedings may be pending. Notice may be waived by the Administrator or by his authorized attorney, in which event the finding, judgment, or decree shall have the same effect as if the Administrator were a party and served with notice. Any necessary court costs or expenses if authorized by the Administrator may be paid as are other administrative expenses of the Veterans' Administration.

Notice of provisions of part

SEC. 1927. The Administrator shall prescribe a form of application for hospital treatment and domiciliary care which shall include notice of the provisions of this part.

Investment of the fund

SEC. 1928. Money in the fund not required for current disbursements may be invested and reinvested by the Secretary of the Treasury in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

TITLE XX—VETERANS' CANTEEN SERVICE

Purpose of Veterans' Canteen Service

SEC. 2001. The Veterans' Canteen Service (hereafter in this title referred to as the "Service") in the Veterans' Administration is an instrumentality of the United States, created for the primary purpose of making available to veterans of the Armed Forces who are hospitalized or domiciled in hospitals and homes of the Veterans' Administration, at reasonable prices, articles of merchandise and services essential to their comfort and well-being.

Duties of Administrator with respect to service

SEC. 2002. The Administrator shall—

(1) establish, maintain, and operate canteens where deemed necessary and practicable at hospitals and homes of the Veterans' Administration and at other Veterans' Administration establishments where similar essential facilities are not reasonably available from outside commercial sources;

(2) establish, maintain, and operate such warehouses and storage depots as may be necessary in operating the canteens;

(3) furnish the Service, without charge, rental, or reimbursement, for its use in connection with the establishment, maintenance, and operation thereof, such space, buildings, and structures under control of the Veterans' Administration as he may consider necessary, including normal maintenance and repair service thereon;

(4) transfer to the Service without charge, rental, or reimbursement such necessary equipment as may not be needed for other purposes, and furnish the Service such services and utilities, including light, water, and heat, as may be available and necessary for its use. Reasonable charges, to be determined by the Administrator, shall be paid annually by the Service for the utilities so furnished;

(5) employ such persons as are necessary for the establishment, maintenance, and operation of the Service, and to pay the salaries, wages, and expenses of all such employees from the funds of the Service. Personnel necessary for the transaction of the business of the Service canteens, warehouses, and storage depots shall be appointed, compensated from funds of the Service, and removed by the Administrator without regard to civil-service laws and the Classification Act of 1949. Such employees shall be subject to the Veterans' Preference Act of 1944, the Civil Service Retirement Act, and laws administered by the Bureau of Employees Compensation applicable to civilian employees of the United States;

(6) make all necessary contracts or agreements to purchase or sell merchandise, fixtures, equipment, supplies, and services, without regard to section 3709 of the Revised Statutes of the United States (41 U. S. C., sec. 5), and to do all things necessary to carry out such contracts or agreements, including the making of necessary adjustments and compromising of claims in connection therewith;

(7) fix the prices of merchandise and services in canteens so as to carry out the purposes of this title;

(8) accept gifts and donations of merchandise, fixtures, equipment, and supplies for the use and benefit of the Service;

(9) make such rules and regulations, not inconsistent with the provisions of this title, as he considers necessary or appropriate to effectuate its purposes;

(10) delegate such duties and powers to employees as he considers necessary or appropriate, whose official acts performed within the scope of the delegated authority shall have the same force and effect as though performed by the Administrator;

(11) authorize the use of funds of the Service when available, subject to such regulations as he may deem appropriate, and without regard to the provisions of sections 3639 and 3651, Revised Statutes of the United States (31 U. S. C., secs. 521, 543), for the purpose of cashing checks, money orders, and similar instruments in nominal amounts for the payment of money presented by veterans hospitalized or domiciled at hospitals and homes of the Veterans' Administration, and by other persons authorized by section 2003 to make purchases at canteens. Such checks, money orders, and other similar instruments may be cashed outright or may be accepted, subject to strict administrative controls in payment for merchandise or services, and the difference between the amount of the purchase and the amount of the tendered instrument refunded in cash.

Operation of Service

SEC. 2003. (a) The canteens at hospitals and homes of the Veterans' Administration shall be primarily for the use and benefit of veterans hospitalized or domiciled at such hospitals and homes. Service at such canteens may also be furnished to personnel of the Veterans' Administration and recognized veterans' organizations employed at such hospitals and homes and to other persons so employed, to the families of all the foregoing persons who reside at the hospital or home concerned, and to relatives and other persons while visiting any of the persons named in this subsection; however, service to any person not hospitalized, domiciled, or residing at the hospital or home shall be limited to the sale of merchandise or services for consumption or use on the premises.

(b) Service at canteens other than those established at hospitals and homes shall be limited to sales of merchandise and services for consumption or use on the premises, to personnel employed at such establishments, their visitors, and other persons at such establishments on official business.

Financing of Service

SEC. 2004. To finance the establishment, maintenance, and operation of the Service there is hereby authorized to be appropriated, from time to time, such amounts as are necessary to provide for (1) the acquisition of necessary furniture, furnishings, fixtures, and equipment for the establishment, maintenance, and operation of canteens, warehouses, and storage depots; (2) stocks of merchandise and supplies for canteens and reserve stocks of same in warehouses and

storage depots; (3) salaries, wages, and expenses of all employees; (4) administrative and operation expenses and premiums on fidelity bonds of employees; and (5) adequate working capital for each canteen and for the Service as a whole. Amounts appropriated under the authority contained in this title, amounts heretofore appropriated under Public Law 636, 79th Congress, and all income from canteen operations become and will be administered as a revolving fund to effectuate the provisions of this title.

Revolving fund

SEC. 2005. The revolving fund shall be deposited in a checking account with the Treasury of the United States. Such amounts thereof as the Administrator may determine to be necessary to establish and maintain operating accounts for the various canteens may be deposited in checking accounts in other depositories selected by the Administrator.

Budget of Service

SEC. 2006. The Service shall prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act which shall contain an estimate of the needs of the Service for the ensuing fiscal year including an estimate of the amount required to restore any impairment of the revolving fund resulting from operations of the current fiscal year. Any balance in the revolving fund at the close of the fiscal year in excess of the estimated requirements for the ensuing fiscal year shall be covered into the Treasury as miscellaneous receipts.

Audit of accounts

SEC. 2007. The Service shall maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act. No other audit shall be required.

Service to be independent unit

SEC. 2008. It is the purpose of this title that, under control and supervision of the Administrator, the Service shall function as an independent unit in the Veterans' Administration and shall have exclusive control over all its activities including sales, procurement and supply, finance, including disbursements, and personnel management, except as otherwise herein provided.

TITLE XXI—MISCELLANEOUS

Travel expenses

SEC. 2101. (a) Under regulations prescribed by the President, the Administrator may pay the actual necessary expense of travel (including lodging and subsistence), or in lieu thereof an allowance based upon mileage traveled, of any person to or from a Veterans' Administration facility or other place in connection with vocational rehabilitation, or for the purpose of examination, treatment, or care.

(b) Mileage may be paid under this section in connection with vocational rehabilitation, or upon termination of examination, treatment, or care, before the completion of travel.

(c) When any person entitled to mileage under this section requires an attendant (other than an employee of the Veterans' Administration) in order to perform such travel, the attendant may be allowed expenses of travel upon the same basis as such person.

(d) The Administrator may provide for the purchase of printed reduced-fare requests for use by veterans and their authorized attendants when traveling at their own expense to or from any Veterans' Administration facility.

Seven-year absence presumption of death

SEC. 2102. (a) No State law providing for presumption of death shall be applicable to claims for benefits under laws administered by the Veterans' Administration.

(b) If evidence satisfactory to the Administrator is submitted establishing the continued and unexplained absence of any individual from his home and family for 7 or more years, and establishing that after diligent search no evidence of his existence after the date of disappearance has been found or received, the death of such individual as of the date of the expiration of such period shall be considered as sufficiently proved.

(c) Except in a suit brought pursuant to section 19 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 445) of section 617 of the National Service Life Insurance Act of 1940 (38 U. S. C., sec. 817), the finding of death made by the Administrator shall be final and conclusive.

Certification of records of District of Columbia

SEC. 2103. When a copy of any public record of the District of Columbia is required by the Veterans' Administration to be used in determining the eligibility of any person for benefits under laws administered by the Veterans' Administration, the official custodian of such public record shall without charge provide the applicant for such benefits of any person (including any veterans' organization) acting on his behalf or the authorized representative of the Veterans' Administration with a certified copy of such record.

Certain service deemed to be active service

SEC. 2104. (a) Service as a cadet at the United States Military Academy or United States Coast Guard Acadamy, or as a midshipman at the United States Naval Academy, after December 6, 1941, and before January 1, 1947, shall be considered active military or naval service for the purposes of all laws administered by the Veterans' Administration.

(b) (1) Service as a member of the Women's Army Auxiliary Corps for 90 days or more by any woman who before October 1, 1943, was honorably discharged for service-connected disability which rendered her physically unfit to perform further service in the Women's Army Auxiliary Corps or the Women's Army Corps shall be considered active military service for the purposes of all laws administered by the Veterans' Administration.

(2) Any person entitled to compensation or pension by reason of this subsection and to compensation based upon the same service under the Federal Employees' Compensation Act must elect which benefit she will receive.

Certain service deemed not to be active service

SEC. 2105. (a) Service before July 1, 1946, in the organized military forces of the Government of the Commonwealth of the Philippines, while such forces were in the service of the Armed Forces pursuant to the military order of the President dated July 26, 1941, shall not be deemed to have been active military, naval, or air service for the purposes of any law of the United States conferring rights, privileges, or benefits upon any person by reason of the service of such person or the service of any other person in the military, naval, or air service of the United States, except benefits under—

(1) the National Service Life Insurance Act of 1940, with respect to contracts of insurance entered into before February 18, 1946;

(2) the Missing Persons Act; and

(3) titles III and VIII of this act and title II of the Servicemen's and Veterans' Survivor Benefits Act.

Payments under such titles III, VIII, and II, shall be made at the rate of one peso for each dollar otherwise authorized, and where annual income is a factor in entitlement to benefits, the dollar limitations in the law specifying such annual income shall apply at the rate of one Philippine peso for each dollar. Any payments made before February 18, 1946, to any such member under such laws conferring rights, benefits, or privileges, shall not be deemed to have been invalid by reason of the circumstance that his service was not service in the military or naval forces of the United States or any component thereof within the meaning of any such law.

(b) Service in the Philippine Scouts under section 14 of the Armed Forces Voluntary Recruitment Act of 1945 shall not be deemed to be active military, naval, or air service for the purposes of any of the laws administered by the Veterans' Administration except—

(1) the National Service Life Insurance Act of 1940, with respect to contracts of insurance entered into (A) before May 27, 1946, or (B) under section 620 or 621 thereof;

(2) the Servicemen's Indemnity Act of 1951; and

(3) title III of this act and title II of the Servicemen's and Veterans' Survivor Benefits Act.

Payments under such titles III and II shall be made at the rate of 1 peso for each dollar otherwise authorized, and where annual income is a factor in entitlement to benefits, the dollar limitations in the law specifying such annual income shall apply at the rate of 1 Philippine peso for each dollar.

Payment of certain withheld benefits

SEC. 2106. (a) Any person who, but for section 5 of Public Law 144, 78th Congress, or section 1008 of this act, was entitled to benefits under any of the laws administered by the Veterans' Administration, whose award of benefits was terminated under such section, or whose benefits were not paid pursuant to Public Law 828, 76th Congress, and who was not guilty of mutiny, treason, sabotage, or rendering assistance to an enemy of the United States or its allies, shall be paid the full amount of any benefits not paid because of such section 5 or 1008, or withheld (including the amount of any checks covered on his account into the Treasury as miscellaneous receipts together with any amount to his credit in the special-deposit account) pursuant to such Public Law 828. The Administrator shall certify to the Secretary of the Treasury the amounts of payments which, but for this section, would have been made from the special deposit account, and the Secretary of the Treasury, as directed by the Administrator, shall reimburse the appropriations of the Veterans' Administration from such special deposit account, or cover into the Treasury as miscellaneous receipts the amounts so certified.

(b) No payment shall be made for any period before the date claim therefor is filed under this section to any person whose award was terminated, or whose benefits were not paid, because he was a citizen or subject of Germany or Japan residing in Germany or Japan.

Benefits for discharged members of allied forces

SEC. 2107. (a) In consideration of reciprocal services extended to the United States, the Administrator, upon request of the proper officials of the government of any nation allied or associated with the United States in World War I (except any nation which was an enemy of the United States during World War II), or in World War II, may furnish to discharged members of the military, naval, or air forces of such government, under agreements requiring reimbursement in cash of expenses so incurred, at such rates and under such regulations as the Administrator may prescribe, medical,

surgical, and dental treatment, hospital care, transportation and traveling expenses, prosthetic appliances, education, training, or similar benefits authorized by the laws of such nation for its veterans, and services required in extending such benefits. Hospitalization in a Veterans' Administration facility shall not be afforded under this section, except in emergencies, unless there are available beds surplus to the needs of veterans of this country. The Administrator may also pay the court costs and other expenses incident to the proceedings taken for the commitment of such discharged members who are mentally incompetent to institutions for the care or treatment of the insane.

(b) The Administrator, in carrying out the provisions of this section, may contract for necessary services in public or private hospitals.

(c) All amounts received by the Veterans' Administration as reimbursement for such services shall be credited to the current appropriation of the Veterans' Administration from which expenditures were made under this section.

Preservation of certain disability ratings

SEC. 2108. A rating of total disability or permanent total disability which has been made for compensation, pension, or insurance purposes under laws administered by the Veterans' Administration, and which has been continuously in force for 20 or more years shall not be reduced thereafter, except upon a showing that such rating was based on fraud.

TITLE XXII—AMENDMENTS AND REPEALS

Amendments

SEC. 2201. The following provisions of law are amended as follows:

(1) Section 441 of the Revised Statutes of the United States (5 U. S. C., sec. 485), is amended by striking out "Pensions and bounty-lands" and inserting "Bounty-lands."

(2) Clause (2) of subsection (b) of section 3 of the Civil Service Retirement Act is amended by striking out "during an enlistment or employment as provided in Veterans Regulation No. 1 (a), part I, paragraph I" and inserting in lieu thereof "during a period of war (as that term is used in title III of the Veterans' Benefits Act of 1957."

(3) Section 3 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 424), is amended by striking out "Titles II, III, and IC of."

(4) Section 19 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 445), is amended by adding at the end thereof the following new paragraph:

"Whenever a judgment or decree shall be rendered in an action brought pursuant to this section or section 617 of the National Service Life Insurance Act of 1940 (38 U. S. C., sec. 817), the court, as a part of its judgment or decree, shall determine and allow reasonable fees for the attorneys of the successful party or parties and apportion same if proper, said fees not to exceed 10 percent of the amount recovered and to be paid by the Veterans' Administration out of the payments to be made under the judgment or decree at a rate not exceeding one-tenth of each of such payments until paid; except that in a suit brought by or on behalf of an insured during his lifetime, for waiver of premiums on account of total disability, the court, as part of its judgment or decree, shall determine and allow a reasonable fee to be paid by the insured to his attorney."

(5) Section 23 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 447), is amended (A) by striking out all beginning with "The" through "no compensation or insurance" and inserting "No insurance", and (B) by striking out ": *Provided further*, That the discharge of a person for having concealed the fact that he was a minor at the time of his enlistment shall not bar him from the benefits of this act if his service was otherwise honorable."

(6) Section 24 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 448), is amended by striking out "he or those entitled thereto shall receive the benefits of compensation payable under title II; and."

(7) Section 25 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 452), is amended by striking out "titles II and" and inserting "title."

(8) Section 26 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 451), is amended by striking out "of compensation, yearly renewable term insurance, or accrued maintenance and support allowance which has become payable under the provisions of titles II, III, or IV hereof" and inserting "of yearly renewable term insurance which has become payable under the provisions of this act."

(9) Section 27 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 452) is amended by striking out "compensation and."

(10) Section 28 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 453) is amended by inserting immediately after "recovery of payments" the following: "of insurance under this act."

(11) Subsection (b) of section 212 of the act of June 30, 1932 (47 Stat. 406; 5 U. S. C., sec. 59a) is amended by striking out "an enlistment or employment as provided in Veterans Regulation No. 1 (a), part I, paragraph I" and inserting in lieu thereof "a period of war (as that term is used in title III of the Veterans' Benefits Act of 1957)."

(12) Part VIII of Veterans Regulation No. 1 (a) is amended (1) by striking out "honorably discharged therefrom" in paragraph 1. thereof and inserting "discharged or released therefrom under conditions other than dishonorable"; (2) by striking out "section 1503 of the Servicemen's Readjustment Act of 1944 (38 U. S. C. 697c)" in subparagraph (b) of such paragraph and inserting "this paragraph"; (3) by striking out "207 of the Legislative Reorganization Act of 1946, as amended (5 U. S. C. 191a)" and inserting "1552 of title 10 of the United States Code" and (4) by adding at the end of such part the following:

"10. If a veteran is not living with his wife, or if any of his children are not in his custody, any subsistence allowance payable to the veteran under this part or part VIII may be apportioned as may be prescribed by the Administrator.

"11. Terms used in this part and part VIII shall have the meanings assigned to them by section 101 of the Veterans' Benefits Act of 1957. Effective dates relating to awards under this part and part VIII shall correspond to the effective dates relating to awards of disability compensation under title IX of such act."

(13) Section 616 of the National Service Life Insurance Act of 1940 (38 U. S. C., sec. 816) is amended by striking out "The" and all that follows down through "That assignments" and inserting in lieu thereof "Assignments."

(14) Section 617 of the National Service Life Insurance Act of 1940 (38 U. S. C., sec. 817) is amended by striking out "sections 19 and 500" and inserting "section 19."

(15) The first proviso in section 301 of the Servicemen's Readjustment Act of 1944 (38 U. S. C., sec. 693h) is amended by striking out "section 200 of the act of June 29, 1936 (Public Law No. 844, 74th Cong.)" and inserting "title XVI of the Veterans' Benefits Act of 1957."

(16) Section 1503 of the Servicemen's Readjustment Act of 1944 (38 U. S. C., sec. 697c) is amended by striking out "or Public Law No. 2, 73d Congress as amended."

(17) Section 608 of the Federal Employees' Pay Act of 1945 (5 U. S. C., sec. 948) is amended by striking out "paragraph II (a) of part III of Veterans Regulation No. 1 (a), as amended" and inserting "section 422 of the Veterans' Benefits Act of 1957."

(18) The paragraph beginning "Finance Service, Army" under title II of the act of May 27, 1946 (60 Stat. 223) is amended by striking out the semicolon at the end of paragraph (4) and inserting a period, and by striking out paragraphs (5) and (6) and the provisos immediately following such paragraph (6).

(19) Section 8 of the act of August 4, 1947 (61 Stat. 728; 5 U. S. C., sec. 1057), is amended by striking out "the act of January 3, 1946 (Public Law 293, 79th Cong.)" and inserting in lieu thereof "title XIV of the Veterans' Benefits Act of 1957."

(20) Paragraph (3) of section 202 of the Classification Act of 1949 (63 Stat. 955; 5 U. S. C., sec. 1082) is amended by striking out "Public Law 293, 79th Congress, approved January 3, 1946" and inserting "title XIV of the Veterans' Benefits Act of 1957."

(21) Paragraph 3 of subsection (b) of section 2 of the Performance Rating Act of 1950 (64 Stat. 1098; 5 U. S. C., sec. 2001) is amended by striking out "Public Law 293, 79th Congress, approved January 3, 1946" and inserting in lieu thereof "title XIV of the Veterans' Benefits Act of 1957."

(22) The act of December 28, 1950 (64 Stat. 1121; 38 U. S. C., sec. 701a), is amended (1) by striking out "part I, Veterans Regulation No. 1 (a), as amended" and inserting in lieu thereof "part B of title III of the Veterans' Benefits Act of 1957"; (2) by striking out "section 1503 of the Servicemen's Readjustment Act of 1944 (38 U. S. C. 697c)" and inserting "paragraph 1 of part VII of Veterans Regulation No. 1 (a)"; and (3) by striking out "207 of the Legislative Reorganization Act of 1946, as amended (5 U. S. C. 191a)" and inserting in lieu thereof "1552 of title 10 of the United States Code."

(23) Paragraph (5) of section 201 of the Veterans' Readjustment Assistance Act of 1952 (38 U. S. C., sec. 911) is amended by striking out "paragraph VI of Veterans Regulation No. 10, as amended" and "paragraph VII of Veterans Regulation No. 10, as amended" and inserting in lieu of each "section 101 of the Veterans' Benefits Act of 1957."

(24) Subsection (a) of section 261 of the Veterans' Readjustment Assistance Act of 1952 (38 U. S. C., sec. 971) is amended by striking out all beginning with "The Administrator" through "payments" and inserting "Payments."

(25) Paragraph (18) of section 121 (a) of the Internal Revenue Code of 1954 is amended to read as follows:

"(18) Benefits under laws administered by the Veterans' Administration, see section 1001 of the Veterans' Benefits Act of 1957."

(26) Paragraph (8) of section 102 of the War Orphans' Educational Assistance Act of 1956 (38 U. S. C., sec. 1032) is amended by striking out "section 21 of the World War Veterans Act, 1924, as amended (38 U. S. C., sec. 450)," and inserting in lieu thereof "section 1502 of the Veterans' Benefits Act of 1957."

(27) Subsection (a) of section 501 of the War Orphans' Educational Assistance Act of 1956 (38 U. S. C., sec. 1033), is amended by striking out all beginning with "The Administrator" through "payments" and inserting "Payments."

(28) Subsection (a) of section 502 of the War Orphans' Educational Assistance Act of 1956 (38 U. S. C., sec. 1034), is amended by inserting immediately after "compensation" each time it occurs the following: ", dependency and indemnity compensation."

(29) Paragraph (7) of section 102 of the Servicemen's and Veterans' Survivor Benefits Act (38 U. S. C., sec. 1101) is amended to read as follows:

"(7) Except for purposes of title IV, the terms 'child' and 'parent' have the meanings assigned to them by section 101 of the Veterans' Benefits Act of 1957."

(30) (A) Subsection (a) of section 209 of the Servicemen's and Veterans' Survivor

Benefits Act (38 U. S. C., sec. 1119) is amended by striking out the second and third sentences.

(B) Such section is further amended by striking out subsections (b) and (f).

(31) (A) Chapter 61 of title 10 of the United States Code is amended by inserting at the end thereof the following:

"§ 1218. Explanation of rights before discharge

"(a) No person may be discharged or released from active duty in the Armed Forces until his certificate of discharge or release from active duty and his final pay (or a substantial portion of his final pay) are ready for delivery to him or to his next of kin or legal representative.

"(b) No person may be discharged or released from active duty in the Armed Forces on account of disability until he has executed (or refused to execute) a claim for compensation, pension, or hospitalization, to be filed with the Veterans' Administration, or has signed (or refused to sign) a statement that he has had explained to him his right to file such claim. Refusal or failure to file such a claim shall not prejudice any right such person may thereafter assert.

"(c) This section does not preclude the immediate transfer of any person to a Veterans' Administration facility for necessary hospital care.

"§ 1219. Statement against interest void

"No person in the Armed Forces may be required to sign a statement of any nature relating to the origin, incurrence, or aggravation of any disease or injury he may have. Any such statement against his own interest, whenever signed, is of no force and effect.

"§ 1220. Location of accredited representatives at military installations

"(a) Upon certification to the Secretary concerned by the Administrator of Veterans' Affairs of paid full-time accredited representatives of organizations specified in section 1602 of the Veterans' Benefits Act of 1957 and other national organizations recognized by the Administrator under laws administered by the Veterans' Administration, the Secretary concerned shall permit the functioning, in accordance with regulations prescribed to carry out the purposes of this section, of such accredited representatives in military installations on shore from which persons are discharged or released from active duty.

"(b) Regulations necessary to carry out the purposes of this section in effect on January 1, 1958, shall remain in effect until changed by the Secretary concerned, acting jointly with the Administrator.

"(c) The commanding officer of each military installation shall cooperate fully with representatives authorized under this section in providing available space and equipment for such representatives.

"(d) Nothing in this section affects measures of military security."

(B) The analysis of such chapter 61 is amended by inserting immediately below

"1217. Cadets, midshipmen, and aviation cadets: chapter does not apply to."

the following:

"1218. Explanation of rights before discharge.
"1219. Statement against interest void.
"1220. Location of accredited representatives at military reservations."

(C) Chapter 561 of title 10 of the United States Code is amended by adding at the end thereof the following:

"§ 6159. Half rating to disabled naval enlisted personnel serving 20 years

"(a) There shall be paid to every person who, from age or infirmity, is disabled from sea service, but who has served as an enlisted man or petty officer, or both, in the Navy or Marine Corps for 20 or more years, and has not been discharged for misconduct, at his election, in lieu of being provided with a home in the Naval Home, Philadelphia, a pension equal to one-half the pay of his rating at the time of his discharge, payable monthly.

"(b) Applications for pension under this part shall be made to the Secretary of the Navy. If he is satisfied that the applicant is entitled to pension, he shall so certify to the Administrator, who shall pay naval pension to the applicant.

"§ 6160. Pension to persons serving 10 years

"(a) Every disabled person who has served in the Navy or Marine Corps as an enlisted man or petty officer, or both, for 10 or more years, and has not been discharged for misconduct, may apply to the Secretary of the Navy for aid.

"(b) Upon receipt of an application under subsection (a), the Secretary of the Navy may convene a board of not less than three naval officers (one of whom shall be a surgeon) to examine into the condition of the applicant, and to recommend a suitable amount for his relief, and for a specified time. If the Secretary of the Navy approves the recommendation, he shall so certify to the Administrator of Veterans' Affairs, who shall pay a pension in such amount monthly to the applicant.

"(c) No naval pension under this section shall be paid at a rate in excess of the rate payable to a veteran of World War I for permanent and total non-service-connected disability, unless the applicant's disability is service-connected, in which case the naval pension payable to him shall not exceed the rate of disability compensation payable for total disability to a veteran of any war, or of peacetime service, as the case may be."

(D) The analysis of such chapter 561 is amended by inserting immediately below

"6158. Exemption from arrest for debt; enlisted members of Marine Corps.

the following:

"6159. Half rating to disabled naval enlisted personnel serving 20 years.
"6160. Pension to persons serving 10 years."

Repeals

SEC. 2202. The following provisions of law are repealed:

(1) In the revised statutes of the United States, sections 470 (38 U. S. C., sec. 1); 471 (38 U. S. C., sec. 2; 43 U. S. C., sec. 784); 472 (38 U. S. C., sec 3); 4692 (38 U S. C., sec. 151); 4693 (38 U. S. C., sec. 152); 4694 (38 U. S. C., sec. 155); 4695 (38 U. S. C., sec. 153); 4696 (38 U. S. C., sec. 154); 4697 (38 U. S. C., sec. 155a); 4698 (38 U. S. C., sec. 156); 4698½ (38 U. S. C., sec. 58); 4699 (38 U. S. C., sec. 177); 4700 (38 U. S. C., sec. 30); 4701 (38 U S. C., sec. 31); 4702 (38 U. S. C., sec. 191); 4703 (38 U. S. C., sec. 193); 4704 (38 U. S. C., sec. 202); 4705 (38 U. S. C., sec. 198); 4706 (38 U. S. C., sec. 200); 4707 (38 U. S. C., secs. 203, 204); 4708 (38 U. S. C., sec. 205); 4711 (38 U. S. C., sec. 116); 4712 (38 U. S. C., sec. 21); 4713 (38 U. S. C., sec. 95); 4719 (38 U. S. C., sec. 53); 4720 (38 U. S. C., sec. 28); 4721; 4722 (38 U. S. C., sec. 23); 4724 (38 U. S. C., sec. 26a); 4728 (38 U. S. C., sec. 221); 4729 (38 U. S. C., sec. 223); 4734 (38 U. S. C., sec. 55); 4735 (38 U. S. C., sec. 201); 4742 (38 U. S. C., sec. 329); 4745 (38 U. S. C., sec. 129); 4748 (38 U. S. C., sec. 41); 4756 (38 U. S. C., sec. 229); 4757 (38 U. S. C., sec. 230); 4766 and 4776 (38 U. S. C., secs. 44–47, 49, 74, 75, 192); 4785 (38 U. S. C., sec. 111); 4786 (38 U. S. C., sec. 114); and 5485 (38 U. S. C., sec. 112).

(2) The act of June 6, 1874 (18 Stat. 61; 38 U. S. C., sec. 28 note).

(3) The act of June 18, 1874 (ch. 298, 18 Stat. 78; 38 U. S. C., sec. 157).

(4) The act of June 18, 1874 (ch. 299, 18 Stat. 78; 38 U. S. C., secs. 156, 157).

(5) The paragraph which begins "That the additional compensation" under the heading "Miscellaneous," in the act of March 3, 1875 (18 Stat. 374; 38 U. S. C., sec. 123).

(6) The act of March 3, 1875 (ch. 253, 18 Stat. 671).

(7) The portion of the act of January 19, 1877, which reads "; which shall be stated in the annual report of the Commissioner of Pensions; and hereafter he shall report the total annual amount paid for additions also reductions on the annual pension rolls" (19 Stat. 223–224; 38 U. S. C., sec. 11e).

(8) The act of February 28, 1877 (19 Stat. 264; 38 U. S. C., secs. 153, 155a, 164).

(9) The act of March 3, 1877 (ch. 120, 19 Stat. 403; 38 U. S. C., secs. 151, 152).

(10) The act of March 3, 1877 (ch. 121, 19 Stat. 403; 38 U. S. C., sec. 222).

(11) The act of June 17, 1878 (20 Stat. 144; 38 U. S. C., sec. 159).

(12) The act of June 18, 1878 (20 Stat. 166; 38 U. S. C., sec. 153).

(13) The act of January 25, 1879 (20 Stat. 265; 38 U. S. C., secs. 91, 116).

(14) Section 2, and the last two paragraphs of the first section, of the act of March 3, 1879 (20 Stat. 470; 38 U. S. C., secs. 91–93).

(15) The act of March 3, 1879 (ch. 198, 20 Stat. 483).

(16) The act of March 3, 1879 (20 Stat. 484; 38 U. S. C., sec. 159).

(17) The proviso in the first sentence in section 3 of the act of June 21, 1879 (21 Stat. 30; 38 U. S. C., sec. 57).

(18) The act of June 16, 1880 (21 Stat. 281; 38 U. S. C., sec. 158).

(19) Section 2 of the act of March 3, 1881 (ch. 162, 21 Stat. 641).

(20) Sections 4 and 5 of the act of July 25, 1882 (22 Stat. 175–176; 38 U. S. C., secs. 29, 71, 72).

(21) Section 2 of the act of August 7, 1882 (22 Stat. 345; 38 U. S. C., sec. 199).

(22) The act of March 3, 1883 (22 Stat. 453; 38 U. S. C., secs. 165, 169, 170).

(23) The Joint Resolution of February 1, 1884 (No. 4, 23 Stat. 266; 38 U. S. C., sec. 8).

(24) In the act of July 4, 1884 (23 Stat. 99–101), the proviso in the paragraph which begins "For pay"; section 2; and section 6 (38 U. S. C., sec. 115).

(25) The second sentence in the paragraph which begins "For fees and expenses" in the act of March 3, 1885 (23 Stat. 362; 38 U. S. C., sec. 24).

(26) The act of March 3, 1885 (23 Stat. 437).

(27) The act of March 19, 1886 (24 Stat. 5; 38 U. S. C., secs. 195, 196).

(28) The act of August 4, 1886 (24 Stat. 220; 38 U. S. C., sec. 166).

(29) The act of January 29, 1887 (24 Stat. 371–372; 38 U. S. C., secs. 261–262).

(30) In the act of June 7, 1888 (25 Stat. 173), the second and fourth provisos in the paragraph which begins "For Army and Navy pensions as follows:" (38 U. S. C., sec. 94), and the second sentence of the paragraph which begins "For fees and expenses."

(31) The act of August 27, 1888 (25 Stat. 449; 38 U. S. C., secs. 171, 173).

(32) The act of February 12, 1889 (25 Stat. 659; 38 U. S. C., sec. 163).

(33) In the act of March 1, 1889 (25 Stat. 782), the third, fourth, and fifth provisos in the paragraph which begins "For Army and Navy pensions" (38 U. S. C., sec. 59), and the second sentence in the paragraph which begins "For fees and expenses."

(34) The act of March 4, 1890 (26 Stat. 16; 38 U. S. C., sec. 174).

(35) The third proviso in the paragraph which begins "For Army and Navy pensions" in the act of April 4, 1890 (26 Stat. 40; 38 U. S. C., sec. 11e).

(36) The act of June 27, 1890 (26 Stat. 182–183; 38 U. S. C., secs. 203, 205, 266, 281, 324, 328).

(37) In the act of June 30, 1890 (26 Stat. 187–189), the third and fourth provisos in the paragraph which begins "For Army and Navy pensions" (38 U. S. C., sec. 96 note); all of the paragraph which begins "For fees and

expenses" except the first sentence therein; all of the paragraph which begins "For the salaries" except the first sentence therein; the proviso in the paragraph which begins "For clerk-hire"; and all that follows "dollars" down through "respectively" in the paragraph which begins "For rents."

(38) The act of July 1, 1890 (26 Stat. 209; 38 U. S. C., sec. 42 note).

(39) Section 2 of the act of August 29, 1890 (ch. 820, 26 Stat. 371).

(40) The Joint Resolution of September 1, 1890 (26 Stat. 679; 38 U. S. C., sec. 42 note).

(41) In the act of March 3, 1891 (26 Stat. 1081–1083), all that follows "accounted for separately." In the paragraph which begins "For Army and Navy pensions" (38 U. S. C., sec. 114); the second sentence in the paragraph which begins "For fees and expenses"; and section 2 of such act.

(42) The act of March 3, 1891 (26 Stat. 1418; 38 U. S. C., sec. 289).

(43) The act of July 14, 1892 (27 Stat. 149; 38 U. S. C., sec. 175).

(44) The act of July 26, 1892 (27 Stat. 272; 38 U. S. C., secs. 42, 43).

(45) The act of July 27, 1892 (27 Stat. 281–282; 38 U. S. C., secs. 371, 378, 379).

(46) The act of August 5, 1892 (27 Stat. 348–349; 38 U. S. C., secs. 311, 311a).

(47) The act of January 5, 1893 (27 Stat. 413; 38 U. S. C., sec. 264).

(48) The act of February 3, 1893 (27 Stat. 429; 38 U. S. C., sec. 377).

(49) The proviso, and the sentence which begins "Such notice", in the paragraph headed "PENSION OFFICE" in the act of December 21, 1893 (28 Stat. 18; 38 U. S. C., sec. 56).

(50) The second sentence in the paragraph which begins "For fees and expenses" in the act of July 18, 1894 (28 Stat. 113; 38 U. S. C., sec. 73).

(51) The act of August 23, 1894 (28 Stat. 499; 38 U. S. C., sec. 60).

(52) The joint resolution of February 15, 1895 (No. 13, 28 Stat. 970; 38 U. S. C., sec. 290).

(53) The second sentence in the paragraph which begins "For fees and expenses" in the act of March 2, 1895 (28 Stat. 703–704; 38 U. S. C., sec. 176).

(54) The act of March 2, 1895 (28 Stat. 964–965; 38 U. S. C., sec. 96).

(55) In the act of March 6, 1896 (29 Stat. 45), all of the paragraph which begins "That whenever" (38 U. S. C., sec. 323); and all of the paragraph which begins "For fees and expenses" except the first sentence therein.

(56) The act of March 13, 1896 (29 Stat. 57; 38 U. S. C., sec. 32).

(57) The act of February 17, 1897 (29 Stat. 805; 38 U. S. C., sec. 289).

(58) The portion of the act of July 19, 1897, which reads "That the provisions of the act entitled 'An act to authorize condemnation of land for sites of public buildings, and for other purposes,' approved August 1, 1888, shall be construed to apply to the Board of Managers of the National Home for Disabled Volunteer Soldiers" (30 Stat. 121; 33 U. S. C., sec. 11d–1).

(59) In the act of March 14, 1898 (30 Stat. 276), the last proviso in the paragraph which begins "For army and navy pensions"; all of the paragraph which begins "For fees and expenses" except the first sentence therein; and the proviso in the paragraph which begins "For clerk hire".

(60) The act of March 3, 1899 (30 Stat. 1379–1380; 38 U. S. C., sec. 192).

(61) The act of April 18, 1900 (ch. 244, 31 Stat. 136).

(62) The act of April 23, 1900 (31 Stat. 137–138; 38 U. S. C., sec. 264).

(63) Section 2 of the act of March 3, 1901 (31 Stat. 1446; 38 U. S. C., sec. 206 note).

(64) All of the paragraph which begins "For fees and expenses" in the act of March 10, 1902 (32 Stat. 62; 38 U. S. C., sec. 113 note) except the first sentence therein.

(65) The act of June 27, 1902 (32 Stat. 399–400; 38 U. S. C., sec. 372).

(66) The paragraph which begins "Hereafter the officers" in the act of June 28, 1902 (32 Stat. 472; 38 U. S. C., sec. 11c–1).

(67) The Joint Resolution of July 1, 1902 (32 Stat. 750; 38 U. S. C., secs. 272, 322).

(68) All of the paragraph which begins "For fees and expenses" in the act of December 23, 1902 (32 Stat. 761; 38 U. S. C., sec. 113 note), except the first sentence therein.

(69) The act of January 15, 1903 (32 Stat. 773; 38 U. S. C., sec. 172).

(70) Sections 2 and 3 of the act of February 28, 1903 (32 Stat. 920–921; 38 U. S. C., secs. 205 note, 206).

(71) The act of March 2, 1903 (32 Stat. 944; 38 U. S. C., secs. 162, 167).

(72) The act of March 3, 1903 (32 Stat. 1228; 38 U. S. C., sec. 265).

(73) The act of April 8, 1904 (33 Stat. 163; 38 U. S. C., sec. 160).

(74) All of the paragraph which begins "For fees and expenses" in the act of April 27, 1904 (33 Stat. 315–316; 38 U. S. C., sec. 113 note), except the first sentence therein.

(75) All of the paragraph which begins "For fees and expenses" in the act of March 3, 1905 (33 Stat. 849; 38 U. S. C., sec. 113 note), except the first sentence therein.

(76) The last proviso in the paragraph which begins "SUPPRESSING COUNTERFEITING AND OTHER CRIMES:" in the act of March 3, 1905 (33 Stat. 1169; 38 U. S. C., sec. 97).

(77) In the act of April 24, 1906 (34 Stat. 133), the last proviso in the paragraph which begins "For Army and Navy pensions" (38 U. S. C., sec. 178 note), and all of the paragraph which begins "For fees and expenses" (38 U. S. C., sec. 113 note), except the first sentence therein.

(78) The act of February 6, 1907 (34 Stat. 879; 38 U. S. C., secs. 267, 328).

(79) In the act of March 4, 1907 (34 Stat. 1406, 1407), the third and fourth provisos in the paragraph which begins "For Army and Navy pensions" (38 U. S. C., sec. 178); all of the paragraph which begins "For fees and expenses" (38 U. S. C., sec. 113 note) except the first sentence therein; and the paragraph which begins *"Provided."*

(80) The act of April 19, 1908 (35 Stat. 64; 38 U. S. C., secs. 197, 282, 324a).

(81) The proviso in the paragraph which begins "For additional amount" under the center heading "Revenue Cutter Service" in the act of May 27, 1908 (35 Stat. 322; 38 U. S. C., sec. 27).

(82) In the act of May 28, 1908 (35 Stat. 418–420), the third proviso in the paragraph which begins "For Army and Navy pensions" (38 U. S. C., sec. 48); all of the paragraph which begins "For fees and expenses" (38 U. S. C., secs. 72 note, 113, and 125) except the first sentence therein; and the proviso in the paragraph which begins "For stationery."

(83) The act of May 30, 1908 (35 Stat. 553; 38 U. S. C., sec. 373).

(84) In the act of March 4, 1909 (35 Stat. 1057–1058), the last proviso in the paragraph which begins "For Army and Navy pensions" (38 U. S. C., sec. 194); and both provisos in the paragraph which begins "For stationery" (38 U. S. C., sec. 97).

(85) (A) The amendment made to the act of June 25, 1910 (36 Stat. 703–774), by the act of December 26, 1941 (55 Stat. 868–871), which amendment is hereby declared to have been solely an amendment to the paragraph beginning "Hereafter" on page 736 of volume 36 of the United States Statutes at Large (38 U. S. C., secs. 17–17j).

(B) The paragraph referred to in subparagraph (A).

(86) Section 2 of the act of June 25, 1910 (36 Stat. 843; 38 U. S. C., sec. 61).

(87) The act of May 11, 1912 (37 Stat. 112–114; 38 U. S. C., secs. 268, 269, 325, 328).

(88) In the act of August 17, 1912 (37 Stat. 311–313), sections 2 through 6 (38 U. S. C., secs. 6, 7, 50, 52, 96, 128); and in the first section, (A) all of the paragraph which begins "For salary" that follows "cents" down through "said date" (38 U. S. C., sec. 5), and (B) the proviso in the paragraph which begins "For clerk hire."

(89) The act of February 19, 1913 (37 Stat. 679; 38 U. S. C., sec. 374).

(90) The portion of the act of March 3, 1915, which reads "In all cases where an officer or enlisted man of the Army, Navy, or Marine Corps dies, or where an enlisted man of the Army, Navy, or Marine Corps is disabled by reason of any injury received or disease contracted in line of duty, the result of an aviation accident, received while employed in actual flying in or in handling aircraft, the amount of pension allowed shall be double that authorized to be paid should death or the disability have occurred by reason of an injury received or disease contracted in line of duty, not the result of an aviation accident." (38 Stat. 940; 38 U. S. C., sec. 179).

(91) The act of April 27, 1916 (39 Stat. 53; 38 U. S. C., secs. 391–394).

(92) The last proviso in the paragraph which begins "For Army and Navy pensions" in the act of June 30, 1916 (39 Stat. 242; 38 U. S. C., sec. 393).

(93) The act of September 8, 1916 (39 Stat. 844–846; 38 U. S. C., secs. 283–286, 325a).

(94) In the act of March 3, 1917 (39 Stat. 1132), the proviso in the paragraph which begins "For fees and expenses" (38 U. S. C., sec. 72 note).

(95) The act of March 4, 1917 (39 Stat. 1199–1201; 38 U. S. C., secs. 375–376).

(96) In the act of October 6, 1917 (40 Stat. 398–411), sections 210 (38 U. S. C., sec. 575 note); 313 (38 U. S. C., sec. 502); and 314 (38 U. S. C., secs. 287, 357).

(97) Chapter VIII of the act of July 9, 1918 (40 Stat 881; 38 U. S. C., sec. 576).

(98) The act of July 16, 1918 (40 Stat. 903–904; 38 U. S. C., secs. 355, 363 note).

(99) The act of May 1, 1920 (41 Stat. 585–588; 38 U. S. C., secs. 168, 270, 271, 288, 312, 314, 321, 326, 327).

(100) The paragraph which begins "To increase the comfort" in the act of June 5, 1920 (41 Stat. 905; 38 U. S. C., sec. 706c).

(101) The act of June 5, 1920 (41 Stat. 982; 38 U. S. C., secs. 161, 168, 351, 352, 353, 361, 362).

(102) The act of May 3, 1922 (42 Stat. 505; 38 U. S. C., sec. 51).

(103) The act of September 1, 1922 (42 Stat. 834; 38 U. S. C., secs. 354, 356, 358–360, 363 note).

(104) The act of September 22, 1922 (42 Stat. 1030; 38 U. S. C., secs. 71, 72).

(105) In the World War Veterans' Act, 1924, sections 2 (38 U. S. C., sec. 423); 4 (38 U. S. C., sec. 425); 5 (38 U. S. C., sec. 426); 6 (38 U. S. C., sec. 429); 7 (38 U. S. C., sec. 430); 9 (38 U. S. C., sec. 433); 10 (38 U. S. C., sec. 434); 11 (38 U. S. C., sec. 439); 12 (38 U. S. C., sec. 440); 13 (38 U. S. C., sec. 441); 14 (38 U. S. C., sec. 428); 15 (43 Stat. 611); 18 (38 U. S. C., sec. 444); 20 (38 U. S. C., sec. 446); 21 (38 U. S. C., sec. 450); 29 through 35 (38 U. S. C., secs. 455–459b); 37 through 39 (38 U. S. C., secs. 459d–459f); Title II (38 U. S. C., secs. 422, 471, 472, 473, 474–483, 484, 486–488, 489–501, 501b); Title IV (38 U. S. C., secs. 531–539); Title V (38 U. S. C., secs. 551–555, 557); and 602 through 604 (38 U. S. C., secs. 571–573).

(106) The act of February 24, 1925 (43 Stat. 964; 38 U. S. C., sec. 575).

(107) The proviso in the paragraph which begins "For carrying out" under the center heading "United States Veterans' Bureau" in the Act of March 3, 1925 (43 Stat. 1210; 38 U. S. C., sec. 427).

(108) The act of March 3, 1925 (43 Stat. 1212; 38 U. S. C., secs. 435–437).

(109) The provisos in the paragraph which begins "For carrying out" under the center heading "United States Veterans' Bureau" in the act of April 22, 1926 (44 Stat. 319; 38 U. S. C., secs. 427, 460).

(110) The act of May 1, 1926 (44 Stat. 382; 38 U. S. C., secs. 364–364g, 364h).

(111) The act of May 5, 1926 (44 Stat. 396; 38 U. S. C., sec. 168b).

(112) The act of July 3, 1926 (44 Stat. 806; 38 U. S. C., secs. 273, 291, 291 note, 292, 313, 321a, 326a).

(113) The act of February 11, 1927 (44 Stat. 1085; 38 U. S. C., sec. 168a).

(114) The act of March 3, 1927 (44 Stat. 1361; 38 U. S. C., secs. 381, 381a–381f).

(115) The act of April 27, 1928 (45 Stat. 466; 38 U. S. C., sec. 232).

(116) The act of May 23, 1928 (45 Stat. 714; 38 U. S. C., secs. 291a, 291a note, 321b, 326b).

(117) The act of May 23, 1928 (45 Stat. 715; 38 U. S. C., secs. 438a–438e).

(118) The act of May 24, 1928 (46 Stat. 1016; 38 U. S. C., secs. 581–582).

(119) The provisos in the paragraph which begins "For fees and mileage" under the center heading "Special Investigations and Examinations" in the act of March 4, 1929 (45 Stat. 1588; 38 U. S. C., secs. 71, 72, 72a).

(120) Section 4 of the Legislative Pay Act of 1929 (38 U. S. C., sec. 9).

(121) The act of December 23, 1929 (46 Stat. 53; 38 U. S. C., secs. 438f–438i).

(122) The act of June 2, 1930 (46 Stat. 492; 38 U. S. C., secs. 365–365b, 365c–365h).

(123) The act of June 9, 1930 (46 Stat. 529; 38 U. S. C., secs. 33, 274, 274 note, 275, 291b, 291b note, 321c, 326c).

(124) The act of July 2, 1930 (46 Stat. 847; 38 U. S. C., secs. 238–238b).

(125) The act of July 3, 1930 (46 Stat. 1016; 38 U. S. C., secs. 11–11e, 11 note).

(126) The act of March 4, 1931 (46 Stat. 1551; 38 U. S. C., secs. 438j–438m).

(127) The act of January 26, 1933 (47 Stat. 776; 38 U. S. C., sec. 583).

(128) Title I of the act of March 20, 1933 (48 Stat. 8; 38 U. S. C., secs. 701, 702, 703, 704, 705, 706, 707–715, 717–721).

(129) In the Veterans Regulations, Veterans Regulations No. 1 (a) (except parts VII and VIII), 2 (a), 3 (a), 4, 5, 6 (a), 7 (a), 9 (a), 10, 11, and 12.

(130) In the Independent Offices Appropriation Act, 1934, the eighth proviso in the paragraph which begins "Administration" under the center heading "Military services" (38 U. S. C., sec. 445a); in the fourth proviso in such paragraph, the portion which begins "and notwithstanding" and ends "prescribe;" (38 U. S. C., sec. 11a–3 note); and section 20 thereof (38 U. S. C., sec. 722).

(131) Section 4 of the act of March 27, 1934 (48 Stat. 508).

(132) In the Independent Offices Appropriation Act, 1935 (48 Stat. 509–527), sections 26 (38 U. S. C., sec. 473a); 27 (38 U. S. C., sec. 471a); 30 (38 U. S. C., secs. 366, 367); 31 (38 U. S. C., sec. 501a); 34 (38 U. S. C., sec. 723); 35 (38 U. S. C., sec. 511a); and in the paragraph which begins "Administration" under the center heading "Veterans' Administration", the portion which begins "and notwithstanding" and ends "prescribe;" (38 U. S. C., sec. 11a–3 note).

(133) The act of June 28, 1934 (48 Stat. 1281; 38 U. S. C., secs. 503–505, 506–507a).

(134) The portion of each of the following acts which reads "and notwithstanding any provisions of law to the contrary, the Administrator is authorized to utilize Government-owned automotive equipment in transporting children of Veterans' Administration employees located at isolated stations to and from school under such limitations as he may by regulation prescribe;" (38 U. S. C., sec. 11a–3, 11a–3 note)—

(A) the Independent Offices Appropriation Act, 1936 (48 Stat. 17);

(B) the Independent Offices Appropriation Act, 1937 (49 Stat. 1181);

(C) the Independent Offices Appropriation Act 1938 (50 Stat. 346);

(D) the Independent Offices Appropriation Act, 1939 (52 Stat. 429);

(E) the Independent Offices Appropriation Act, 1940 (52 Stat. 544);

(F) the Independent Offices Appropriation Act, 1941 (54 Stat. 139);

(G) the Independent Offices Appropriation Act, 1942 (55 Stat. 120);

(H) the Independent Offices Appropriation Act, 1943 (56 Stat. 420);

(I) the Independent Offices Appropriation Act, 1944 (57 Stat. 192);

(J) the Independent Offices Appropriation Act, 1945 (58 Stat. 381);

(K) the Independent Offices Appropriation Act, 1947 (60 Stat. 75).

(135) The act of August 12, 1935 (49 Stat. 607; 38 U. S. C., secs. 454a, 556a, 556a note).

(136) The Act of August 13, 1935 (49 Stat. 614; 38 U. S. C., secs 368, 369).

(137) The act of August 23, 1935 (49 Stat. 724; 38 U. S. C., sec. 483a).

(138) The act of August 26, 1935 (49 Stat. 869; 38 U. S. C., secs. 704a, 724).

(139) The act of January 31, 1936 (49 Stat. 1105; 38 U. S. C., sec. 113).

(140) The act of June 20, 1936 (49 Stat. 1569–1570; 38 U. S. C., sec. 10).

(141) The act of June 24, 1936 (49 Stat. 1910; 38 U. S. C., sec. 703a).

(142) In the act of June 29, 1936 (49 Stat. 2031–2035), title I (38 U. S. C., sec 508); title II (38 U. C. C., secs. 101–104); title III (38 U. S. C., secs. 131–134); title IV, except section 404 (38 U. S. C., secs. 472a, 34, ch. 12A); and section 600.

(143) In the act of August 16, 1937 (50 Stat. 660–662), sections 3 (38 U. S. C., sec. 472b); 5 (38 U. S. C., sec. 424a); 6 (38 U. S. C., sec. 572d); 8 (38 U. S. C., sec. 427e); and 9 (38 U. S. C., sec. 510).

(144) The act of August 25, 1937 (50 Stat. 786; 38 U. S. C., sec. 381–1).

(145) The first section and section 3 of the act of May 13, 1938 (52 Stat. 352–353; 38 U. S. C., secs. 409a, 505a).

(146) The act of May 24, 1938 (52 Stat. 440; 38 U. S. C., secs. 370–370d).

(147) The act of June 25, 1938 (52 Stat. 1189; 38 U. S. C., secs. 16–16j).

(148) The act of June 28, 1938 (52 Stat. 1214; 38 U. S. C., sec. 35).

(149) The act of May 3, 1939 (53 Stat. 652; 38 U. S. C., sec. 706a).

(150) The act of July 19, 1939 (53 Stat. 1067; 38 U. S. C., secs. 703b, 703c).

(151) In the act of July 19, 1939 (53 Stat. 1068), sections 4 (38 U. S. C., sec. 706b); and 5 (38 U. S. C., sec. 472b).

(152) The act of August 5, 1939 (53 Stat. 1209; 38 U. S. C., sec. 357a).

(153) The act of August 7, 1939 (53 Stat. 1252; 38 U. S. C., sec. 36, 36 note).

(154) The act of March 14, 1940 (54 Stat. 49; 38 U. S. C., secs. 76, 77).

(155) The portion of each of the following acts which reads *"Provided further,* That the Administrator is hereby authorized to employ medical consultants for duty on such terms as he may deem advisable and without regard to the Classification Act of 1923, as amended:" (38 U. S. C., sec. 11a–1 note)—

(A) the Independent Offices appropriation Act, 1941 (54 Stat. 140);

(B) the Independent Offices Appropriation Act, 1942 (55 Stat. 120);

(C) the Independent Offices Appropriation Act, 1943 (56 Stat. 420);

(D) the Independent Offices Appropriation Act, 1944 (57 Stat. 192).

(156) The act of June 6, 1940 (54 Stat. 237).

(157) The act of June 11, 1940 (54 Stat. 301; 38 U. S. C., sec. 351a).

(158) The act of July 15, 1940 (54 Stat. 761; 38 U. S. C., secs. 582a–582b).

(159) The act of July 18, 1940 (54 Stat. 762; 38 U. S. C., sec. 582c).

(160) In the act of October 17, 1940 (54 Stat. 1193–1197), sections 3 (38 U. S. C., sec. 49a. 49a note); 6 (38 U. S. C., sec. 473); 8 (38 U. S. C., sec. 703b note); 9 (38 U. S. C., secs. 555a, 715a); 11 (38 U. S. C., sec. 11a–2); and 12 (38 U. S. C., sec. 501a–1).

(161) Section 4 of the act of June 30, 1941 (55 Stat. 395; 38 U. S. C., sec. 26b).

(162) The act of July 18, 1941 (55 Stat. 598; 38 U. S. C., secs. 238c–238e).

(163) The act of July 30, 1941 (55 Stat. 608; 38 U. S. C., sec. 725, 725 note).

(164) The first section of the act of August 21, 1941 (55 Stat. 665; 38 U. S. C., sec, 357b).

(165) Sections 2 and 3 of the act of December 19, 1941 (55 Stat. 844).

(166) The act of December 20, 1941 (55 Stat. 847; 38 U. S. C., sec. 726).

(167) The act of June 5, 1942 (56 Stat. 325; 38 U. S. C., sec. 32a).

(168) Section 10 of the act of July 11, 1942 (56 Stat. 659; 38 U. S. C., sec. 472b–1).

(169) The act of July 30, 1942 (56 Stat. 731).

(170) In the act of July 13, 1943 (57 Stat. 554–560), the first section (38 U. S. C., sec. 727); and sections 4 (38 U. S. C., sec. 728); 5 (38 U. S. C., sec. 729); 10 (38 U. S. C., sec. 730); 14 (38 U. S. C., sec. 731); 16 (38 U. S. C., sec. 731 note); and 17 (38 U. S. C., sec. 732).

(171) The first section of the act of March 1, 1944 (58 Stat. 107; 38 U. S. C., sec. 370).

(172) The act of April 1, 1944 (58 Stat. 186; 38 U. S. C., sec. 37).

(173) The act of May 24, 1944 (58 Stat. 226; 38 U. S. C., sec. 251).

(174) In the act of May 27, 1944 (58 Stat. 229–230), the first section (38 U. S. C., sec. 471a–1); and sections 2 (38 U. S. C., sec. 504); 3 (38 U. S. C., sec. 504 note); and 4 (38 U. S. C., sec. 507b).

(175) The act of May 27, 1944 (58 Stat. 230–231; 38 U. S. C., sec. 26c).

(176) In the Servicemen's Readjustment Act of 1944, chapters I and II of title I (38 U. S. C., secs. 693–693f); section 300 (38 U. S. C., sec. 693g); subsection (a) of section 1500 (38 U. S. C., sec. 697); and section 1504 (38 U. S. C., sec. 697d).

(177) The portion of the Independent Offices Appropriation Act, 1945, which reads *"Provided further,* That the Administrator is hereby authorized to employ medical consultants for duty on such terms as he may deem advisable and without regard to the civil service and classification laws:" (58 Stat. 382; 38 U. S. C., sec. 11a–1).

(178) The act of September 7, 1944 (58 Stat. 728; 38 U. S. C., sec. 733).

(179) The act of December 7, 1944 (58 Stat. 797; 38 U. S. C., sec. 471a–2).

(180) The act of December 8, 1944 (58 Stat. 797–798; 38 U. S. C., secs. 293–294).

(181) In the act of December 14, 1944 (58 Stat. 803–804), sections 4 (38 U. S. C., sec. 503 note); 5 (38 U. S. C., sec. 734); and 6 (38 U. S. C., sec. 735).

(182) The portion of the Independent Offices Appropriation Act, 1946, which reads "and notwithstanding any provisions of law to the contrary, the Administrator is authorized to utilize Government-owned automotive equipment in transporting children of Veterans' Administration employees located at isolated stations to and from school under such limitations as he may by regulation prescribe;" (59 Stat. 128; 38 U. S. C., sec. 11a–3 note), and the portion which reads *"Provided further,* That the Administrator is hereby authorized to employ medical consultants for duty on such terms as he may deem advisable and without regard to the civil service and classification laws:" (38 U. S. C., sec. 11a–1).

(183) The act of December 3, 1945 (59 Stat. 591; 38 U. S. C., sec. 11h).

(184) The act of January 3, 1946 (59 Stat. 675–679; 38 U. S. C., sec. 15–15n, 15 note).

(185) In the act of February 18, 1946, the provisos in the paragraph under the heading "Transfer of Appropriations" which begins

"Army of the Philippines" (60 Stat. 14; 38 U. S. C., sec. 38).

(186) The portion of the Independent Offices Appropriation Act, 1947, which reads "*Provided further*, That the Administrator is hereby authorized to employ medical consultants for duty on such terms as he may deem advisable and without regard to the civil service and classification laws;" (60 Stat. 60; 38 U. S. C., sec. 11a–1).

(187) The act of June 27, 1946 (60 Stat. 319; 38 U. S. C., secs. 736–738).

(188) The act of July 9, 1946 (60 Stat. 524; 38 U. S. C., sec. 700, 700 note).

(189) The act of July 11, 1946 (60 Stat. 526; 38 U. S. C., secs. 488, note, 488a).

(190) The act of July 16, 1946 (60 Stat. 537–539; 38 U. S. C., sec. 14–14e).

(191) The act of August 7, 1946 (60 Stat. 863–864; 38 U. S. C., secs. 365b, 365b–1, 364g–1, 370e, 370e note).

(192) The act of August 7, 1946 (60 Stat. 874; 38 U. S. C., sec. 729a).

(193) The act of August 7, 1946 (60 Stat. 887–889; 38 U. S. C., secs. 13–13g).

(194) The act of August 8, 1946 (60 Stat. 908–910); 38 U. S. C., secs. 739, 471a–3).

(195) The paragraph under the center heading "Veterans' Administration" in the First Supplemental Appropriation Act, 1947 (60 Stat. 915; 38 U. S. C., sec. 252).

(196) The act of May 31, 1947 (61 Stat. 124; 38 U. S. C., sec. 111).

(197) The act of June 14, 1947 (61 Stat. 132, 38 U. S. C., sec. 693a note).

(198) The act of July 30, 1947 (61 Stat. 610; 38 U. S. C., secs. 276, 370f).

(199) The act of January 19, 1948 (62 Stat. 4; 38 U. S. C., sec. 374a, 374a note).

(200) In the act of April 3, 1948 (62 Stat. 160), the first section (38 U. S. C., sec. 11j); and section 4 (38 U. S. C., sec. 11k).

(201) The act of June 19, 1948 (62 Stat. 566; 38 U. S. C., secs. 253, 254).

(202) The act of June 24, 1948 (62 Stat. 645; 38 U. S. C., secs. 364i, 364j).

(203) The second paragraph under the center heading "Veterans' Administration" in the Second Deficiency Appropriation Act, 1938 (62 Stat. 1035; 38 U. S. C., sec. 252 note).

(204) The act of July 2, 1948 (62 Stat. 1219–1220; 38 U. S. C., secs. 740–743, 740 note).

(205) The act of August 1, 1949 (63 Stat. 484; 38 U. S. C., sec. 744).

(206) In the act of October 10, 1949 (63 Stat. 731–733), the first section (38 U. S. C., sec. 722); and sections 4 (38 U. S. C., secs. 740, 741); and 6 (38 U. S. C., sec. 740 note).

(207) The paragraph immediately preceding the center heading "War Claims Commission" in the Third Deficiency Appropriation Act, 1949 (63 Stat. 744; 38 U. S. C., sec. 252 note).

(208) The act of October 29, 1949 (63 Stat. 1026; 38 U. S. C., sec. 471a–4, 471a–4 note).

(209) The act of July 15, 1950 (64 Stat. 342; 38 U. S. C., sec. 111).

(210) The act of September 21, 1950 (64 Stat. 894–895; 38 U. S. C., sec. 252).

(211) The act of April 25, 1951 (65 Stat. 32).

(212) The Joint resolution of May 11, 1951 (65 Stat. 40; 38 U. S. C., sec. 745).

(213) The act of August 4, 1951 (65 Stat. 174–175; 38 U. S. C., secs. 370g–370k, 370g note).

(214) The act of October 20, 1951 (65 Stat. 574–575; 38 U. S. C., secs. 252a–252e, 252a note).

(215) The act of October 30, 1951 (65 Stat. 694; 38 U. S. C., ch. 12A).

(216) In the act of May 23, 1952 (66 Stat. 90–91), the first section (38 U. S. C., sec. 471a–5); subsection (b) of section 2 (38 U. S. C., ch. 12 note); and sections 5 (38 U. S. C., secs. 277, 3701); 6 (38 U. S. C., sec. 381–2); and 7 (38 U. S. C., sec. 277 note).

(217) In the act of June 30, 1952 (66 Stat. 295–296), subsections (B) through (E) of the first section (38 U. S. C., ch. 12); and sections 3 (38 U. S. C., sec. 473); 4 (38 U. S. C., sec. 480); 5 (38 U. S. C., sec. 473); 6 (38 U. S. C., sec. 478); and 7 (38 U. S. C., sec. 473 note).

(218) In the Veterans' Readjustment Assistance Act of 1952, sections 270 (38 U. S. C., sec. 980) and 271 (38 U. S. C., sec. 981).

(219) The paragraph which begins "Supply fund" under the center heading "Veterans' Administration" in the Second Independent Offices Appropriation Act, 1954 (67 Stat. 193; 38 U. S. C., sec. 12a).

(220) The act of March 17, 1954 (68 Stat. 29; 38 U. S. C., sec. 746).

(221) Section 2 of the act of June 30, 1954 (68 Stat. 360).

(222) The act of July 1, 1954 (68 Stat. 377; 38 U. S. C., sec. 729b).

(223) The act of August 24, 1954 (68 Stat. 789; 38 U. S. C., sec. 747).

(224) The act of August 28, 1954 (68 Stat. 915; 38 U. S. C., secs. 748–750, 748 note).

(225) In the War Orphans' Educational Assistance Act of 1956, sections 510 (38 U. S. C., sec. 1042); and 511 (38 U. S. C., sec. 1043).

(226) Section 210 of the Servicemen's and Veterans' Survivor Benefits Act (38 U. S. C., sec. 1120), and the portion of the table of contents of such act which reads "SEC. 210. Exemption from taxation and claims of creditors.".

TITLE XXIII—EFFECTIVE DATE AND SAVINGS PROVISIONS

Part A—Miscellaneous

Effective date

SEC. 2301. This act shall take effect on January 1, 1958.

Offenses committed under repealed laws

SEC. 2302. (a) All offenses committed and all penalties and forfeitures incurred under any of the provisions of law amended or repealed by this act may be prosecuted and punished in the same manner and with the same effect as if such repeal or amendment had not occurred.

(b) Forfeitures of benefits under laws administered by the Veterans' Administration occurring before the effective date of this act shall continue to be effective.

Effect on contracts entered into before effective date

SEC. 2303. Nothing in this act, or any amendment or repeal made by it, shall affect any right of any person based on a contract entered into before the effective date of this act, or affect the manner in which such right could have been enforced or obtained but for this act, or such amendment or repeal.

Continuation of authority under act of July 3, 1930

SEC. 2304. All functions, powers, and duties conferred upon and vested in the President and the Administrator by the act of July 3, 1930 (46 Stat. 1016) and which are in effect on the day before the effective date of this act are continued in effect.

Cross references in other laws

SEC. 2305. References in other laws to any provision of law repealed by this act shall be deemed to refer to the corresponding provisions of this act.

Continuing availability of appropriations

SEC. 2306. Amounts heretofore appropriated to carry out the purposes of any provision of law repealed by this act, and available on the day before the effective date of this act, shall be available to carry out the purposes of the corresponding provisions of this act.

Outstanding rules, regulations, and orders

SEC. 2307. All rules, regulations, orders, permits, and other privileges issued or granted by the Administrator before the effective date of this act, and in effect on such effective date (or scheduled to take effect after such effective date) shall remain in full force and effect until modified, suspended, overruled, or otherwise changed by the Administrator.

Part B—Provisions relating to claimants

Pending claims

SEC. 2311. (a) A claim for pension or compensation which is pending in the Veterans' Administration on the effective date of this act shall be adjudicated under the laws in effect on the day before the effective date of this act with respect to the period before that date and, except as provided in sections 2312 (b), 2313, and 2316, under this act thereafter. If a disallowance is required under such laws but entitlement is shown under this act, the pending claim shall be considered a claim under this act.

(b) A claim for assistance in acquiring specially adapted housing or an automobile or other conveyance which is pending in the Veterans' Administration on the effective date of this act shall be considered a claim for such assistance under this act.

Persons on the pension rolls

SEC. 2312. (a) Any person who is receiving, or entitled to receive, pension under public laws administered by the Veterans' Administration on the day before the effective date of this act at a rate equal to or less than that to which he would be entitled under the provisions of this act shall, except where there was fraud, clear and unmistakable error as to conclusions of fact or law, or misrepresentation of material facts, be paid pension under this act beginning with the effective date of this act.

(b) Any person who is receiving, or entitled to receive, pension on the day before the effective date of this act under the laws in effect on that day and who is not entitled to pension under this act, or who is entitled to pension at a higher rate under such laws than that to which he would be entitled under this act, shall, except where there was fraud, clear and unmistakable error of fact or law, or misrepresentation of material facts, continue to be paid the rate of pension payable on the day before the effective date of this act, so long as the conditions warranting such payment under those laws continue. In the event there is a change in such conditions, the entitlement thereafter of such person to pension will be determined under this act. The provisions of this subsection shall apply to those claims to which section 2311 applies in which it is determined on or after the effective date of this act that pension is payable for the day before the effective date of this act.

Claims for pension by newly eligible widows where children are on the rolls

SEC. 2313. Where any woman is eligible for pension under this act as a "widow", but under the laws in effect on the day before the effective date of this act, was not so eligible for pension, and a child is eligible for pension on the day before the effective date of this act by reason of the death giving rise to eligibility of the widow, any pension payable to the widow under this act shall be reduced by the amount of pension payable to all children by reason of such death, unless all such children are in the custody of the widow, in which case the pension otherwise payable to the children shall cease.

Claims for pension filed within 1 year of death

SEC. 2314. A claim for death pension filed on or after the effective date of this act and within 1 year from the date of the death of the veteran occurring before the effective date of this act shall be adjudicated under this act and the laws in effect on the day before such effective date. If entitlement is established, pension will be paid under such laws for the appropriate period before the effective date of this act and under this act thereafter.

Persons entitled to emergency officers' retirement pay

SEC. 2315. Any person who is receiving, or entitled to receive, emergency officers' retirement pay, or other privileges or benefits as a retired emergency officer of World War I, on the day before the effective date of this act under the laws in effect on that day, shall, except where there was fraud, clear and unmistakable error as to conclusion of fact or law, or misrepresentation of material facts, continue to receive, or be entitled to receive, emergency officers' retirement pay at the rate otherwise payable on the day before the effective date of this act, and such other privileges and benefits, so long as the conditions warranting such pay, privileges, and benefits under those laws continue.

Persons on the compensation rolls

SEC. 2316. (a) Any person who is receiving compensation under public laws administered by the Veterans' Administration on the day before the effective date of this act at a rate equal to or less than that to which he would be entitled under the provisions of this act, shall, except where there was fraud, clear and unmistakeable error as to conclusions of fact or law, or misrepresentation of material facts, be paid compensation under this act beginning with the effective date of this act.

(b) Any person who is receiving compensation on the day before the effective date of this act under the laws in effect on that day and who is not entitled to compensation under this act or who is entitled to compensation at a higher rate under such laws than that to which he would be entitled under this act, shall, except where there was fraud, clear and unmistakable error as to conclusion of fact or law, or misrepresentation of material facts, continue to be paid the rate of compensation payable on the day before the effective date of this act, so long as the conditions warranting such payment under those laws continue. In the event there is a change in such conditions, the entitlement thereafter of such person to compensation will be determined, except as to service-connection, without regard to the laws repealed by this act. The provisions of this subsection shall apply to those claims within the purview of section 2311 in which it is determined on or after the effective date of this act that compensation is payable for the day before the effective date of this act.

Claims filed within 1 year of discharge or death

SEC. 2317. (a) A claim for disability compensation filed on or after the effective date of this act and within 1 year from the date of the veteran's separation during the year immediately before such effective date from active military, naval, or air service, or a claim for death compensation filed on or after the effective date of this act and within 1 year from the date of the veteran's death occurring in the year immediately before such effective date will be adjudicated under title III of this act and the laws in effect on the day before such effective date. If entitlement is established, compensation will be paid under such laws for the appropriate period before the effective date of this act and under this act thereafter.

(b) A claim for compensation based on the disability or death of a World War I veteran occurring before the effective date of this act, if filed on or after the effective date of this act and within 1 year following the date of enactment of this act, may be adjudicated, as to service-connection only, under the laws in effect on the day before the effective date of this act.

The SPEAKER. Is a second demanded?

Mr. ADAIR. Mr. Speaker, I demand a second.

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, this is consolidation of all veterans' laws in the fields of compensation, pension, administration, hospitalization, and burial benefits. A similar bill limited to compensation was considered by the committee last year. This year it was considered by a subcommittee consisting of the gentleman from North Carolina [Mr. SHUFORD] the gentleman from California [Mr. SISK], the gentleman from North Carolina [Mr. WHITENER], the gentleman from Indiana [Mr. ADAIR], and the gentleman from Nebraska [Mr. WEAVER].

The bill was reported unanimously by the committee.

The committee has long been aware of the numerous and various laws pertaining to disability and death compensation for veterans and their dependents, as well as those laws relating to pension, hospitalization and burial benefits, and the myriad of laws involving the administration of benefits administered by the Veterans' Administration. To consolidate into one act, and to simplify and make more uniform the laws on these subjects, H. R. 53 has been introduced and designated as the Veterans' Benefits Act of 1957.

This bill is the result of a project conducted by the staff of the Veterans' Affairs Committee which involved extensive research, study, and technical work in the Office of the House Legislative Counsel, together with representatives of the Legislative Services of the General Counsel's Office in the Veterans' Administration. The study and research extended over a period of months after the adjournment of the 2d session of the 84th Congress. The general objective and approach of the bill is similar, though on a much broader scale, to H. R. 10046, 84th Congress—a bill which had as its principal purpose the simplification of, and making more uniform, laws pertaining to compensation. The benefit provisions of this latter bill are substantially embodied in titles III, VI, and VII of H. R. 53. H. R. 10046 was unanimously reported by the Committee on Veterans' Affairs and passed the House of Representatives on call of the Consent Calendar. Unfortunately, however, it was not possible for the Senate to consider the bill prior to adjournment of the 84th Congress.

H. R. 53 incorporates into a single act the subject matter of the extensive body of existing legislation authorizing and governing the payment of compensation for service-connected disability or death to persons who served in the military, naval, or air force of the United States during a period of war, armed conflict, or peacetime service, and to their widows, children, and dependent parents. It would provide the same sort of consolidation of the laws relating to pension, hospitalization, medical and domiciliary care, and burial benefits. Further, it would consolidate into one act all the administrative provisions relating to these benefits, as well as those common to all benefits administered by the Veterans' Administration. It would also incorporate the provisions of existing law relating to the ancillary benefits of financial assistance for specially adopted housing and automobiles for certain disabled veterans. Finally, it would repeal those provisions of law relating to such benefits which are obsolete, executed, or restated in substance in the bill. The bill does not encompass the subject matter of the Servicemen's and Veterans' Survivor Benefits Act which Congress recently enacted and which integrates the current survivor-benefit programs.

The bill, which would be effective on the 1st day of January 1958, does not adversely affect the basic entitlement of any veteran or dependent presently on the compensation or pension rolls, nor does it liberalize, except in very minor areas, the provisions of law which govern the eligibility of veterans and their dependents for such benefits. The established rates of pension or compensation are maintained. Although the World War Veterans Act, 1924, is repealed, except as to insurance provisions the bill contains protective language as to service connection which is of special significance in the case of World War I veterans who are on the rolls by the virtue of the liberal presumption of service connection contained in section 200 of that act. This section authorizes a rebuttable presumption of service connection for neuropsychiatric disease, spinal meningitis, active tuberculous disease, paralysis agitans, encephalitis lethargica, and amebic dysentery, developing a 10 percent degree of disability or more prior to January 1, 1925. The service connection heretofore established in World War I cases, by virtue of this provision, would not be disturbed in any case by the enactment of the proposal. Further, this liberal presumption would be applicable to new World War I claims filed within 1 year after the date of the act, but not thereafter.

The bill, as reported, contains the following substantive changes in existing law, generally minor liberalizations:

First. The discharge requirement of "under conditions other than dishonorable" is made uniform for all veterans for the purpose of the benefits authorized by the bill. For pension purposes, existing law requires that Indian war veterans be honorably discharged from the service.

Second. For compensation purposes under the bill, a widow would uniformly be required to have married the veteran before the expiration of 10 years after the veteran's separation from service or to have been married for 10 or more years. Under existing law there are differing requirements, depending on the period of service, ranging from marriage at any time to marriage prior to specific arbitrary dates. Where a widow is on the rolls on the effective date of the bill, the savings provisions in the bill protect her rights; therefore this new test operates as a slight liberalization in the cases to which it applies.

Third. Under the bill, remarriage of any widow terminates her eligibility. Under certain conditions present law allows remarried widows of veterans of the Civil War, Indian wars, or Spanish-American War to be restored to the rolls.

Fourth. The uniform definition of "child" in the bill—generally under age 18—would effect a liberalization as to the definition of a child of a Civil or Indian war veteran—generally under age 16), and also result in an increase in the rates of pension payable to certain children of veterans of the Spanish-American War.

Fifth. Under existing law, a widow of a veteran of the Civil War, Indian wars, or the Spanish-American War who may be barred from the receipt of pension because of her date of marriage may nevertheless qualify under certain conditions, i. e., marriage for 10 or more years, a showing of dependency, and attainment of age 60. The bill would liberalize the requirements in such cases by removing the conditions of dependency and age 60.

Sixth. Under existing law retired persons who served during a war period are eligible for hospital and domiciliary care from the Veterans' Administration in the same manner as veterans of a war; however, in order to receive medical treatment for service-incurred disabilities they must have elected to receive disability compensation or, if peacetime retired persons, must be in receipt of compensation in lieu of retirement pay. The bill would obviate this circuitous route to eligibility by providing such benefits on the same basis as provided to discharged veterans.

Seventh. As the definition of "period of war" would include the period of any future war declared by the Congress, it would be an extension of existing law which generally limits such defined period to past wars. Its principal effect would be to make certain wartime eligibility criteria for compensation and hospitalization automatically available to veterans of future wars.

All of these provisions, except item 7, are changes which were necessary to avoid reenacting numerous deviations from the general rule in various areas of existing law, thereby providing greater uniformity and better administration.

Item 7 refers to that provision of the bill under which wartime benefits—except pensions—would be available to veterans who served during the period of any future war declared by the Congress. From the standpoint of the committee, it seems unlikely that any future war veterans would be granted lesser compensation or medical benefits than are authorized for veterans of past wars, and in a period of stress and emergency, it would be desirable and in fact essential that some overall law providing entitlement be in force immediately. It is for that reason that the bill has been made applicable to conditions which may regretfully exist in the future.

The Veterans' Administration has stated that any cost involved in the few minor liberalizations in existing law would be relatively small. The provision which makes uniform the definition of "child" a person under the age of 18 years rather than 16 years as prevails in the case of children of Civil and Indian War veterans today—is the only one susceptible of a specific cost estimate. This cost, to the extent that it would increase the rates for Spanish War children, would be in the neighborhood of $200,000 a year. Obviously because of the class involved, it would be of a declining nature.

Hearings were held on this legislation by a special subcommittee. Reports of Veterans' Administration, the General Accounting Office, and the Bureau of the Budget were carefully considered by the subcommittee prior to recommending favorable action to the full committee.

The Administrator of Veterans' Affairs stated:

I am in full accord with the objective of a bill such as H. R. 53. If amended in accordance with the accompanying recommendations and suggestions I believe it should receive favorable consideration by your committee.

The General Accounting Office in reporting on the bill, stated:

A simple and intelligible restatement of the laws pertaining to veterans' benefits and to their administration, such as these bills contemplate, is long overdue and highly desirable. It should contribute toward efficient administration by clarifying the body of law on that subject. We urge that these bills be given favorable consideration. In our view, however, the enactment of a single bill embracing all the areas involved would result in greater uniformity and clarity and, hence, the enactment of H. R. 53 appears somewhat preferable to the alternative of covering the subject matter in three separate bills.

The Comptroller General was referring to other bills which were prepared to consider this problem on a single subject basis.

The Bureau of the Budget stated in endorsing the objective of this bill:

Consolidation of the many laws relating to veterans' benefits should serve to expedite the adjudication of claims and render the system more comprehensible to veterans and the public. Codification was also recommended by the President's Commission on Veterans' Pension, which noted the direct personal impact of these statutes on veterans and their dependents who, because of the complexities of existing statutes, are often uncertain about the benefits to which they may be entitled. The Veterans' Administration's concurrent efforts to index, codify, and simplify precedents and regulatory material would also undoubtedly be facilitated by the enactment of this bill.

The amendments which the committee has made to the bill reflect all of the changes recommended by the Veterans' Administration, with one exception. The Veterans' Administration suggested that the provisions relating to the payment of pension to Medal of Honor holders should be incorporated in title 10 of the United States Code—the Army and Air Force title. The Committee on Veterans' Affairs in recent years has reported bills seeking to provide a new pension or a higher pension for holders of the highest medal awarded by the Government of the United States. The most recent codification of title 10 omits the provisions relating to holders of the Congressional Medal of Honor. It therefore seems appropriate that this section should be retained in title 38 of the United States Code which relates to the Veterans' Administration.

The other amendments which are noted throughout the bill fall into the general categories of clerical, typographical, and clarification amendments. There is no intent on the part of the committee to incorporate changes other than on the basis indicated.

The committee strongly believes that the enactment of this bill by the Congress will do much to aid in the administration of veterans' laws. It should be much easier to adjudicate claims, to answer correspondence, to perform all of the day-to-day administrative functions which the Veterans' Administration must perform, by having this great body of law in one act. The veterans' organizations' service officers, claims' officials, and legislative representatives should find this bill to be of the greatest assistance in their work. Members of Congress, too, will find that this bill will greatly aid them in locating provisions of law which are now scattered throughout numerous enactments. Enactment of this proposal will make easier the codification of VA laws on which work has already started in the Veterans' Administration.

Mr. Speaker, at this time I yield such time as he may consume to the gentleman from North Carolina [Mr. SHUFORD].

Mr. SHUFORD. Mr. Speaker, this bill seeks to consolidate into one act all of the Veterans' Administration laws relating to compensation for service-connected disabilities, pension for non-service-connected disabilities, administration, hospitalization, and burial benefits.

The bill represents several months of work during the recess of the 2d session of the 84th Congress on the part of the staff of the committee, the Office of the Legislative Counsel of the House of Representatives, and the Office of Legislation of the General Counsel of the Veterans' Administration. Its objective is to make uniform and more intelligible the various laws in the fields indicated above.

Basically, it does not seek to enlarge the field of benefits; nor to restrict it. Saving provisions are included to fully protect individuals already on the pension or compensation rolls.

The bill is endorsed in principle by the Veterans' Administration, the Bureau of the Budget, and the General Accounting Office.

All of the amendments of substance suggested by the Veterans' Administration have been adopted. The other amendments are of a clarifying, typographical, or clerical nature and do not change the substance or intent of the bill.

The bill would be effective from January 1, 1958.

The bill was reported unanimously by the committee and I think that it will be a major step forward in this field if it can be enacted into law.

As to the cost of the bill, I will quote from the report of the Administrator of Veterans' Affairs:

To the extent that the bill conforms substantially with present law, no additional cost

would be involved in its enactment. With respect to the mentioned proposed changes in law dealing with discharge and marriage date requirements, and definitions of "widow" and "child," it is believed that the cost would be relatively small. It is not possible to submit an accurate estimate of such cost, except in one area, due to the indeterminate factors involved. It is estimated that the liberalized rates of pension applicable to certain orphan children of Spanish-American War veterans would approximate $200,000 for the first year. This annual cost would remain basically the same for each of the ensuing 4 years. The proposed change in the law with respect to liberalizing the eligibility criteria of certain retired officers for hospitalization and medical treatment in service-connected cases might result in some additional benefit cost, but it is believed that it would be small. On the other hand, the elimination of the existing requirements that they must first establish eligibility for, or be in receipt of, compensation, would bring about administrative simpility and some economy.

I insert at this point a brief explanation of the substantive changes made by this bill:

1. The discharge requirement of "under conditions other than dishonorable" is made uniform for all veterans for the purpose of the benefits authorized by the bill. For pension purposes, existing law requires that Indian war veterans be honorably discharged from the service.

2. For compensation purposes under the bill, a widow would uniformly be required to have married the veteran before the expiration of 10 years after the veteran's separation from service or to have been married 10 or more years. Under existing law there are differing requirements, depending on the period of service, ranging from marriage at any time to marriage prior to specific arbitrary dates.

3. Under the bill, remarriage of any widow terminates her eligibility. Under certain conditions present law allows remarried widows of veterans of the Civil War, Indian wars, or Spanish-American War to be restored to the rolls.

4. The uniform definition of "child" in the bill (generally under age 18) would effect a liberalization as to the definition of a child of a Civil or Indian war veteran (generally under age 16), and also result in an increase in the rates of pension payable to certain children of veterans of the Spanish-American War.

5. Under existing law, a widow of a veteran of the Civil War, Indian wars, or the Spanish-American War who may be barred from the receipt of pension because of her date of marriage may nevertheless qualify under certain conditions, i. e., marriage for 10 or more years, a showing of dependency, and attainment of age 60. The bill would liberalize the requirements in such cases by removing the conditions of dependency and age 60.

6. Under existing law retired persons who served during a war period are eligible for hospital and domiciliary care from the Veterans' Administration in the same manner as veterans of a war; however, in order to receive medical treatment for service-incurred disabilities they must have elected to receive disability compensation or, if peacetime retired persons, must be in receipt of compensation in lieu of retirement pay. The bill would obviate this circuitous route to eligibility by providing such benefits on the same basis as provided to discharged veterans.

7. As the definition of "period of war" would include the period of any future war declared by the Congress, it would be an extension of existing law which generally limits such defined periods to past wars. Its principal effect would be to make certain wartime eligibility criteria for compensation and hospitalization automatically available to veterans of future wars.

Mr. ADAIR. Mr. Speaker, as the gentleman from North Carolina [Mr. SHUFORD] has stated, this proposed legislation would simply make more uniform and more available for use the laws which are largely already in existence. It is not designed particularly to change the substance of these laws but merely to put them in better form.

Mr. WHITENER. Mr. Speaker, it was my good fortune to serve as a member of the special subcommittee which considered the bill, H. R. 53, which is now before the House. I desire to congratulate my colleague from North Carolina [Mr. SHUFORD], as well as the chairman of the full committee who introduced this bill.

As a newcomer to Congress, this legislation makes great sense to me. In the short time I have been here, I have been amazed by the number of laws and regulations with which the Committee on Veterans' Affairs must deal. This bill, at the very least, would make the many laws in this subject much more understandable to the individual Member of the House or the Senate who must pass upon the merits of veterans' legislation.

Having the subject matter of compensation, pension, hopitalization, and other benefits in one single act, and arranged in logical fashion, will certainly improve administration and enable the Congress to approach subjects with more clarity than has been possible in the past.

There is another feature of the bill which appeals to me in this economy-minded Congress and that is that it will not involve additional funds. If there are any additional costs, they will be so small as to be infinitesimal in comparsion with other programs in the budget.

All veterans' organizations appearing before the Committee on Veterans' Affairs expressed their approval of this bringing together of the many statutes in a manner which eliminates a great amount of confusion. This should serve as plenary evidence of the merit of the legislation.

It has been a great privilege for me to have had the opportunity to serve on the special subcommittee studying H. R. 53. And, I think that my pride in mentioning this will be fully understood by those who have occasion in the future to deal with the various statutes which are now so conveniently located by reason of this bill.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds have voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

PROHIBITING PAYMENT OF PENSIONS TO PERSONS CONFINED IN PENAL INSTITUTIONS LONGER THAN 60 DAYS

Mr. TEAGUE of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 71) to prohibit the payment of pensions to persons confined in penal institutions for periods longer than 60 days.

The Clerk read as follows:

Be it enacted, etc., That no pension under public or private laws administered by the Veterans' Administration shall be paid to or for an individual who has been imprisoned in a Federal, State, or local penal institution as the result of conviction of a felony or misdemeanor for any part of the period beginning 61 days after his imprisonment begins and ending when his imprisonment ends.

SEC. 2. (a) Where any veteran is disqualified for pension for any period solely by reason of the first section of this act, the Administrator may apportion and pay to his wife or children the pension which such veteran would receive for that period but for this act.

(b) Where any widow or child of a veteran is disqualified for pension for any period solely by reason of the first section of this act, the Administrator may (1) if the widow is disqualified, pay to the child, or children, the pension which would be payable if there were no such widow or (2) if a child is disqualified, pay to the widow the pension which would be payable if there were no such child.

SEC. 3. This act shall take effect on the first day of the second calendar month which begins after the date of its enactment.

The SPEAKER. Is a second demanded?

Mr. ADAIR. Mr. Speaker, I demand a second.

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, this bill is identical to H. R. 10477 that passed the House last year but failed to pass the other body. It was reported by the same subcommittee. It was reported out of the House Committee on Veterans' Affairs this year with one dissenting vote. It is supported by all the veterans' groups. I hope the House will pass the bill.

Pension is a gratuity payable solely to otherwise eligible veterans who served during a war or comparable period. Payment of pension for veterans of the Civil War, Spanish-American, and Indian wars has been based on age or non-service-connected disability. However, in the case of veterans of World War I, II, and Korea, the requirement is essentially non-service-connected disability coupled with need, as set forth below:

Under existing law—Veterans Regulation No. 1 (a), part III, as amended—veterans of World War I, World War II, the Spanish-American War, Philippine Insurrection, and Boxer Rebellion are eligible for pension based on permanent and total non-service-connected disability. Pension is payable to any such veteran who served in the active military or naval service for a period of 90 days or more during such wars and who was discharged therefrom under conditions other than dishonorable, or who, having served less than 90 days, was discharged for disability incurred in service in line of duty. The veteran must have been in active service before the cessation of hostilities and be suffering from non-service-connected permanent and total

disability not incurred as a result of his own willful misconduct or vicious habits. The rate of $66.15 per month, except that where the veteran shall have been rated permanent and total and has been in receipt of pension for a continuous period of 10 years or reaches the age of 65 years and is permanently and totally disabled, the rate is $78.75 per month. A rate of $135.45 per month is authorized in the case of an otherwise eligible veteran who is, on account of age or physical or mental disability, helpless or blind or so nearly helpless or blind as to need or require the regular aid and attendance of another person. Such pension is not payable to any unmarried person whose annual income exceeds $1,400 or to any married person or any person with minor children whose annual income exceeds $2,700. Any person who served in the active service in the Armed Forces of the United States on or after June 27, 1950, and prior to February 1, 1955, is also eligible for pension under part III as provided in the act of May 11, 1951—Public Law 28, 82d Congress.

In the administration of the aforementioned provisions the determination of permanent total disability is made on a very liberal basis. Such a rating is granted (where the requirement of permanence is met) when there is a single disability of 60 percent or 2 or more disabilities, 1 of which is 40 percent in degree, combined with other disability or disabilities to a total of 70 percent, and unemployability attributed thereto. Although age alone is not considered as a basis for entitlement to such pension, it is considered in association with disability and unemployability in determining permanent and total disability. The aforementioned percentage requirements are reduced on the attainment of age 55 to a 60-percent rating for 1 or more disabilities, with no percentage requirement for any 1 disability; at age 60 to a 50-percent rating for 1 or more disabilities; and at age 65 to 1 disability ratable at 10 percent or more. When these reduced percentage requirements are met and the disability or disabilities involved are of a permanent nature, a permanent and total disability rating will be assigned, if the veteran is determined to be unable to secure and follow substantially gainful employment by reason of such disability.

Widows are entitled to non-service-connected death pension based on their husband's war or comparable service, with various marriage and other requirements specified in the laws.

It has come to the attention of the committee, based on a survey—in the 84th Congress—made of 10 States—Tennessee, Ohio, Colorado, California, New Mexico, Oregon, Pennsylvania, New York, Illinois, and Georgia—as well as the Federal penal institutions, that there are a number of veterans, and some widows, now incarcerated in penal institutions who are drawing pension, compensation, or retirement pay.

The committee is of the opinion that there is no valid basis why a man should receive a pension for non-service-connected disability or age while he is incarcerated in a penal institution for a crime of which he has been convicted. In the case of compensation for a service-connected disability the committee is of the opinion that that is an entirely different benefit, based on disability, and to deprive a man of his service-connected compensation would be imposing an additional penalty. The same is true of retirement pay which is paid on an entirely different basis from pension.

Section 2 of the bill provides that the Administrator may apportion and pay to the wife and children of a veteran the pension which such veteran would be eligible to receive if he had not been incarcerated in a penal institution. Provision is also made for paying to a child or children, where the widow is disqualified by imprisonment, the pension which would be payable if there were no widow. Similarly, in the case of a disqualified child, the widow would receive a reduced pension.

The period of 60 days was set as it is believed that most sentences for minor offenses would be below this length of imprisonment.

While there would be some additional administrative burden placed upon the Veterans' Administration as a result of the enactment of this legislation, it does appear that there will be savings rather than any additional cost and in any event the committee is of the opinion that sound public policy requires no pension for a non-service-connected disability or age be paid to a person who is serving a sentence for the conviction of a felony or misdemeanor.

The committee's investigation revealed that veterans in Federal and 10 States penal institutions had been convicted of various felonies and misdemeanors, including automobile theft, impersonating Federal employee, narcotic sale, forgery, bank robbery, rape, false claims, altering Government check, murder, counterfeiting, white slavery, tax evasion, firearms, unlawful possession, liquor-law violation, false statement, burglary, larceny, fraud, assault, obscene literature, mailing, conspiracy, distilling—illegal, probation violation, drunk and disorderly conduct, manslaughter, sodomy, arson, carnal abuse of child, incest, bigamy, abandonment of children, abortion, check, worthless passing, kidnaping, rioting, adultery, driving while drunk, vagrancy, stolen property receiving, confidence game, nonsupport of dependents.

Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina, the chairman of the subcommittee [Mr. SHUFORD].

Mr. SHUFORD. Mr. Speaker, this bill is identical to H. R. 10477 which passed the House of Representatives in the 2d session of the 84th Congress, but failed of enactment in the Senate.

It provides that any veteran incarcerated for longer than 60 days, upon the conviction of either a felony or misdemeanor, shall not be entitled, for the period beginning on the 61st day of imprisonment, to a pension for non-service-connected disability. During such period, if the veteran has a wife or children, the pension for which he would otherwise be eligible may be apportioned among them. Upon his release from prison, assuming he meets other qualifications, he could have his pension reinstated.

This legislation is based on a survey conducted by the committee in the 84th Congress which involved 10 States and the entire Federal penal system. It showed rather conclusively that a large number of veterans were incarcerated who were receiving pensions during their terms of imprisonment.

One of the most striking cases occurred in the State of New Mexico where a widow of one veteran was receiving pension based upon the service of her first husband, while she was serving a period of imprisonment for the murder of her second.

Another case called to the attention of the committee recently was of an individual who was guilty of assault and sentenced to several years imprisonment who had never received a pension, but who applied for a pension at the time he entered the prison and was granted it.

In the judgment of the committee, this sort of practice should be stopped and the enactment of this legislation would accomplish that purpose. It would result in a net saving to the taxpayers, while admittedly there would be some additional cost of administration.

It is approved by the Veterans' Administration, the Bureau of the Budget, and the General Accounting Office. The four major veteran organizations have indicated their support of the proposal.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. SHUFORD. I yield to the gentleman from West Virginia.

Mr. BAILEY. May I inquire of the gentleman if this would affect American servicemen who have been convicted by civil courts abroad? I know of a few instances where soldiers from West Virginia are serving as much as 5 years under sentences by Japanese courts. Would this deprive them of pensions?

Mr. SHUFORD. No, it would not apply in such cases.

Mr. BAILEY. Would not those gentlemen be entitled to pensions?

Mr. SHUFORD. Under this legislation they would not be deprived of any pension to which they were entitled.

Mr. BAILEY. There is no bar when they are released from the Japanese prisons?

Mr. SHUFORD. That is correct. Let me read from the bill:

> That no pension under public or private laws administered by the Veterans' Administration shall be paid to or for an individual who has been imprisoned in a Federal, State, or local penal institution as the result of conviction of a felony or misdemeanor for any part of the period beginning 61 days after his imprisonment begins and ending when his imprisonment ends.

The pension begins again when his imprisonment ends. The bill provides that the widow or children would be entitled to the pension as provided in the bill while he is in prison if his incarceration is over 60 days. We think this is a good thing, and the Veterans' Administration also thinks so.

If the gentleman will permit me to read it, I have here a statement from the American Legion:

> Yet another Teague bill (H. R. 71) proposes to suspend benefit payments to vets who are incarcerated for a misdemeanor or felony, payment to cease after 60 days imprisonment, and remain suspended until release. . . . Provisions are written in to protect wives and children. . . . The bill would dignify the vets' benefit program, and the 60-day clause prevents hardship on persons convicted for short terms for deeds that are more infractious and criminal in nature.

Mr. BAILEY. I thank the gentleman from North Carolina.

Mr. ADAIR. Mr. Speaker, I yield such time as she may desire to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I voted against the bill in the committee last year and against the bill in committee this year. I think I was the only one who voted against it. I was very much in the minority. I dislike intensely to take away from veterans benefits arising from services they have performed and which they have earned.

Mr. ADAIR. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, I concur in the views expressed by the chairman of the subcommittee, the gentleman from North Carolina. This legislation would provide that when persons who are drawing pensions are incarcerated for periods of more than 60 days after conviction of a misdemeanor or a felony, they lose their pension until they are given their freedom again. It does not apply to compensation payments. In addition to that there are other provisions in the bill which permit their pensions to go to the wives and children, if such exist. I think, therefore, this law is a step in the direction of protecting these dependents of veterans and, perhaps, assuring them of a more reliable income than they would have under the present law. I see no reason why one who is in prison and is already a charge upon the State should receive further benefits. To that extent, the legislation will effect an economy. For those reasons, therefore, Mr. Speaker, I urge the enactment of this legislation.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days within which to extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. BOW. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 34]

Addonizio	Fino	Morgan
Alexander	Ford	Multer, N. Y.
Alger	Frazier	Norrell
Anderson, Mont.	Frelinghuysen	Osmers
	Fulton	Pfost
Anfuso	Garmatz	Philbin
Aspinall	Gary	Powell
Barrett	Green, Pa.	Preston
Bass, N. H.	Gregory	Prouty
Bowler	Griffiths	Reece, Tenn.
Breeding	Hardy	Robeson, Va.
Burleson	Haskell	Rodino
Chelf	Hays, Ohio	Rogers, Tex.
Chenoweth	Healey	Santangelo
Chudoff	Hillings	Seely-Brown
Collier	Holifield	Sheehan
Coudert	Holland	Simpson, Pa.
Davis, Tenn.	Holtzman	Stauffer
Delay	Jackson	Teller
Dies	Kearney	Ullman
Diggs	Kelley, Pa.	Vanik
Dollinger	Kelly, N. Y.	Vorys
Durham	Lennon	Vursell
Eberharter	McConnell	Westland
Elliott	Macdonald	Willis
Evins	Mack, Wash.	Wilson, Calif.
Fallon	Metcalf	Yates
Farbstein	Morano	

The SPEAKER pro tempore [Mr. COOPER]. On this rollcall 347 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL

Mr. FOGARTY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6287, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Friday, the Clerk had read down to and including line 3, page 18, of the bill.

If there are no further amendments at this point, the Clerk will read.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we had 4 days of debate on this bill last week. In that time we finished the Department of Labor and just got started on the Department of Health, Education, and Welfare, where one amendment was adopted by just one vote and the other amendment was defeated by a substantial margin.

I just wanted to remind the House again that on last Tuesday or Wednesday your President and mine warned this House that the kind of cuts we have been making for the past week in this budget are fatuous and foolish. Then the Secretary of Labor, who is your Secretary of Labor and mine, issued, I thought, a very strong press release condemning the way that these cuts are being made. These have been piecemeal cuts and across the board cuts with really no justification behind them. Their only purpose appears to be to permit you to be able to say or brag in the next election that you were able to cut the President's budget.

Now I see the other part of the team working on this appropriation bill that we now have before us has commented on our action. There seem to be only 3 spokes in this wheel, the President, the Secretary of Labor and the Secretary of Health, Education, and Welfare. I notice this morning that the Secretary of Health, Education, and Welfare is following in the same footsteps of the President and the Secretary of Labor. He, too, is warning the Congress about the kind of cuts that you have been offering and have been voting for the Department of Labor.

If I may, I shall quote from today's paper. The Secretary of Health, Education, and Welfare said:

> Still further major reductions simply would retard the progress of the American people toward better health, improved education and greater economic security.

In other words, some of the amendments that you are going to offer this afternoon and tomorrow and maybe the next day are going to impair the health of our people, they are going to deny proper educational facilities for our children; and they are putting in jeopardy the economic security of our country. The Secretary went on further to say that—

> To neglect health, education, or economic security only piles up greater cost in the long run. It would be false economy, for example, to cut funds for public health and medical research when these activities held bright promise of greatly reducing the toll of disease and disability.

He maintained that the Department's programs over the years will yield far more than the cost, in preventing human suffering, caring for human needs, and fostering economic growth.

He went on to condemn the amendment that you people offered and adopted last Thursday cutting the appropriation for the Food and Drug Administration. And he was just as right as he could be when he condemned that cut, as we tried to point out on the floor. He also warned about further cuts in vocational rehabilitation and in education and in public health.

I hope that the membership of this committee and of this House will pay some attention to your President, to your Secretary of Health, Education, and Welfare, and to the Secretary of Labor. Certainly they have never been charged by anybody on this side or your side of the aisle to be leftwingers or ultraliberals. Neither have they been accused of wanting to spend every dime that they could lay their hands on. They have the name of being conservative and yet in this instance they want to do what is best for the people of our country. When you continue to offer amendments

and to vote for the type of cuts that you made last week in this bill, you are certainly taking away some of the rights and privileges of these people. And as was expressed in an article yesterday by one of the President's economic advisers, Mr. Hauge, if you really want to cut this bill, why do you not do it the right way? Why do you not come in and propose legislation that will repeal existing laws that have our hands tied now as far as appropriating funds and matching grants to States and educational and medical research facilities are concerned. I personally believe they are doing some good for the people of our country but if you do not agree with me why do you not stand and honestly propose the repeal of those laws?

I do not believe it is right to get up and speak for and vote for all of these changes in law that you have made in the last 3 or 4 years and then come in today and cut, as I have said before on 2 or 3 occasions, the guts out of these appropriation bills. In that way you make it impossible to operate them efficiently and you are in effect saying, "Well, I do not want to approach it through the front door, but this is the best I can do. Maybe if we can embarrass the Department and not give them sufficient money they will not be able to operate."

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened with a great deal of interest to the statement of the chairman. He is relying for sustaining his position on this bill, as he did all last week, not on the merits of the amounts contained in the bill but upon politics and what effect it was going to have on this Member or that Member for the way he voted. Maybe that is the thing to do, but for my own part I have discussed nothing but what was the right thing to do. I have discussed nothing but what I believe would help these different agencies by preventing them from building up such an enormous load of personnel that they would not be able to do a good job.

Now, here it is. From this point on in the bill, just as I have in the past all the way through, I shall vote for that figure which I believe best will serve the interests of the people of the United States, and not vote a certain way because somebody else says that should be done. Frankly, I think the judgment of the Members of the House on this bill, their own deliberate judgment, is the best key to what these people need in the departmental agencies. I think this House must realize that we have to keep down the number of personnel to a point where these people can work efficiently and effectively and in the interests of the people of the United States. I hope the Congress will go on through to the end with that thought in mind.

Mr. BLATNIK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise to support the policy and the statement made by the gentleman from Rhode Island, Congressman JOHN FOGARTY, the able chairman of the subcommittee, and to commend him on the able, effective way in which he has carried forward this battle for the people, and the forward-looking way in which he is calling the attention of this House to the problems of our people.

It has been said that perhaps we should not listen to what the President or the Secretary of Labor or the Secretary of Health, Education, and Welfare, or any other high-level governmental official may say. I say we cannot avoid looking at the realities as portrayed by the facts of the situation. Merely to talk about a budget and say it is a big budget or to try to prove it is too big or too small, either is meaningless unless you look at it in relation to two factors, and only then does it have any significance or meaning. Those two factors are merely these: No. 1, the population growth picture of the country, what it has been, is, and will be in the near future, and No. 2, the economic productivity as measured in terms of the gross national product, which is a measure of our ability.

The increases in the various categories of our population, the young, the middle-aged, and the old, will indicate the needs of the people for services which they demand and to which they are entitled, as the President said. The gross national product is the measure of the ability to pay for a reasonable amount of those services.

The question of the size of the Federal budget has certainly generated more heat than light. While the argument centers around the question whether or not it is too big, the question whether it is big enough is lost sight of. Yes, I said whether it is big enough. Seventy-one billion eight hundred million dollars is a lot of money. But do you know that it represents only 17 percent of our gross national product? That this budget actually provides less per capita than the 1954 budget which was $4 billion less? That this budget would place no greater burden on the economy than any budget in the last 6 years? This is true simply because of our explosive population. We are literally growing by leaps and bounds.

Let us go quickly into the population picture. A fact that I think is too far either overlooked or underestimated is that in 1940, 17 years ago, we had 131 million people in America. It took 320 years of slow, steady growth to reach 131 million, from 1620, the time of the landing of the Pilgrims, until 1940. What did that census clock in the Department of Commerce Building tick off last month? One hundred and seventy million, an increase of 39 million people in the last 17 years since 1940.

They can project those figures with reasonable accuracy and within a reasonable margin. By 1975 we shall have anywhere from 222 million to 228 million people, an increase of 52 million in the next 17 years. We have already seen 17 of those 35 years, or half of that time pass since 1940. We stand today at the midmark. There are 17 years ahead of us until 1975. Let us look ahead for at least 10 years or 5 years, if not for 17 years, and let us not merely look backward toward last year's budget. Let us abandon this constant reference to a year ago, comparing this budget to what was appropriated a year ago. I will say there has been some progress made, as far as many of our conservative colleagues are concerned. Our friends on the other side of the aisle not long ago were looking back 20 or 30 years ago, trying to keep Government participation at that level. Let us go ahead, however, now on the basis of these 35 years from 1940 to 1975. In this period we will have an increase in our population which is 70 percent of the total increase of our population that took 320 years to achieve. What does that mean? Where is this increase taking place? Over 97 percent of this increase has taken place in our metropolitan areas and only 3 percent has taken place in the nonmetropolitan areas. It means congestion. It means more housing. It means more demands for vocational training. It means more hospitalization and more disease and more illness in children and more problems with reference to the aged. It means more traffic facilities. Even now it is beginning to affect such a simple thing as water, which I shall touch on just briefly in a moment. Fifty-seven percent of all people are now living in 173 metropolitan areas, which is only 7 percent of our total land area. That means problems brought about by this explosive increase in our population growth. What are the implications of this rapid growth? Let me give you a few examples. Number one—water. That is a simple thing. We never thought we would run out of water.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLATNIK. Mr. Chairman, I ask unanimous consent that I may proceed for 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BLATNIK. I thank the Chairman and I thank my colleagues for their indulgence.

So far as water is concerned, today with twice the population that we had in 1900, we are using four times as much water per capita. Not only are more people using water, but we are using more water per capita. We are using four times as much water per capita. Industry is using 10 times the water that it used in 1900. Most of that increase has taken place in the last 17 years since 1940, and they are going to double their use of water in the next 17 years. Within 10 years, water will become a national problem and perhaps a crisis.

Consider the question of education. Already our educational plant is completely inadequate. The classroom shortage deprives 1 million boys and girls each year of full-time schooling and adequate educational opportunities. Millions more attend classes of 40 or more. As Secretary Folsom says, and I may say to my economy-minded friends across the aisle, "He is your Secretary, you put him in a position of importance."

These children are not imaginary. They are in school today and they can be counted with reasonable accuracy.

Over 2 million of these real children the Secretary was talking about exceed normal school capacity. The problem of inadequate educational facilities will not disappear by pretending that it is

last year. As a matter of fact, it will continue to worsen. We have 12 million children under 3 years of age and there are going to be 5½ million babies born each year 10 years from now. The present classroom shortage will seem minor a few years from now unless we begin doing something about it, and doing it now.

College enrollments will double in the next 10 years. We will have 8 million to 10 million students between the ages of 18 and 25 in our colleges and universities. That means we will have to double the facilities or build an amount equal to that built in the last 300 years. This will all have to be done in the next 10 to 15 years.

For years we have watched while the number of the Nation's older folks increased yet today we find ourselves totally unprepared to cope with the problem. About 8½ percent of our population—14 million people—are over 65 years of age. By 196C the number is expected to be almost 16 million. Our senior citizens must have satisfactory incomes and living standards. Simple justice dictates that. Yet while the Nation's population aged 65 and older increased 17 percent from 1947 to 1952, for instance, their share of total personal income did not increase at all. Today the average person over 65 has an income of less than $1,000 and one of four of them has no income at all. We simply have not kept faith with the Nation's senior citizens on our present budget. Are they too to be sacrificed on the altar of economy for the sake of economy? Or will we face up to our responsibilities and modernize our old age security programs to meet today's problems?

The health of the Nation, while improving, is still inadequate. Research of all sorts into these problems is critically needed yet there are those on this floor who would cut the funds required to carry out such research. In mental health for instance, much research is needed if we are to begin to solve this tragic problem which afflicts so many people. Over 50 percent of all the hospital beds in the Nation are taken up by individuals suffering from some sort of mental illness. Does anyone think that this problem of mental illness will subside in the near future? Do you think there is going to be less disease of all types?

If some of the Members on the other side of the aisle are really interested in saving money maybe these figures would be of interest to them: Because of ill health we lose between 4 and 5 million man-years of work and more than $38 billion of national wealth each year. Expanded research programs into some of the more serious of these killer diseases such as heart trouble, cancer, arthritis, mental health, and others would, in the long run, save us money. But this takes money—not how much we spent last year but enough to take care of the problem as it exists this year and as it will grow in the years to come because of increased population.

Look at what happened in the field of automobile transportation and traffic. We are killing more men, women, and children—civilians—on our highways, roads, and streets of America in the last 12 months than were killed in 30 months of the tragic war in Korea a few years ago. Forty thousand three hundred people were killed on the highways and streets of America in the last 12 months. We need modern highways to stop this killing. So I urge you to look at this appropriation with tomorrow, not yesterday, in mind. We are not going to be able to hold the line, as has been said, because the demands and needs of an ever-increasing population will be too great. We have to be more realistic about it. We have to look ahead to see what the times are going to be and act accordingly. These are the realities of the situation and they must be considered in a realistic budget.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. BLATNIK] has expired.

Mr. HIESTAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I know we are all very, very conscious of the effect of statistics. If we study them we can interpret them in various ways. We have just had a very able argument by the distinguished gentleman from Minnesota [Mr. BLATNIK]. I do not have any desire to refute the statements he made, when they are based upon statistics. However, I suggest that they might be interpreted in a very different way. The hard facts of the matter are that in 1940 we had a population of 131 million. In 1958, at the time this budget becomes effective, we will probably have a population of 171 million, 40 million increase. That figures 31 percent increase in population.

Now, what about the budget of 1940? Nine billion dollars. What about the requested budget for 1958? Seventy-two billion dollars; an increase of nearly 800 percent in requested appropriations.

Now, it would not be fair not to put that back in terms of the purchasing power of the dollar in 1940. Let us say we can cut 50 percent in purchasing power of the dollar. It is still a 400-percent increase. A 31-percent increase in population and a 400-percent increase in requested budget. Those figures are hard to argue against, even with this tremendous defense effort. Even with the tremendous defense effort can you justify that increase? I doubt it. I believe we should look these facts in the face and analyze some of these statements that are made, and get down to brass tacks.

We know very well the most effective factor in inflation is Federal spending. If we can cut this Federal spending to reasonable, but still very great size, say to this current year or last year, we can save six or seven thousand million dollars. If we can apply that on the Federal debt, your so-called tight money situation vanishes into thin air.

Mr. Chairman, I yield back the remainder of my time.

Mr. CANNON. Mr. Chairman, today's issue of the Washington Star, just off the press, carried the headline in boxcar letters: "United States payroll hits a billion dollars monthly." Under it is the statement that "the Federal payroll in January hit an alltime peak of $1 billion a month."

And supplementing that is the announcement that "This was the highest monthly Federal civilian payroll of all times" and

"This total was reported despite a decrease in employment which occurred during the same month."

When the bill passes, if it passes in its present form, this statement will be obsolete because the bill carries for HEW alone 1,086 additional employees. The entire bill increases the number of civilian employees something like 1,300 and the total budget this year if enacted as submitted would add additional Federal employees in the number of 29,472 over June 1957, and 75,945 over June 1956.

The January payroll is not only the highest in history but under the pending budget and the pending bill it is increasing at an astonishing rate, and of course taxes must keep pace with the increase.

I was much intrigued by the preliminary remarks of the distinguished gentleman from Rhode Island. The editorial on which he based his remarks stated that expenditures provided in this bill were a bright promise. That is the trouble, we have been regaled with such promises too often unfulfilled.

The one thing we should keep in mind is the fact that these appropriation bills affect the cost of living of every man, woman, and child in the United States.

Due to excessive appropriations, the breakfast served this morning on the table of every family in America cost twice as much as it cost a comparatively short time ago. Because we have been spending money we did not have for things we could get along without, the cost of living has climbed steadily. And because we continue to pile up the national debt and maintain wartime taxes the statistical bureaus of the departments of the Government report that the cost of living has continued to increase over the years and has increased over the previous month for the last eight successive months. The cost of food and clothing and shelter and family maintenance was higher last month than the month before; it is higher this month than it was last, and it will be higher next month than it is this month. Yet we keep on spending money and more money for things we could get along without. Unless we stop buying the things we can get along without we can expect to have to pay more and more for the things we can not get along without.

Mr. SMITH of Virginia. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, we listened last week and this morning, and I have read in the newspapers, the agonizing cries about cutting this bill. I want to remind the House that you have not cut $1 below what they are living on now. All we are asking them to do is to buckle their belts just one notch tighter and live this year within the same budget they lived on last year. We are asking, in response to the

demand of the American people, that this budget be cut. If you cut this budget back to what it was last year you will have accomplished a great object. I do not think you will succeed in doing it on this bill because you are not cutting everything back to what it was last year.

There is a lot of talk about cuts, but we have not been cutting. I would like to remind you of a few figures about employment. In this particular bill, do you realize this Department is asking for an increase of 5,548 new employees for the coming year? The argument is made, "well, you are going to hurt some poor person who will not get this piece of charity that we have proclaimed in some bill for an authorization." But 5,548 new employees means a lot of money and that is what this bill calls for. And does not help one poor person or one sick person.

You might as well be reminded of the previous rate of increased employment in this ever-growing bureau. The figures for 1956 were 54,341, in 1957 there were 58,153 and this year the present bill provides money for an increase to 63,701 employees.

It has been said that this bill has been cut by $114 million. Do you know where that cut is? Sixty-six million, eight hundred thousand dollars of that cut is a reduction in school construction in impacted areas. It was reduced because, apparently, they did not have a call for it, they have constructed the schools. That is $66 million they did not ask for this year. Then there is veterans' unemployment compensation in which the demands have been declining constantly. The budget cut that $33 million. So $100 million of that $114 million as shown in the report involves cuts in things that were not needed any more.

I hope that the Members of the House in voting on these things will remember that we are not seeking to cut below last year. We are asking them only to live within their present budget.

Mrs. BLITCH. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentlewoman from Georgia.

Mrs. BLITCH. Is it not true that if we do not cut down the administrative expenses of these programs we are going to be forced to deprive the people for which these programs were established in the first place of the full benefit of them?

Mr. SMITH of Virginia. I think so and I thank the gentlewoman for her contribution.

Mr. Chairman, we have been confronted with a lot of threats here in the last few days, that we are going to have a rollcall on all of these amendments. I hope you will have a rollcall on all of them. Personally, I think I have voted for all the cuts and I would welcome the opportunity to put myself on record for what the American people are demanding and that is that we reduce expenditures so that they may get some relief from the present terrific burden of taxes.

Mr. JONAS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the thing that worries me about the discussion of the bill thus far is that whenever any of us undertake to show some interest in economical administration and offer amendments to cut down on the growing bureaucracy, other Members of this Committee accuse us of being opposed to better health, better education and better living conditions for the American people.

The other day one Member of the Committee compared those of us who are trying to make reductions in this bill to people who would take money out of a cup held by a blind man. Another Member last Friday delivered a speech here in the well in which he quoted St. Paul's statement that charity is the greatest virtue. Now, I do not profess to be a great Bible student, but I do not believe the gentleman can find any place in the Bible where St. Paul or anybody else encouraged a trustee to be charitable with somebody else's money.

It is very well to be charitable with our own money, and I try to be as liberal as possible with my own, but we are trustees of the tax money we extract from the American people, and it is our responsibility, in my judgment, to see that that money is wisely expended.

Now, let me give you a little illustration of what I have in mind. We have a very fine program called assistance to States, general. It is administered by the Public Health Service. I invite your attention to pages 429 and 430 of the hearings. There is an interesting table on page 430. Now, if an amendment is offered to cut some of the approximately $19 million that the Committee allowed to run this particular program next year, the charge will be made, as it has already been made, that the people who offer and support the amendment are not willing for the American people to have good health; that they are so coldhearted that they have no sympathy with people who are unfortunate enough not to have good health. But, I call your attention to this fact. The table on page 430 shows that requests were made this year for $24,609,000 to operate that program, but I also call your attention to the fact that only $18.5 million of that money was to go for health assistance to the States. In other words, they were asking for $6 million to pay the overhead costs to distribute $18 million to the States. To put this another way, we take from the States in the first place the entire $24 million and then we are asked to spend $6 million on salaries and overhead expenses in order to give $18 million back to the very people from whom we extracted the $24 million in the first place.

Now, let me call your attention to some of the increases they requested. Last year they had $3.5 million for personnel. They wanted to increase that by half a million dollars to $4.1 million. Last year they spent $282,550 in this program for travel. They wanted to increase that to $364,450 for travel; not for health, not for better health, but for travel. They wanted to increase their communications budget from $173,100 to $178,900. They wanted to increase their printing bill. They wanted to increase their bill for supplies and equipment. And, of course, they had the mandatory increase of $200,000 for civil service retirement.

Now, I do not criticize the Committee for its action in this case because the committee reduced those requests by $5 million. They increased some of the grants by $2 million. Those of us who are trying to bring about some economy are trying generally to reduce spending to 1957 levels and not, as has been implied, to cripple, emasculate or destroy programs providing health benefits. We think economies can be practiced in many areas, and we believe it is the duty of this Committee to point out the way. But these efforts do not deserve to be called attempts to scuttle the health programs. I for one reject that charge as wholly unfounded.

Following is the table to which I referred. It is taken from page 430 of the hearings:

Assistance to States, general, obligations by objects

		1956 actual	1957 estimate	1958 estimate
	Total number of permanent positions	574	612	733
	Full-time equivalent of all other positions	12	6	8
	Average number of all employees	521	574	669
	Number of employees at end of year	545	601	700
	Average salaries and grades:			
	General schedule grades:			
	Average salary	$4,959	$5,049	$5,148
	Average grade	GS–6.2	GS–6.4	GS–6.7
01	Personal services:			
	Permanent positions	3,022,683	3,490,580	4,108,900
	Positions other than permanent	67,395	30,100	44,500
	Regular pay above 52-week base	9,787		16,100
	Payment above basic rates	34,349	11,900	12,400
	Total personal services	3,134,214	3,532,580	4,181,900
02	Travel	253,861	282,550	364,450
03	Transportation of things	20,993	30,700	47,700
04	Communication services	177,160	173,100	178,900
05	Rents and utility services	87,597	71,200	71,200
06	Printing and reproduction	90,469	84,900	104,700
07	Other contractual services	123,286	178,470	592,450
	Services performed by other agencies	14,657	12,900	12,900
	Purchase of vital records transcripts	163,000	163,000	163,000
08	Supplies and materials	53,985	55,700	96,200
09	Equipment	41,892	43,700	72,100
11	Grants, subsidies, and contributions	13,332,038	13,000,000	18,500,000
	Contribution to retirement fund			200,600
13	Refunds, awards, and indemnities	3,400	2,800	3,200
15	Taxes and assessments	3,183	10,400	19,700
	Total obligations	17,499,735	17,642,000	24,609,000

Mr. BAILEY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. FOGARTY. Mr. Chairman, would the gentleman yield to me for just a moment to correct statements made by the gentleman who just left the floor?

Mr. BAILEY. I am glad to yield to the gentleman from Rhode Island.

Mr. FOGARTY. Mr. Chairman, as I remember it, the gentleman from North Carolina [Mr. JONAS] said that about six or eight million dollars of these grants to States was for administrative purposes. That is not so. Referring to the table the gentleman quoted from, you will see on the preceding page that in order to administer this $20 million it is going to cost $108,000 for administration, not six or eight million dollars as the gentleman said. There are items in there for technical assistance to States, almost $2 million. There is another item for collecting and compiling vital statistics that amounts to $1½ million and other assistance that the States have been asking for and which we have been supplying to them, and which certainly have helped these backward States no end in the last 7 or 8 years. It is these programs that make up way over 90 percent of the six or eight million dollars.

Mr. BAILEY. Mr. Chairman, in the somewhat vociferous arguments that we have listened to for the past week on this appropriation bill covering the Departments of Labor and Health, Education, and Welfare, I cannot help but question the consistency of some of the gentlemen who have been leading the fight to make reductions. Some of them as small as $10,000 or $20,000 in some items.

I refer particularly to the distinguished gentleman from Virginia, the chairman of the Committee on Rules [Mr. SMITH] and the ranking Democrat on that committee, the gentleman from Mississippi [Mr. COLMER]. I should like to remind those gentlemen that some of the headaches with which we are met here today came about because of the action of the Committee on Rules in bringing legislation to the floor of the House under a gag rule, under which the House was not able to work its will. It has resulted in unnecessary and burdensome appropriation items to carry the legislation into effect.

The latest one of those was the Mideast program of President Eisenhower, involving $400 million. That was brought to the floor under a gag rule, so that the House could not work its will on it. I would like to remind the gentleman that that bill was modified somewhat in the other body and came back here with a provision that they had to come to Congress before they could use $200 million of the $400 million. But those are the things that are costly and those are the things that we want to get at. I think it is time we stopped bringing legislation involving appropriations to the floor of this House under gag rules.

Mr. GAVIN. Mr. Chairman, I move to strike out the necessary number of words.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to speak for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Chairman, I want to call the attention of the committee to an item on page 25 of the bill:

> Grants for waste treatment works construction: For payments under section 6 of the Water Pollution Control Act, as amended, $50 million, to remain available only until June 30, 1959.

So that everybody understands my position, I intend to oppose any amendment that is offered to delete this item from the bill. For the benefit of my Republican colleagues who ran on the program of peace, progress, and prosperity, I should like to quote what the President stated in his state of the Union message. I am rather hesitant to bring this up at this time, but at the time the amendment will be presented to delete this appropriation I might not have the opportunity to call attention to this particular statement made by the President in his state of the Union message:

> Our soil, water, mineral, forest, fish, and wildlife resources are being conserved and improved more effectively. Their conservation and development are vital to the present and future strength of the Nation. But they must not be the concern of the Federal Government alone. State and local entities, and private enterprise should be encouraged to participate in such projects.
>
> I would like to make special mention of programs for making the best uses of water, rapidly becoming our most valuable natural resource, just as it can be, when neglected, a destroyer of both life and wealth. There has been prepared and published a comprehensive water report developed by a Cabinet committee and relating to the various phases of this particular problem.
>
> In the light of this report, there are two things I believe we should keep constantly in mind. The first is that each of our great river valleys should be considered as a whole. Piecemeal operations within each lesser drainage area can be self-defeating or, at the very least, needlessly expensive. The second is that the domestic and industrial demands for water grow far more rapidly than does our population.
>
> The whole matter of making the best use of each drop of water from the moment it touches our soil until it reaches the oceans, for such purposes as irrigation, flood control, power production, and domestic and industrial uses clearly demands the closest kind of cooperation and partnership between municipalities, States, and the Federal Government. Through cooperation of Federal, State, and local authorities in these vast projects we can obtain the economy and efficiency of development and operation that springs from a lively sense of local responsibility.
>
> And until such partnership is established on a proper and logical basis of sharing authority, responsibility, and costs, our country will never have both the fully productive use of water that it so obviously needs and protection against disastrous flood.
>
> If we fail in establishing and sustaining this partnership, all the many tasks that need to be done in America could be accomplished only at an excessive cost, by the growth of a stifling bureaucracy, and eventually with a dangerous degree of centralized control over our national life.
>
> In all domestic matters, I believe that the people of the United States will expect of us effective action to remedy past failure in meeting critical needs.

When this amendment is offered to strike out this $50 million, it would mean the finish of this whole program of cooperation between the Federal Government, the States, and the municipalities in an attempt to clean up the pollution that exists in our streams and waters throughout the Nation.

We are blessed with great natural resources, a God-given supply of water. The evidences of the devastation of pollutive conditions that exist on our streams throughout the Nation are on every hand. With the increased growth of our population, unless we in the Congress and the States and the municipalities manifest interest for the protection and conservation of our water so that we can build for the future, the pollution of our streams will continue. The existing conditions throughout the Nation must be corrected.

The attempt that will be made to strike out this $50 million appropriation that is in this bill in my estimation is not good judgment. To me, clean streams, clean water, the health and sanitation of our people, particularly the great metropolitan areas, need our most careful attention and consideration. I sincerely hope the Members of the House will be alerted at the time this amendment is offered to take such action as in their judgment they see fit to take for the health welfare of the people of the Nation. As for me, I am an advocate of clean streams and the elimination of pollution and filth from our waters. This is a program that should be continued and should have been undertaken many years ago in order that we may conserve and protect our waters for the growth and development of the Nation and be helpful to protect and conserve our waters for the generations that will follow.

Mr. DENTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to say a few words about this "economy drive" which we have seen in operation here in the House during the last few days.

When we received this $73.6-billion budget from the President, which was the highest peacetime budget in the history of the United States, and when the Secretary of the Treasury made his well-publicized statement that this budget should be cut, I am sure we all know there was a great wave of feeling throughout the country that it was incumbent upon the Congress to make a cut in this budget.

I am a member of the subcommittee which dealt with this particular bill to provide funds for the Labor Department and the Department of Health, Education, and Welfare. We approached their budgets on the theory and with the thought uppermost in our minds that we should cut them down in every case where it was possible to cut with genuine economy. We heard the evidence on this bill, and we took the testimony of official witnesses. I think that our Committee on Appropriations did an excellent job. We cut the appropriation $119 million below the Department's requests,

and $19 million below the appropriation made last year.

Some people have said here that certain expenditure items were taken out of the bill only because certain programs had expired. But let me call your attention to the fact that certain items for additional expenditures had to go into the bill. There was the item providing for the extra day's pay to be paid during the next fiscal year. And there was another item added because of the new system of accounting by which the Government contribution for employees' retirement pay, instead of being handled as a single, separate appropriation, is to be paid from the appropriation for each individual Department into a general fund.

Then a very large increase in the appropriation now before us came about because of a mandatory increase in grants to States for public-assistance or welfare payments as a result of the action of Congress last year. I say that we cut this bill a very large sum, considering the limited leeway we had. I think our committee did an excellent job.

But, when this bill came to the floor, there were more amendments offered to this bill than to any bill that I have seen since I have been a Member of the Congress. And I imagine some of the Members who have been here for many, many years have never seen a drive against any bill such as the drive that has taken place against this one, with amendment after amendment being offered to cut the appropriation recommended by the Appropriations Committee. We have been working here for 5 days on it and looks as if we are going to be here with it for a few days more.

We hear so much about the "economy" resulting from some of these cuts made on the House floor. I think our committee cut this bill to the bone. But I think the nature of the cuts our committee made will not impair the essential functions of our Government. When Congress passes a law setting up a program, you have to appropriate new money, if the program calls for it, to carry out that law. We who serve on the Committee on Appropriations have operated within those requirements and those limits, as is only proper.

I want to call your attention to the fact that the President of the United States said that the actions of the House of Representatives on this bill were "fatuous and futile." I turned on my television yesterday evening, and I heard the statement made by Mr. Mitchell, the Secretary of Labor, when he was asked about the cuts made in this appropriation bill. He said he did not agree with the cuts that the House Committee on Appropriations made, but he said the committee did act intelligently. He said they acted constructively. He said the committee acted in a way demonstrating that they knew what they were doing.

For instance, Secretary Mitchell said the Committee on Appropriations allowed money to permit the Department of Labor to try to help in finding jobs for persons over 45 years of age. He said the Committee on Appropriations allowed money so that veterans discharged from the military service would have someone to help them to find a civilian job. He said that the action here in the House took that help away from them. He said the action of the House took that money away from the Department so that they cannot carry on that program.

Then, in this morning's paper, the Washington Post, I read this statement made by a third member of the Eisenhower "team," the Secretary of Health, Education, and Welfare.

Secretary Folsom is quoted as saying:

> While I did not agree with the actions of the House Committee on Appropriations with respect to this budget, I know those actions were based on a thorough knowledge and a constructive approach to the problems in those fields and were taken only after weeks of hearings and careful deliberations.

He said, and I repeat:

> I know these actions were based on a thorough knowledge and a constructive approach to the problems in those fields.

Thus he was saying in an implied way that that was not the case with the action by the House of Representatives.

This bill deals with matters affecting labor, health, education, and welfare. It is something in which everyone in the country is interested. The extreme nature of this drive that is being made now is apt to cause the pendulum of public sentiment to swing the other way, if my mail is any criterion.

For a good while after the President submitted his budget, I received mail day after day saying that we should cut the appropriations. But since this bill has come before the House, and met the treatment that it has here, I have received piles of letters and telegrams protesting against the proposed cuts and the cuts that have been made by the House.

I think we are going to an extreme. I think the Committee on Appropriations went down the middle of the road and offered the House a sound approach to economy. I am afraid the action the House is taking is not going to bring real economy in the long run and those who are pushing this "economy drive" here are just going to defeat the purposes of economy and their own object and their own ends.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it is important that the two points of this economy drive be emphasized. One, of course, runs through most of these proposed cuts. That is the concern that many of us have, of how much money we can take out of the economy each year in a safe manner. That is the traditional base for economy moves. But there is also a very important second line of reasoning that is based upon another consideration. I am contemplating offering a series of amendments that will be based primarily upon this second basic reason. It is the question of what happens when we have the Federal Government come into these programs; whether or not that is the best way to accomplish results. That is not a question of how much money we are spending. It is a question of how we are spending the money. It is a question of whether we are spending that money wisely.

Now, I am taking on a burden that is really difficult to try to discuss objectively these Health Institute programs. To try to discuss what is the best way to go about combating cancer and heart disease, et cetera, which all of us are opposed to. We want to do everything we can to try to further those programs. It is a question of balance. Everyone knows that private industry is the main source of our advancement in those areas. It is true of education as well as of health. The Federal Government has a part to play, in my judgment, but it is a question of what part it is to play and how large a part. On these health programs, these are open-end authorizations. There is only one way in which we can decide how far the Government will go, and that is right here when these appropriation bills come up.

Here is an example of the damage that can be caused if we create an imbalance between private, Federal and local enterprises. For example, we dry up clinical material. In cancer research, through this centralization of research, which is essentially what we have in this Federal program, we are drying up clinical material that is available upon which to conduct research. Right now we have a situation where in cancer research most clinical material is available only through some Federal program. There are many people in this research field who are deeply concerned about that aspect. Furthermore, too much centralization of research activity can be most damaging, because most new ideas come from heaven knows where, but they do not come from a centralized research program. Surely the Federal Government can afford assistance, but how far should that assistance go? There is an evil in passing out money to unqualified persons or unqualified ideas; when you have a lot of extra money—and we have got it—in these Federal programs, a lot of unqualified ideas and unqualified people can come in, to receive some of those funds. That does not help the program. It hurts it.

I might emphasize another point. Those who are concerned about our community chest drives know that we have not been able to get heart and cancer and certain other national health groups into our unified community chest drives. One reason I suggest is—it has not become dangerous yet but it may become dangerous—that if the heart and cancer drives, for example, do not meet their quotas in the local community, their directors can come to Washington and get Federal funds and make up the difference. That has already started. That can destroy the very base of our local and private programs in the health and welfare area.

So what I am pleading for is to talk about these things objectively. We are all trying to do our best to beat cancer and these dread diseases and remove them from our society. The issue is how far do we think it is reasonable for the Federal Government to go in the matter of assistance to get the best results? How far do we think the Federal program should be projected? There is a basic limit of trained research personnel in all these programs and in the

thousand programs which the Federal Government has not yet touched.

I regret to say that the hearings before the Committee on Appropriations did not even touch these problems. There is no testimony on them; in fact from the hearings there seems to be a great ignorance on the part of the committee about these problems; but anybody who discusses the situation with the researchers and the persons involved in these overall struggles realize these are real and fundamental problems which must be studied and honestly discussed.

I would conclude by saying that those who consistently try to take the discussion off of an objective plane and place it in the area of emotionalism by doing so are hurting the cause of the health, education, and welfare of our people.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, following along the lines of the statement just made by our colleague from Missouri [Mr. CURTIS] the House is to be commended for the sincere, nonpartisan way in which we have discussed this bill. Last week it was when our attention was called to a statement in a press release by the gentleman from Massachusetts [Mr. MCCORMACK]. At that time the report was that the President said something about an attempt to cut the budget being fatuous. Look that up. It means silly, stupid, foolish, inane, demented, imbecile, idiotic, illusionary, and several things more.

Mr. ROONEY. Mr. Chairman, will the gentleman yield and please tell us who said that?

Mr. HOFFMAN. Naturally the gentleman well knows. The gentleman is just trying to kid me. If I may have 3 additional minutes, Mr. Chairman.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Now will the gentleman tell the House who used the word "fatuous"?

Mr. HOFFMAN. It is my understanding from the press that the President of the United States, your President and mine, used it with reference to those Members of the House who were attempting to cut the items in the pending bill. Am I correct?

Mr. ROONEY. I most certainly think the gentleman is correct. Must we be reminded of the fact that there were five on the gentleman's side of the aisle who were so reckless as to stand up and be counted with the President?

Mr. HOFFMAN. I think there were five, maybe more. We are rather independent over here. And the gentleman may recall that the President said he did not want rubber-stamp Congressmen. It was two Democratic Presidents—Wilson and Roosevelt—who made that request which, by the way, the people denied. If the gentleman from New York will watch the vote when it comes on the foreign aid he will find there will be more Republicans in favor of cutting that item which some characterize as silly and useless than there will be on the gentleman's side. That is just my guess.

We over here on the Republican side prefer, if we are to waste money to do the wasting here in the United States rather than waste it abroad.

Now let me quote the statement of the majority leader:

> I find no fault with what the President said. That is his right.

Under the fifth amendment—is that not right, the fifth amendment? And in fairness we on this side should exercise the same degree of independence, whatever may be said of our intelligence, just claim the same right to vote our convictions.

Let me read what the majority leader said:

> One thing is certain, when a Democrat was President he at least had the majority of his own party supporting him, not by words "I like so and so."

My point is this, you know who opposed the Taft-Hartley law. It was the Democrats who furnished the votes to override Mr. Truman's veto of that bill.

Nonpolitical? Sure.

Let me quote a statement by the gentleman from Rhode Island [Mr. FOGARTY]:

> I want to congratulate you now—
>
> Talking about Republicans—
>
> because the same combination that was working in that 80th Congress in 1947 and 1948 is again in effect yesterday and today and tomorrow. The same leaders are leading the same fight and I hope and pray that your success in cutting these appropriations will guarantee that a Democrat will be elected to the White House 4 years from now.

The gentleman, apparently, does not care about the appropriation. He does not say anything about the welfare of the country or the prosperity of the people. He does not say anything about peace. The hope of the gentleman from Rhode Island [Mr. FOGARTY] as he expressed it—CONGRESSIONAL RECORD, page 4559—is that the result of our action in cutting the budget now will be the election of a Democratic President, a worthy and desirable thing from their standpoint. But hardly the objective when an appropriation bill is being considered.

Some gentlemen on the Democratic side are very solicitous about the President. About his health. Permit me to speak as an expert. I have had some experience with speed laws in Hagerstown.. It cost me $10 to complete my education up there on that subject. That was on April first—all fools day—4 or 5 years ago. Four times recently on the front page of the Washington papers has been reference to the fact that the President when he went to Gettysburg was driven at a rate which exceeded the speed limit. The President was not driving. It is doubtful if he paid the slightest attention to the speed. As chief law enforcing officer of the United States, the President, of course, should obey all laws. But my interpretation of those articles is that the newspaper boys being caught back of a red light when the President's car went through on the green were a little sore because their car was just a little late at the intersection. And the officer just warned their lordships that there was a speed limit. It is my hope that the President will not let his driver do that any more. It is just too wearing on the reporters. The reporters are lucky to get to Gettysburg at all.

There is another gentleman on the other side who is also solicitous of the President's health. On March 12 he said:

> If this resolution—
>
> It was one to send the budget back to the President—
>
> passes does the gentleman think that the President would make any recommendation to cut out the 2 helicopters it is proposed to park at the White House to carry the President and his friends out to Burning Tree Golf Course.

There has been no evidence before the House or its committee that I have read that such was the purpose. But what if that was the purpose.

We only have one President at this time. Some have been greatly worried about the health of the President—when he had the heart attack and when he had that abdominal operation. Some were crying all over the place, cried enough to irrigate the whole Northwest. Some cried about the operation. Some worried about the President's cough. Then some come along with this little petty criticism about the speed of the car in which the President was riding, about anything the President may do. It is my hope the President is careful and does not wear a straw hat before the first day of official summer.

I can find as much fault with the President's legislative program as anyone on this floor. That is my privilege. But I do not intend to complain about anything that will contribute to his regaining his health. Nothing of that kind is coming from me. Nor is it my purpose to advise him to eat 1 or 2 eggs for breakfast, nor how to run his job. If the opposition thinks it important, let it go ahead and stick its political nose in the President's private life. We remember that gentleman who came from the great Northwest—the chairman will, I am sure—the gentleman who was honored to represent his State, who talked about the squirrels on the White House golf grounds? He came here and was fussing about the squirrels on the White House lawn.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I want to assure the gentleman that we are going to do everything we can to help defend the President's budget here today and the budget of his appointees from the Cabinet in the Department of Health, Education, and Welfare, and we hope by so doing we may extend and add a few years to his life because we are hoping and praying that nothing will happen to him in the near future. I might also say he may help us a little more if he would give us a little in excess of 30 miles an hour support here on this appropriation bill. I think we would have better results. We

are not asking for 40 or 50 miles an hour in support but just 30 miles an hour.

Mr. HOFFMAN. Was that what the Democrats were doing when they tried to block consideration of this bill by passing House Resolution 190 and House Resolution 192 on rollcalls 17, 18, and 19? The Democrats who have a majority of at least 31 asked the President to tell them how to cut the bill. The President replied by telling the House it was our responsibility and that is just what some of us are trying to do. Mr. Chairman, listen to this:

> Now, my good friend the gentleman from Rhode Island, Mr. FOGARTY, moves that we yield to the Senate and put in the full amount of the Senate increase aggregating $3 million above the President's request.
>
> And let me say, my friends, I am going along with him. You know in a superheated, hysterically pressured atmosphere like this, nobody is going to vote against home and mother and free beer—nobody is going to vote in favor of cancer and heart disease. The answer to that is a foregone conclusion.

Those were the words that came from the chairman of the Committee on Appropriations. After we cut an appropriation bill it went over to the other body. It came back after conference where the Senate added $3 million to it. Then when the bill was before us with the $3 million added the gentleman who has charge of this bill went along. The chairman of the committee, the gentleman from Missouri [Mr. CANNON] said: "Nobody is going to vote against home and mother and free beer—nobody is going to vote in favor of cancer and heart disease." The whole trend of the debate on this bill seems to show an effort to brand those who favor a reduction which will hold appropriations carried in this bill to last year's appropriation as favoring cancer and heart disease as an attempt to oppress the worker. The result desired seems to be to place the party which has control here as the champion of economy while at the same time it poses as the champion spender. And with expressed hope it will win the next two elections by its doubletalk.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word and to say that that statement is correct. That statement was made by the chairman of our Committee on Appropriations. But, I was very happy when the vote came, I will say to the distinguished gentleman from Michigan, that I did not hear 3 voices raised in opposition to that motion to agree to the Senate amendments at the time it passed the House a year ago when we agreed not to go $3 million above but $50 million above the President's budget for research in cancer, heart, and mental health.

Mr. BASS of Tennessee. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BASS of Tennessee. I wonder if the Chair could advise the House what amendment we are considering now.

The CHAIRMAN. The Chair will advise the gentleman from Tennessee that we are now discussing a pro forma amendment, and asking for the regular order will call for the Clerk to read.

Mr. BASS of Tennessee. I ask for the regular order, then, Mr. Chairman.

Mr. JENSEN. Mr. Chairman, will the gentleman withhold that, please?

The CHAIRMAN. Does the gentleman from Tennessee insist on the regular order?

Mr. BASS of Tennessee. If the gentleman wants the floor, I will withdraw my request.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to discuss the pro forma amendment a few minutes. I rise in opposition to the pro forma amendment.

Mr. Chairman, I have been greatly interested in the discussion and the debate on this bill. As the Members know, I served on the HEW Committee on Appropriations for 2 years with the able and distinguished gentleman—and I say that in all sincerity—JOHN FOGARTY, of Rhode Island, chairman of the committee.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I just wanted to say that the gentleman has served with great distinction on the committee. The advice and counsel that he rendered to those of us who were new at the time we were on the committee will never be forgotten, and I want to say that the gentleman was one of the greatest supporters of this program we ever had.

Mr. JENSEN. I thank the gentleman. I was about to pay a compliment to the gentleman. I was about to say that no one holds the gentleman from Rhode Island [Mr. FOGARTY], chairman of this subcommittee, in higher regard than do I, because I know that his heart is in the important job that he has to do for humanity. And, he has done a great service to suffering humanity.

Mr. Chairman, I have been greatly interested in the amendments that have been offered to this program, and I have voted for them. And, why did I do that? Because none of them applied to research into the cause and cure of dread diseases. I certainly would be the last one in America to do anything to act in any manner that would in any way, shape, or form deter the great progress that has been made in finding the cause and cure for these terrible diseases such as heart disease, cancer, mental illness, and so forth.

I am glad that no one has offered an amendment to reduce the amount requested by the committee for those items. A few days ago when the resolution was offered in the House asking the President to tell the Congress where appropriation items could be reduced below the budget, I said, speaking from this floor, that the acid test would come one of these days and then we would see whether or not the Members who supported that resolution were sincere. This is really the acid test. If a Member can vote for these amendments which have been offered to reduce this bill even though they do not apply to the dread human diseases in any way, shape, or form, then he has the intestinal fortitude to vote for almost any amendment to cut the budget that may be offered henceforth to any appropriation bills.

The gentleman from Missouri, our very able Chairman [Mr. CANNON], just talked about the number of civilians employed by the Government. He said there were more people employed in civilian positions today than ever before in the history of our country.

I just called the Byrd committee and talked to Haywood Bell, the executive clerk of that committee, and he gave me these figures.

In 1952 the high month was in June. There were 2,596,764 people employed. That year the 1953 fiscal year budget request was in the neighborhood of 2,700,000 people, which was at least 100,000 more than were on the payroll in that fiscal year, the fiscal year 1952.

The so-called Jensen rider was then adopted to five appropriation bills and the number of civilian personnel began to drop. On February 1 this year we had a total civilian personnel in the Government of 2,390,507. I think where the gentleman from Missouri [Mr. CANNON] got his figures was for the month of December of last year when there were over 340,000 temporary employees hired for a short time by the Post Office Department to handle the Christmas rush, which brought the figure up to a high of 2,741,000. The gentleman's figures, however, on dollars are correct. Never before in the history of this country has the cost for civilian employees amounted to a billion dollars a month. That is due to the fact that today the average employee receives higher wages.

This is the fifth appropriation bill on which the House has acted during this session, and in each bill the total personnel has been held very closely to the 1957 fiscal year figure. Had that not been the case I would have offered the so-called Jensen rider to those bills as I did in 1951 and 1952, just as I promised I would do if personnel requests in the bills were not held down. I will take a good look at the bills yet to be acted on.

Mr. Chairman, it is noteworthy that there are right now 1,172,214 civilians employed in the Department of Defense.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. JENSEN. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

Mr. JENSEN. I do not want that much time. I was supposed to be at a committee meeting on Public Works at 2 o'clock and here it is 10 minutes after 2. I tried to get the floor before 2 o'clock.

The CHAIRMAN. Without objection, the gentleman may proceed for 1 additional minute.

There was no objection.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Iowa be permitted to proceed for 5 additional minutes.

The CHAIRMAN. The gentleman has refused additional time.

Mr. JENSEN. Well, I will take it.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JENSEN. I thank the gentleman from New York.

The chairman of the Committee on Appropriations had just made the same request and I had refused, but since both of you insist I will take it.

Mr. ROONEY. I want the gentleman to understand we did not hear what was going on down there.

Mr. JENSEN. You did not hear?

Mr. CANNON. I regret that the gentleman is more generous to the gentleman from New York than to me, but we get the same result.

Mr. JENSEN. I am sorry, Mr. Chairman, but since there is so much insistence I thought I would have to yield.

Mr. CANNON. The gentleman will understand I got my statistics from the same source he cites.

Mr. JENSEN. I want to say you are right, dollarwise and the amount is staggering to say the least. I will say and agree with the chairman. I simply want to keep the numbers straight too.

Mr. CANNON. The gentleman says I am right.

Mr. JENSEN. Dollarwise. This is because in 1952 the pay of Federal employees was approximately $1,000 less per year on an average than it is today, so in that respect the gentleman was right; but as far as numbers are concerned, the gentleman's figures were not right.

Mr. CANNON. The figures are not mine. They are supplied by the source originally quoted by the gentleman from Iowa.

Mr. JENSEN. Mr. Chairman, I yield back the balance of my time.

The Clerk read as follows:

Payments to school districts: For payments to local educational agencies for the maintenance and operation of schools as authorized by the act of September 30, 1950, as amended (20 U. S. C. ch. 13; 70 Stat. 909, 970–972), $127 million: *Provided*, That this appropriation shall also be available for carrying out the provisions of section 6 of such act.

Mr. BOW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bow: On page 18, line 8, strike out "$127 million" and insert "$113,050,000."

Mr. BOW. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes, and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Chairman, the item to which this amendment is offered is perhaps one of the most sacred of all the sacred cows we have to meet from time to time. The amendment I have offered reduces the amount for payments to school districts, impacted areas, from $127 million to $113,050,000. This is really not a reduction, it simply restores the figure of the 1957 budget.

The budget increase this year is $13,950,000. In 1956 this appropriation amounted to $85,523,000, in 1957, $113,050,000, and the estimate for this year is $127 million.

This relates to the impacted-area contribution, which I believe in continuing until we can find some way in which payments can be made in lieu of taxes to these impacted areas. Unfortunately, the need formula is not used. I think if we had a need formula it certainly would be legislation that would have merit and which I would support. But it seems to me that when we increase this amount by $13,950,000 above what we had in 1957, we are simply opening the door for bigger and greater grants-in-aid.

May I say, Mr. Chairman, to my colleagues here in the committee, I believe one of the things this Congress should look into and give consideration to in the future is the great expansion and great growth of the grants-in-aid programs. I wonder if the Members of the House realize that today our grants-in-aid programs amount to over $5 billion. Administration costs are very high. Most of these items are things which the States themselves could handle. If we would reduce the cost of government to the point where we could give some tax relief and turn these opportunities back to the States, we would have better government than we are having with these huge appropriations and large administrative costs against all the taxpayers.

It has been said here that we are not interested in this because of the great increase in population. That these budgets should continue to follow the increase in population. May I point out to you that we now have a $273 billion debt in this country. Along with health, education, and the other things provided for in this bill, we owe to those who are coming after us, to our children and our children's children something else. We owe them fiscal responsibility in government. We owe it to them to pass on to them a sound government and not a bankrupt government. So the mere fact that we are increasing in population is not an excuse to continue the increase of great budgetary expenses. It seems to me, our responsibility is to pass on a sound fiscal policy.

This amendment, as I say, will simply take us back to the 1957 level. This is not aimed at any particular school district or any particular area. I think you will recall that in the past few weeks there has been some very interesting controversy about certain school budgets, and we have been told by a very distinguished Member of this House that we should keep our nose out of the school affairs of other areas. At that time, I said if they would keep their hands out of the Federal Treasury we, perhaps, would not pay too much attention to their local school administration. I repeat that today. But, my colleagues, today is the day when nobody can raise any question about you putting your nose into the affairs of school districts. Today it is your responsibility and there is no infringement upon anybody's rights. This is, perhaps, the last time that you will have a chance to look at $127 million. That is a lot of money. Let us put it back to the $113 million figure. As I have said, I believe in helping in the impacted areas. I do not have any in my district, but I believe we must help those areas where there is an emergency and there is a need. But I do not believe the record has proven that there is a need. This is the best guess. Let me leave you with just this one thought: In this bill, we are talking of taking out 5,548 employees.

In other bills coming along, we are going to continue to try to take them out. This increase is based upon this budget. If we reduce substantially the number of Federal employees, then we reduce the need of this amount in this budget. When the chairman of the committee, the gentleman from Missouri [Mr. CANNON], speaks about the billion-dollar-payroll—that is not all, I say to my colleague. It is not just what we pay in salaries. But, there is another $127 million brought about because of the large employment of Federal employees throughout the country. If we are going to reduce this budget, and if we mean to do what we say we are going to do and cut down the personnel, then we will not need this large amount which has been estimated by this Department, and we can get along with what was provided in 1957. If it is not enough, we will be here. They have never hesitated to come back to us in the past and tell us when they needed additional funds.

Mr. THOMPSON of New Jersey. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am at a complete loss to understand the purpose of the gentleman from Ohio who obviously does not understand the objectives of the law which he is seeking to cut. Public Law 874 is for the maintenance and operation of school districts in areas under impact because of the employment of people on defense contracts and because of the proximity to military establishments.

The gentleman uses very loosely the term "grants-in-aid," when in fact this is not a grant-in-aid at all. It is simply an attempt by the Federal Government to make restitution to the school districts for the impact which the Government itself causes, and which would not exist if it were not for the fact that the Government has installations nearby.

This headlong rush that some of us seem to be in to economize is peculiar at this late date. As a member of the Committee on Education and Labor, and as a member of the subcommittee which worked on the extension of Public Laws 815 and 874 last year, I know that no Member of Congress came in in opposition to it. The legislation involving this $120 million this year was nearly as large last year. The reason it is larger is purely and simply because there are more impacts. It is because of the shift in military personnel to match the impact in any particular district at any particular time. The only Members that came before that subcommittee last year were those with particular problems in their districts. They documented their problems; they outlined them carefully, and they were taken care of as the case arose by remedial amendments to the legislation. This is in no sense a grant-in-aid to the States. It is purely and simply for the maintenance and operation of the

schools required to educate the children of our defense workers and our military personnel. If you are going to start cutting things like this you will really get into trouble with the educational system of the United States. A bill involving this tremendous amount of money is passed by a voice vote, without rollcall. The gentleman from Ohio [Mr. Bow], when he says he would cut it, has been silent on the votes for it. He did not vote against it last year. He did not make any move to have a thorough airing of the need for it. He takes the well of the House and in the interest of pure figures, which mean nothing except that they are dollars, he would ignore the education of the children of his constituents who are stationed, because they are in the service, in my district, in northern Virginia, at Fort Benning, Ga., California, and all the States of the Union. This is irresponsible and arbitrary action.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield.

Mr. BOW. The gentleman has said that my only interest in this was interest in dollars. May I add, education of children as well.

Mr. THOMPSON of New Jersey. I am glad you stated that, that your only interest was in the dollars and not in the children, because I also said that the children from your congressional district who were in the districts of other Members, because they are children of people in the armed services, need education, whether you think they are worth the millions of dollars that you are trying to cut.

Mr. BOW. Will the gentleman yield further?

Mr. THOMPSON of New Jersey. No, I do not yield.

I yield back the remainder of my time, Mr. Chairman.

Mr. BROYHILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is with a great deal of reluctance that I rise today to object to any part of these efforts to reduce this budget and to economize. On the contrary, I support this overall objective to reduce expenditures.

I realize as has been mentioned several times before that it is a lot easier to support an economy drive when it does not affect your own Congressional district. And I confess that this proposed cut does hurt my Congressional district, and that it is probably one of the reasons which inspired me to take the floor today to oppose the amendment.

I would like to point out, however, that every one of these cuts in this appropriation bill affects my Congressional district. You cannot cut these requests for appropriations without causing some personnel problems within the various agencies and threatening a possible reduction in force, and as I probably spend 50 percent of my time dealing with personnel problems it is not easy for me to support any effort which might cause these problems to be aggravated. However, I have talked to hundreds and even thousands of Federal employees, and they have assured me that cuts could be made. They are the first to attest to the fact that efficiencies can be effected in these agencies, that there is waste and that there is duplication.

So I will take the risk of being charged in the future, possibly for political purposes, of injuring Federal employees by voting to cut these appropriations because I believe we can effect economies in these agencies without an indiscriminate reduction in force. I do not think we can effect these economies and reduce expenditures by reneging on our moral and legal obligations. If we did that we could have a field day, because there are many other places we can economize by reneging on our obligations.

We can reduce this budget and economize by eliminating various services we have enjoyed in the past; we can abandon some proposed projects, we can bring about greater efficiency in operation.

But we cannot properly economize by cutting appropriations under Public Law 874 where the Federal Government has moved into these areas and impacted these areas and the land which they use have been taken off the tax rolls. Employment in these areas has increased, the communities have been required to provide various community services as a result, and yet the property taken by the Federal Government does not yield taxes to the various communities. We, the Congress agreed a few years ago that we would merely pay a portion of the cost to those communities of educating the children of the Federal employees who live or work on that property, since the community would receive no taxes from the use of Federal property.

Arlington County has been mentioned. We have tremendous Government operations in the county and we do receive a great deal of money under Public Law 874, but that is not the answer to it. The Federal agencies in that county now have the most valuable property in the county. If that property were on the tax rolls as ordinary business property it would return something like $11 million or $12 million in revenue to the county. As it was, last year Arlington County received approximately $1 million under Public Law 874. Furthermore, the parents of more than 55 percent of the children in the county schools either live or work on the Federal property from which the county is receiving no tax benefits. The county officials have testified that if the Federal Government would pay what it should we would not need these Federal funds under the Federal impact program.

If we are going to follow a policy of reneging on our obligations let us strike all funds from the bill and not do it piecemeal. The Federal Government created these problems; I think the Federal Government should assume its responsibility in the matter. I, therefore, hope this amendment is defeated.

Mr. DENTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I, too, have several of these Federal-impact areas in the district which I have the honor to represent. One of these communities is a beautiful little town near the Ohio River. It is one of the oldest towns in the State. For many years it was quiet and serene. It could meet all its local needs. During World War II the Federal Government moved in and built a powder plant and a powder bag loading plant. It is the largest powder plant and the largest bag loading plant in the world.

Immediately the school population increased from 400 to 1,400. If it could have taxed this Government property this school district would have been in very good shape, but 40 percent of the taxable property in the school district was taken off the local tax rolls because it now belonged to the United States.

I do not know the exact value of this Government property, but I have heard it was worth $200 million. But, even if it were worth only $50 million, if it were taxed at the normal rate that local community would have been able to build a fine school building there and maintain it.

In Indiana we have a limitation on the amount of bonds that can be issued, based on the assessed value of taxable property within a school district. So, with 40 percent of its taxable property gone, this school district was unable to issue bonds in order to build a larger school, and yet the community found themselves with a population increase of from 300 to 400 percent. Their children were going to school in the administration building of the powder plant, in the recreation hall of a housing project, in the school-building basement and other such places.

About that time a subcommittee of the Committee on Education and Labor of the House began work on this problem. I think this subcommittee was under the leadership of the gentleman from West Virginia [Mr. BAILEY]. He did an excellent job. The gentleman from Pennsylvania [Mr. MCCONNELL] was on that subcommittee, as was the gentleman from Kentucky [Mr. PERKINS], and the gentleman from Minnesota [Mr. WIER]. They did yeoman service on that subcommittee.

They evolved this plan of aid to Federal-impact areas where the Government would do nothing but be a good citizen and do its part in helping build and support the schools needed for the people it had brought to these communities. A school was built in that community, I spoke of. But it is not sufficient to build a school. It must be operated and maintained. And so the Government makes grants to these districts for school operation and maintenance.

This appropriation we are now considering provides for Government contribution toward support of these Federal-impact schools and our committee recommended a larger sum for that purpose in the bill this year. Here is the reason why: Naturally in passing any law there are some defects left in it. Last year the Committee on Education and Labor brought a bill before the House which undertook to correct some of the defects in this Federal-impact school program and that bill became law. It made several changes in the original law.

First, it eliminated the so-called "absorption clause." This clause had provided that the Government would not take into account all of the federally connected schoolchildren in granting aid to a school district. Instead the clause had required that the district must absorb a number of federally connected children equal to 3 percent of the number of pupils in the district who had no Federal connection. The absorption clause proved to result in an injustice, and it was repealed by act of the last Congress.

Under the old Federal-impact law, aid to these school districts was governed by two limits. The grants made per federally connected pupil had to equal the average amount per school child which was being spent by the local district. Or, it had to equal the statewide average sum spent per pupils, if that sum was larger. The law was changed last year so that the payment per federally connected pupil must be at least equal to the national average of sums spent by local school districts for each pupils. This new formula increased the amount of money required for the program substantially.

There were other, smaller changes made in the act. One very important reason why this increase in the appropriation came about is that the number of children in the Federal-impact areas is continuing to increase. There is a rising population in Government housing projects on military reservations. That may be a cost of defense, but it is a cost that is met in this appropriation.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I yield to the gentleman from West Virginia.

Mr. BAILEY. A good bit of the expense involved here would be brought about by having to take care of districts due to the fact that they have no tax base, due to the fact that the Capehart bill would build housing facilities on bases where there is no tax base at all. It is a little bit different from the ordinary operations.

Mr. DENTON. I thank the gentleman for his contribution. Of course, under the old law, before the 1956 act was passed, the Government would have paid for the schooling of those children if they went to schools off the military reservation but lived on it. The Government made a contribution to the local government for those children's education.

This program simply requires the Government to be a good citizen. Congress passed the 1956 act increasing the amount of Federal-impact money that should be paid and I do not think you have any alternative but to carry it out. All we are asking today is that the Government be a good citizen and do what it should do for the affected school districts just the same as if it were a private citizen.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I yield to the gentleman from Ohio.

Mr. BOW. Does the gentleman not feel that $113 million is being a pretty good citizen?

Mr. DENTON. It depends on how many children have to be provided for. If this Government property were taxed by the local districts at the same rate that private property is taxed, this sum we are appropriating would be only an infinitesimal part of what the Government would pay in taxes to support schools in Federal-impact areas.

This is asking the Government to pay a small part of what is required by good citizenship, in the light of the problems the Government has created.

Mr. BOW. The gentleman from New Jersey, I believe it was, also discussed this bill not from the standpoint of why we need this increase of $13 million, but I would like to know whether we really need it. If we need it, that is a different proposition.

Mr. DENTON. I tried to point that out; but we passed a law last year making some changes in the program. I pointed out a minute ago that Congress abolished the 3-percent absorption clause, and the amount of payments is now set by a different formula. Those are two things. Then a third factor is the Capehart program, where housing was built on the Federal reservations, but the property on the reservation cannot be taxed, and more people are living on the reservations now than before.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. LAIRD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, since we have gotten into a discussion of the merits of this particular program rather than the appropriation item, I would just like to make a few observations which occurred to me during the hearings on this particular item of the appropriation bill which is now before us.

There is a great deal of interest by chambers of commerce and other civic-minded organizations to bring this Federal defense activity or that activity to our home congressional districts. It seems that the first thing that happens after a new Federal activity is brought into one of our districts is that it becomes an impacted area and immediately the school board in the area runs to Washington for some loose Federal tax dollars. It seems that every one welcomes a defense activity up until it is actually established but as soon as it is the area claims great distress and immediately wants impacted Federal school aid.

Under this program since 1951 we have had a continuing increase of impacted school districts, and I believe that the definition of an "impacted school district" has come to mean very little or nothing. In 1951 the total appropriation for this particular work was $28.7 million for 1,172 school districts. This has gone up until in 1956 there was $90 million made available for 2,864 school districts. The school districts which qualify under this particular act were more than doubled in a period of 5 years. Last year $113,050,000 was appropriated for 3,000 school districts.

Now, I think the committee was very wise in drafting this legislation. They did not make any set payments to the particular school districts involved. There is no open end formula that is used in granting aid to these impact school districts under section 3 of this particular law. Section 3 of the act is where most of the money is made available. As a matter of fact, the Education and Labor Committee wrote into that legislation a provision that the aid to those districts would be geared to the amount of money that was made available each year by the Congress.

If you turn to page 272 of the hearings, you will see that that specific question was asked by me, and the answer was in the affirmative. I think that certainly a program such as this should be gone over very carefully by the Education and Labor Committee, the legislative committee of this House, because we are getting into a position in this particular program where there are going to be hundreds and hundreds of school districts that are going to be running to Washington and using this program to qualify for Federal aid. You certainly can't blame them when the door is wide open. I think there should be a complete revision of the formula with the insertion of a need test in the aid formula.

Mr. Chairman I would like to read from page 271 of the committee hearings:

Mr. LAIRD. The vast majority of payments are made under section 3?

Mr. GRIGSBY. Vast majority of payments are made under section 3, where there is no need test. That is on the assumption that you are making a payment which is in the nature of an in-lieu-of-tax payment by reason of the tax-exempt Federal property. You calculate that payment not on the basis of an assessed valuation of the Federal property times the locally effective tax rate, but you calculate the payment on the basis of the local share of the cost of providing education for the children of parents who either reside or are employed on tax-exempt Federal property, or both.

Mr. LAIRD. How do you explain the difference, taking a metropolitan area such as Milwaukee, where large industrial plants are located? Many of the workers in these particular plants are living outside the city limits of Milwaukee, and they pay their income tax and their property taxes in the suburban community. Compare that with a situation here in the District of Columbia, where the people work inside the District but they are paying their income taxes out in Virginia and their property taxes in Virginia. They receive Federal aid in Virginia. Is that right?

Mr. GRIGSBY. Yes; largely upon the basis of the tax-exempt place of employment of the parent, Government workers who commute daily to the District of Columbia.

Mr. LAIRD. But their need might not be as great as some suburban area where there is no plant property located.

Mr. GRIGSBY. That is true. There is a fine line which is hard to draw. If you put this thing wholly on the basis of the needs test, there may be some of these school districts, 3,000 school districts, which on the basis of need never would qualify for Federal payment.

Mr. Chairman, the Office of Education admits that on the basis of need many of these school districts would never

qualify for Federal payment. This administration insists on a need test on Federal construction aid for education. I am sure their position is consistent as far as this program for impacted school-district aid is concerned.

Mr. BAILEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I had hoped that it would not be necessary for me to ever be called upon on the floor of the House to come to the defense of this legislation. It is generally conceded by Members of the Congress and by people who are not in the Congress as being the most equitable and beneficial legislation approved by the Congress in the past decade.

You will recall that I was the original sponsor of Public Law 815 and Public Law 874. The amendment affects Public Law 874. I conducted hearings over the entire country. I think we took testimony from six-hundred-and-some witnesses in 42 States. The legislation was approved unanimously by the subcommittee of the Committee on Education and Labor. It came out of the committee with a unanimous vote, came to the floor of the House and was approved without a rollcall vote. In fact, on one occasion, in 1954, I personally wrote in on the floor of this House an item of $55 million, in a deficiency appropriation bill, to support this program. I am surprised that anyone would have the temerity today to offer an amendment to cut the funds in this particular type of legislation.

The gentleman's intentions may be perfectly all right. But why would we argue about a few million dollars? When this legislation was being written one of the greatest handicaps we had to overcome was the fact that the late Senator Wherry had offered legislation to permit the building of residential property on military bases. Today the program is complicated by what is known as the Capehart Act, which was touched on just a minute ago, under which the Federal Government builds on property where there is no tax base at all; where all the property is owned by the Federal Government.

How can the Government comply with its responsibility under the act—and that is what the gentleman agreed the Government was trying to do, take care of its responsibility for having impacted an area. The gentleman from Wisconsin [Mr. LAIRD] also said that the definition of an impacted area had lost its meaning.

Mr. LAIRD. Mr. Chairman, would the gentleman yield?

Mr. BAILEY. I yield.

Mr. LAIRD. Could the gentleman tell me just how much of the total appropriation items deals with Capehart-Wherry housing? I think the gentleman would be surprised at how small the amount is.

Mr. BAILEY. I do not know that I can quote the exact figure, but I am talking about the intent of legislation such as the Wherry Act and the Capehart Act that took care of the grading of the streets, the building of sidewalks, the installation of a sewer system, of a water system, and of everything else except providing for schools. That is what this increased amount of money is for, to provide largely those very things for the operation of the school system in those districts.

Let me say to the gentleman that the Government has assisted a total of 128 school districts in which Government activities were carried on. Let us go a little bit further. In the last 6 years under that program we have built $1,200 million of school classrooms. I would like to ask the gentleman what the classroom situation over the Nation in general would be today if it were not for that. We are claiming a shortage of 149,000; $1,200 million would build approximately 45,000 classrooms. So, if they had not expended that money under this program today we would have a shortage of over 200,000 classrooms in the Nation.

We are not talking about construction now. We are talking about maintenance. I have in mind certain districts. I remember Camp Hood, in the State of Texas. The entire camp had been set up as an independent school district. There is not a single dollar of taxable property in it.

You are building housing facilities there, you are going to take people in there, there is going to have to be money to maintain those school districts, and there is not a dollar of tax base at all. It is just simply out of the question to talk about not providing money under those circumstances.

Let me say to the gentleman that not one single school district in my district, the Third Congressional District of West Virginia, has qualified or even asked to qualify; and let me go further and say that only one district in the entire State of West Virginia is asking to receive any money under this program.

As a former school man I considered it my business to try to do something for the boys and girls, not particularly for the school districts because I do not care where they are imported. I did not want to see a situation like that exist. I went into the district myself as chairman of the subcommittee. That was before some of the gentlemen who are sniping at this program even came to Congress. I happen to know the situation. Of all the legislation now pending in this category of appropriations for administration of welfare programs, this is one item you cannot afford to cut because the people you are cutting are unable to supply it because they have no tax base to supply it.

I sincerely hope we will get away from this idea of looking at an item and saying, "So many million dollars have to come off that," whether we can justify the reasons for taking it off or not. I know the gentleman from Ohio, who is the author of this amendment, does not like the idea, but a lot of that money is going into the State of Ohio. A lot of the reason why that item is as large as it is is that much of it is going down around Waverly, Ohio, where they are building an atomic installation. So I think people ought to be consistent.

Mr. McCONNELL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I think the question as to the obligation of the Government to impacted school districts has been well established so I shall not labor the point. Of all the programs we have observed in our committee in connection with education, we consider that this has been one of the best run and best managed programs. We feel that the general estimates and the activities of the administrators of it have been generally sound. I do not want to see us spend any more money than is necessary but in this particular case these estimates and requests are based on formulas established by Congress.

We have not observed a pattern which you often hear about in Government departments. We have observed rather an effort to actually do a job that is required in this type of program.

I will grant the argument of some of those who would claim there ought to be a different method of payment. We do owe an obligation. We either ought to pay rent or we ought to pay taxes or something for the use of the land. But we are looking into the future as to a different type of approach when we say that we ought to pay taxes or we should pay rent. I am quite willing to consider that type of approach. I think there is a great deal of merit in it. But we are dealing with something now which is already the law of the land. Certain formulas have been set up and the administrators of this program are endeavoring to ask for the amounts necessary under the formula.

For example, I noticed an item here, that struck me as being very indicative of the type of people making these estimates. If you will look at page 11 of the report from the Committee on Appropriations, you will notice that we are speaking of payments to school districts and that that has been upped thirteen-million-and-some dollars, which has to do with the amendment offered by the gentleman from Ohio. But, if you will look right underneath that item—assistance for school construction, that also has to do with the impacted school districts. That is Public Law 815. There were two laws in connection with this program—Public Law 874 has to do with the present amendment; that is, for maintenance and operation. The other is Public Law 815, having to do with school construction. It says here the bill includes $41,700,000 for school construction in these impacted districts, a reduction of $100,000 from the request and a reduction of $66,800,000 from the appropriation for 1957. It has been stated in arguing for this particular amendment that we should leave it at the same figure as fiscal 1957. To show the good faith and the good thinking of the administrators of this particular program, this represents for school construction a reduction of sixty-six-million-and-a-fraction dollars, showing their willingness to face the realities of the situation. We have heard a great deal about the expenditures of certain districts on various frills and extra lovely types of deluxe equipment and so on. The amount given by the Federal Government to a district does not depend on the expenditures of

any particular district for deluxe items, but rather is based on the general average of maintenance and operation costs in the State for comparable school districts. When the average for comparable school districts is obtained, allotments are set for each district, including that particular district, which may be using deluxe methods. But that will not increase their appropriation no matter what they happen to spend on something extra. It is fixed for that particular district based on similar comparable districts in the State. I hope you will vote down this particular amendment in the interest of the continuation of a good program.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. MASON. Are there more of these impacted areas now or are they getting larger, and is it because of that they need this extra $13 million for administrative purposes and maintenance purposes?

Mr. McCONNELL. I think you will find a large part of the increase in fiscal 1957 is due to a change in the allotment amount in the formula; an increase in school population; and an easing of the absorption requirements under certain conditions, rather than a big expansion in the program itself. No, I would say we are gradually correcting the serious impacted school situations.

Mr. MASON. On the construction end, you have cut that.

Mr. McCONNELL. That is exactly right.

Mr. MASON. But on carrying on the ordinary expenses, you have increased the amount.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. KNOX. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. KNOX. My interest in this legislation is to see that every child has an opportunity to receive an education. One of the Members spoke relative to the Wherry housing. It is true that the Congress has provided for Wherry housing. In some of the towns, the Wherry housing is just coming into being where people who are connected with the armed services are now being directed to go to the reservation where there is no tax derived in any form as far as the individual is concerned. Those young men who are in the armed services certainly have a responsibility to be filled because of the obligation that we placed upon them. They are not there because they want to be there. They are there because we have passed legislation that made it mandatory upon them to be a part of the armed services. If we are going to make it mandatory, then we have a responsibility to fulfill.

Mr. McCONNELL. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. THOMPSON].

Mr. THOMPSON of New Jersey. Is it not a fact that last year the Committee on Education and Labor, in extending the act also liberalized it to the extent that a child whose parent is stationed outside of the continental United States or outside of the school district but who remains at the original station is now still carried on the books of that school district under Public Law 874, and would this not in some measure account for the relatively modest increase?

Mr. McCONNELL. I believe the gentleman is correct.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. O'KONSKI. I think there is one thing overlooked in this proposition, and that is that in these impacted areas the wages and income of the people is higher than that of the average in the United States. Take the case of Arlington, Va., for instance. The average wage in Arlington, Va., is in excess of $6,000 per capita. In some of my school districts it is less than $500 per person. You are asking the taxpayers in my district to help support Arlington, Va. I think that is wrong. If I had a tax income in my district such as they have in Arlington, Va., I would apologize to every Member if they came here and asked for help.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. McCONNELL] has expired.

Mr. DEMPSEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I did not intend to say anything on this bill, but we have reached the point in the bill where I am extremely interested because of the various extensive Federal impacts in the State that I represent, New Mexico. The Federal Government several years ago believed it should own a little private school in New Mexico called Los Alamos. It moved the school out very quickly and took over this mountainous school location. On that site was developed the first atomic bomb known throughout the world.

We now have the "County of Los Alamos." No people remain there overnight unless they are employees of the Federal Government and children of those employees. We have more than 15,000 people at Los Alamos. That is one impact. Certainly a little county could not build schools, because it was largely a farming area, with a sparse local population and modest property values.

Then we have White Sands, at Alamogordo. That is where you have your guided missile proving area. One area comprises a range 38 miles wide by 140 miles long. There are a great many people who have moved in there. The community of Alamogordo, which was just a town, is now about 10 times more populous than the entire county was previously. The people who were there certainly could not provide schools for this Federal impact. We welcome these Federal installations, but recently we objected to withdrawal and acquisition of more land. I made a trip back home to protest this extension of some 800,000 additional acres near Fort Bliss and White Sands. The people who lived there were largely ranchers, owning or leasing those lands. About 132,000 acres belonged to the State of New Mexico. That was recently condemned and taken over.

There was one old rancher, John Prather, a great American, down there who was 82 years of age. He did not desire to sell his place, and he put everybody on notice, including the Federal Government, that if they condemned his place he was going to live there until he died anyway.

They condemned the place, and just a few weeks ago he was notified that he could not live there until he died, because that property was going to be needed. Later the Army agreed to let him live in the home where he had resided for a half century, but he must give up his land and dispose of his livestock.

These areas are chosen for the Federal Government by specialists who know what they need in this critical era through which we are passing. They selected White Sands because it was the only place in the United States that would meet their needs.

We are using a great deal of uranium. About 10 days ago I was asked by the gentleman in charge of raw materials at the Atomic Energy Commission to prepare the people of Grants, N. Mex., for the fact that in 20 months they would have 10,000 more people in that area. In that particular area around Grants there are two counties, McKinley County and San Juan County. Sixty-eight percent of the known uranium in the United States lies in those two counties. Who do you think owns that uranium? We all do, the Federal Government. It owns more than half of it. You cannot take an ounce of uranium out of the United States or sell it to anybody but the Federal Government.

In Albuquerque we have the enormous Sandia Base as part of the atomic energy and armed services setup, as well as Kirtland Field, an Air Force base. They contributed in the past few years to making Albuquerque the fastest growing city in the United States. The school population was swelled enormously.

Near Roswell, we have Walker Air Force Base. Near Alamogordo is Holloman Air Force Base and at Clovis, the rapidly expanding Clovis Air Force Base. Every one of these communities has experienced a sudden impact from inmigration of Federal employees and their families. In every case this inmigration has resulted in demands upon schools and other public facilities costing so heavily that the communities and local populations could not possibly finance the required expansions. Because of the developments inspired by the Federal Government's need for uranium and development in the natural gas and oil industries, the city of Farmington in San Juan County is doubling and redoubling in population. The bulk of this growth is due to Federal impact alone. Part of it, of course, is brought about through developments on the Navaho Indian Reservation, another Federal activity from which no tax income is derived. If Federal assistance is not provided, this community cannot

possibly meet the demands for expanded schools and other public facilities.

We are happy to have this terrific increase in population, but we will be very regretful in not being able to take care of the children or find room for them to go to school. We are not asking the Federal Government to come into New Mexico to select these places; the Government wants and demands those locations because they serve an essential purpose. That is the story.

Now, I want to talk to the gentleman from Ohio, Mr. Bow, who introduced this amendment to cut off $13 million. If uranium had not been found in New Mexico and it had been necessary to buy it in Canada or Africa the price would be much higher than it is today.

Mr. KNOX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the committee report undoubtedly has been based on recommendations of the Department of Education. The report states that the Department of Education estimates of funds required have been relatively accurate during the past few years and the committee saw no reason to doubt that the estimate presented is the most accurate that can be made at this time.

I know that my colleague the gentle man from Ohio [Mr. Bow], who introduced the amendment, must have had some justification or basis of determination in offering the amendment. What I would like to ask of the committee is how many additional installations have we today than we had 1 year ago that would be subject to this cut?

Mr. FOGARTY. The reason that the costs have gone up is because of the changes we made in the law last year.

The main change was the introduction of an alternative minimum-rate provision. That is largely responsible for the increase, because they tell us it has increased the entitlements about 32 percent over what it had previously been. But we made that change last year by an almost unanimous vote of this House. Everybody was for it. Now, of course, we have to pay the bill.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield.

Mr. LAIRD. Regarding the numbers involved I would like to refer the gentleman to the testimony of Mr. Dethrick to the effect that some 3,000 school districts have participated in the program in the fiscal year 1957 and the fiscal year 1958. You will have an attendance of 1,125,000 federally impacted pupils in 1957 and 1,230,000 in 1958.

Mr. KNOX. It is my opinion that over the past 4 years I have been a Member of this House, the House has consistently made appropriations to take care of the expanded need caused by new installations of the Federal Government. Through these new installations there has undoubtedly been brought about considerable impact of schoolchildren upon the school districts. What I am really interested in is the basis of the Department of Education in asking for this additional $13 million. Is it based upon the additional responsibilities that have been placed upon the Department of Education for new installations or by legislation enacted by the Congress?

I spoke a moment ago about the Wherry Housing Act. It is true that within my district the personnel of the installations have been housed in the city in private dwellings. The Wherry Housing Act is in effect and they have started to construct new housing facilities on two installations which will take the people from the downtown area that were making some contribution in rental payments toward the welfare of their child and possibly the welfare or education of all their children and now Federal housing is putting them on military reservations. In my State no one gains residence or loses residence by the fact that they are housed on a military installation. I am wondering as to what it will do as far as enrollment is concerned, whether or not the schools would be obligated to educate these children who are in this particular area because of the installation.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman from North Carolina.

Mr. JONAS. I do not know whether this will answer the question of the gentleman or not, but on the hearing a member of the committee asked Mr. Grigsby the following question:

"What causes the increase in the estimate for the coming year beyond what will be used in 1957?"

Mr. Grigsby answered:

Increases in 1958 over 1957 are attributable, one, to a normal rate of increase, or the rate of increase in the number of federally connected children which we estimate to be about 8 percent in 1958 over 1957.

Then another reason advanced by him:

The other is the increase in the rate of payment per child in 1958 over 1957. I think we used for purposes of estimate about 5-percent increase by reason of greater attendance and 5 percent by reason of increase in rate.

Mr. KNOX. I thank the gentleman from North Carolina for his contribution.

Mr. Chairman, I am opposed to the present amendment.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, when this bill was passed in 1950, it carried with it an appropriation of $25 million to get it into operation. We were meeting then in the new House Office Building in the Ways and Means Committee room. I opposed the bill at that time and the $25 million appropriation that went with it. Since then I have seen the light and I have found out that this is one of the best programs we have in the educational field.

From the time in 1950 when we authorized the original expenditure of $25 million to go along with the bill every time that we did not appropriate the full amount requested, amendments were offered on the floor of the House and they were carried by overwhelming majorities of 6, 7, 8, and 10 to 1. On every amendment that has been offered since 1950 to increase or to bring it up to the estimate that the educational people thought they needed, there was overwhelming support.

How good is the estimate? We think the estimate is good and that is why we say so in our report. In the 8 years of operation of these 2 laws, 815 and 874, for the maintenance and operation of these schools and school construction, their estimates have been on the conservative side. In many years they had to come in and ask for a deficiency appropriation in order to meet 100 percent of their entitlement.

What will the amendment offered by the gentleman from Ohio do to these school districts? It will not affect just Arlington or any one school district. There are 3,400 school districts that are in this category of federally impacted areas that will get a portion of these funds, based on the number of schoolchildren attending school in that area, under the formula laid down by the Congress of the United States. This is what it will do. It means that each school district will have to suffer a 12-percent cut. In other words, we will not be keeping our word to the school districts as we told them we would a year ago, because when we enacted into law this formula that they are operating under now, we certainly lead them to believe they would receive 100 percent of what they are entitled to, not 88 percent of what their entitlement will be under the provisions of the amendment that we have before us now.

Now, this amendment means that every school district, every one of these 3,400, will be cut down by 12 percent. It will not come out of 1 district in Georgia or 1 in Texas or 1 in Michigan, but every one of them. Instead of getting 100 percent of what they are entitled to, they would get only 88 percent of what they are entitled to.

This question has been asked many times: Why has this figure been raised? If you will look on page 262 of the hearings, I asked this question:

Mr. FOGARTY. What are the new liberalized provisions of the bill? How does this affect the cost?

Mr. GRIGSBY. One of the major changes was to introduce a new alternative minimum-rate provision. Heretofore the payments to the local educational agency were based upon the number of children in average daily attendance in the preceding fiscal year, school year, times the local contribution rate. The local contribution rate was the local share of the cost per child of providing education from local sources, local revenue sources.

There was an alternative minimum rate which said that the rate of payments should not be less than one-half of the State average per pupil cost.

The last Congress added a second, or alternative, minimum rate which stated that the rate of payment shall not be less than the national average of the local contributions rates paid in the second preceding year; so you have in effect three possible rates. You pay the highest of three rates—either the amount per child from local revenue sources, or one-half of the State average per pupil cost, or the national average local contribution rate.

It was the introduction of that last minimum-rate provision that is largely responsible for the increased cost both in 1957 and in fiscal 1958, because it increased the rate of payment in both years.

As I recall the figure, it increased it by about 31 or 32 percent over what it had previously been.

One other change made by the last Congress in Public Law 949 was to move the base for counting the number of federally connected children from the preceding school year to the current school year. That was to take care of the situation in many of these federally affected districts in which there had been a rapid increase in the number of federally connected children, and when you dropped back a year you got no reflection of that rapid increase in federally connected children except as it might have been reflected in another section of the act, section 4 (a) in which the eligibility requirements were higher than in section 3. So they moved the base year of payment from the preceding school year to the current fiscal year, so we had in effect here a reflection of a 2-year increase in the base in terms of the number of federally connected children.

That increased the cost substantially.

There were other minor amendments which increased the cost somewhat, too. One of these was the provision by which children of parents who had moved into a community when their parent came in under military orders for employment on a base, these parents living in taxable homes off base and being employed on base, a provision by which those children might continue to be counted as federally connected by the local educational agency after the parent was ordered overseas or to another station and the children remained in the community. That would increase the number of federally connected children somewhat.

A second minor change was to permit the counting of the children of employees on certain airports, I think there were about seven of them, which were owned by municipalities, airports owned by municipalities but under contract with the Air Force for air cadet training.

A third was to permit counting as federally connected those children of parents who were living in public-housing projects which were disposed of and transferred to private or municipal agencies, permit the counting of those children as federally connected for 1 fiscal year beyond the year in which the sale or transfer of that public housing took place.

Those three minor amendments all increased the cost somewhat but not very materially.

The major reason for the increase is pointed out in the general statement. It is the continued increase in the number of federally connected children and the continuing increase in the rates of payment per child.

When this law was enacted in 1950, we thought at that time that it was a fair responsibility of the Federal Government, because the children going to these schools do not have any choice where their parents move or where their parents are working. If you want to cut down the appropriation that we are requesting in this bill this year, you are denying a good, decent education to those children in these federally impacted areas, because their parents have decided to go to work in a Government-operated factory or are serving in the Armed Forces of this country.

Another thing that is contributing to the increased cost is that in the last 4 years the birthrate has been going up, not only among those people who are working in impacted areas, but the statistics that I have read show that the overall population is increasing every year. Now, if you want to put a ceiling on the number of children that can be born each year in these federally-impacted areas, that is one way of cutting down this budget, but I certainly would not offer such a suggestion as that. But, because the population in these federally impacted areas has been going up and up, and when we lay down the formula by the laws that you voted for and I voted for, then under this formula we come up with an increase in these entitlements. That is more than a formula commitment to these federally impacted areas. I think it is a real moral commitment on the Government. It is one we ought to keep. It is the word of the Government that we have given to these local communities that if they met the formula as laid down by Congress, we would put up X number of dollars. I think we ought to keep our word and by keeping our word we will vote down this amendment.

Mr. DIXON. Mr. Chairman, would the gentleman yield?

Mr. FOGARTY. I yield.

Mr. DIXON. Mr. Chairman, I am very much in favor of what the gentleman has said, especially about the new formula. It is fair, it is mathematically accurate and is a big improvement. This formula is the cause of much of this increase. I might say, too, that I associate myself with the gentleman from New Mexico [Mr. DEMPSEY] in pointing out to you that in the uranium area we have whole new settlements just coming in that will require additional funds.

Mr. FOGARTY. Mr. Chairman, I just want to close by reading a telegram that I received this morning. I think we may assume that many local communities are in the same condition as this one which is in my congressional district. May I say that another reason this bill was passed I think was mentioned by the gentleman from West Virginia [Mr. BAILEY] or the gentleman from Pennsylvania [Mr. MCCONNELL] today, that in many of these smaller communities where defense factories have been located, they did not have the property to tax in order to pay the full cost of these educational facilities. I received this telegram this morning:

> Disturbed to learn that attempt is being made today to cut fiscal 1957–58 entitlement Public Law 847 by 12 percent. This means 30,000 loss already in North Kingston budget adopted March 26, 1957. Financial town meeting. We urge your opposition to any cut in these funds—regards.

That has happened in community after community. The budgets have already been arrived at. If this $14 million cut is voted today, it would mean a $30,000 deficit in the school finances of a small town, that is an awful lot of money to a small town. It is $30,000 less than our word or the Government's word of what the contribution would be for the education of these children.

Mr. JONAS. Mr. Chairman, would the gentleman yield for a question?

Mr. FOGARTY. I yield.

Mr. JONAS. As I read the hearings, I got the impression that we were pretty liberal in counting the number of children eligible. Do we not permit them to count the children, say, of a commuter who commutes 50 miles to a Government installation? I should like the gentleman to clear up the record on that point, because there is a great deal of interest in it.

Mr. FOGARTY. I asked that very question and it appears at page 264. I asked:

> Suppose a person is living 50 miles away from an airbase? Is the town in which he lives 50 miles away eligible for Federal funds for his children going to school there?
>
> Mr. GRIGSBY. If the parent commutes daily, even though it may be 50 miles away, they are eligible to count children of that parent if there are 10 or more such children, and if the number of such children is equal to 3 percent of their total average daily attendance.

That is not some decision that was made by the Office of Education. That is in the formula that was adopted by Congress last year, which I voted for and for which 95 percent of the Members of this House voted. They are only following the dictates of this Congress when they count such children. It is not a question of being liberal in their count. It is just a part of the law that you and I voted for a year ago.

Now in just a minute I would like to summarize what this amendment would mean if it passes.

The effect of the amendment to reduce the appropriation for "Payments to school districts" in fiscal year 1958 to the amount appropriated in fiscal year 1957 will seriously hamper the school programs of many school districts. In effect, such action, if sustained by a denial of supplemental funds later in the year would represent Federal action to shortchange the school districts on the full amount of their entitlements as specified in Public Law 874.

All 3,400 districts which participate in this program would have their Federal payments reduced to about 88 percent of the amount the law specifically entitles them to receive. In many districts which receive a substantial part of their school revenues from this Federal program this action would necessitate a curtailment of school programs through the shortening of school terms or the dismissal of teachers in order to get along on a reduced budget. A number of school districts which are heavily dependent on these Federal funds are in remote unpopulated areas where there is little local wealth to be taxed and where State funds to supplement local resources are unavailable or inadequate. The school budgets of most districts receiving these funds have already been prepared for the next fiscal year and in many cases they have been approved by local boards of education on the expectation of receiving the full amounts of their Federal entitlements. The Federal Government ought not at this or at any time to renege on the implementation on its promises to these school districts as set forth in the statute.

Mr. SCRIVNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the chairman of this subcommittee has pointed out a situation that should be corrected by the proper legislative committee. The theory behind the impacted area was the impact of war installations as a part of the cost of national defense. But what are we

running into today? We are running into a situation right here around Washington where long-time House employees, staff members who have lived in these communities for years and years, who own property there, who pay taxes there, have received a questionnaire asking, "How many children do you have in school?" Then Uncle Sam kicks into that school a contribution as an impacted school. The presence of these employees' children had nothing to do with defense. While the Department may construe the law to include all Federal employees, I for one, certainly did not think that was our intention.

Just to show what I mean, here is a copy of the questionnaire and the accompanying list of Federal offices. This was received by a constituent who has lived in his community all his life. He is not there as a result of any defense activities and is not employed in one. The questionnaire refers to all Government contracts, not just defense contracts.

FEBRUARY 1, 1957.

To Parents in the Prairie District Schools (Prairie, Porter, Highlands, Belinder):

Public Law 874 entitles schools to Federal funds if the parents are employed on Federal property or by companies holding Federal contracts. The teacher will keep track of the days in attendance and funds will be allocated on this basis.

Will you please complete the information on the attached sheet and return it to your child's teacher.

A list of properties we may claim as federally connected is given below:

Air Force Plant No. 2 (commingled) Fairfax Plant, Kansas City, Kans.:
*General Motors Corp., B. O. P. division (all but transportation dock).
711 Armstrong Property, Kansas City, Kans.:
*Social Security.
*United States Army.
Fairfax Field, Kansas City, Kans.:
*Civil Aeronautics Administration.
Federal Office Building 911, Walnut, Kansas City, Mo.:
*Bureau of Internal Revenue (Treasury).
*Bureau of Public Assistance.
*Bureau of Public Roads.
*Civil Aeronautics Administration.
*Corps of Engineers.
*Federal Bureau of Investigation.
*Immigration and Naturalization Service.
*Social Security.
*United States Agriculture.
*United States Air Force Recruiting Office.
*United States Children's Bureau.
*United States General Accounting Office.
*United States Weather Bureau.
*United States Department of Labor.
Fort Leavenworth, Leavenworth, Kans.:
*United States Army.
General Services Administration, 2306 East Bannister, Kansas City, Mo.
Grandview Air Force Base, Grandview, Mo.:
*United States Air Force.
Kansas City ORC Armory Site, 1628 Central:
*Kansas City Armory.
Kansas City Records Center, Independence and Hardesty:
*Army Map Service.
*Army Home Town News Center.
*Army Veterinary Corps.
*Kansas City Records Center Office.
*United States Army.
Knob Noster, Mo.:
*Sedalia Air Force Base.
Lake City Arsenal, Independence, Mo.:
*United States Army.
Municipal Airport, Kansas City, Mo.:
*Civil Aeronautics Administration.
Naval Air Station, Olathe, Kans.:
*United States Navy.
Naval Industrial Reserve Aircraft Plant, 95th and Troost, Kansas City, Mo.:
*Bendix Aviation (Atomic Energy Commission).
*Bureau of Internal Revenue.
*Westinghouse Electric (Includes TWA test cell).
Post Office building, Kansas City, Mo.:
*United States Postal Service (regional).
Sunflower Ordnance Works, DeSoto, Kans.:
*United States Army.
United States Army Training Center, 345 Minnesota, Kansas City, Kans.
United States Courthouse, 811 Grand, Kansas City, Mo.:
*United States Post Office (regional).
*Federal Bureau of Investigation.
*United States Marines.
*United States Navy.
*United States Department of Agriculture.
*Treasury Department (Internal Revenue).
United States Federal Penitentiary, Leavenworth, Kans.:
*United States Army.
United States Public Health Service (Kansas City field station) 3900 Eaton, Kansas City, Kans.:
*United States Public Health.
Veterans' Administration Hospital, 4801 Linwood, Kansas City, Mo.
Veterans' Administration Center, Wadsworth, Kans.:
*Veterans' Administration.

HAROLD C. DENT,
Superintendent.

PRAIRIE DISTRICT SCHOOLS, 19— -19—

This information will be used to establish eligibility for Federal aid under sections 3 and 4, Public Laws 874 and 815:

Telephone: Residence_____
Business _____
Name of family_____
(last) (first) (middle)
Addresses during year_____
Child's name_____
(last) (first) middle)
Date of birth _____ School _____
Grade _____ Teacher _____
Date parents became residents of this school district:
Father _____ 19___ Mother _____ 19___
Name and address of property on which father works _____
Employer _____
Name and address of property on which mother works _____
Employer _____
Employed across State line? _____
If so, do you commute daily? _____
Date father began employment on property _____
Date father left employment on property[1] _____
Date mother began employment on property _____
Date mother left employment on property[1] _____
In military service_____
Date began _____
Date terminated_____
Name and address of Federal property living on _____
_____
_____
Signature of parent or representative
Date child entered school in this district____
Date child enrolled this year_____
Date child dropped school in this district____
Days attended while Federally connected for each reporting period: (Keep current)
1☐ 2☐ 3☐ 4☐. Total_____
_____
Signature, Teacher, Principal, Supt.

[1] If employed at end of school year, indicate same (for example, still employed February 1, 1957).

From this list you can see how far this goes. All of those things were never intended as an impacted area. I have a great many friends out home who were born and raised in the community. When war came they went into a defense plant. Later on they took some other Federal job there. They have lived there, they have raised their children there. The impact of the war plant did not bring these people there, yet these people get the questionnaire just the same. Employees of the Veterans' Administration who have lived in my community all their lives and who have children in school get the questionnaire, and their children are counted in. The whole thing shows how unrealistic the interpretation has been. Of course, if we said it in so many words, the Department cannot help it. They may be following the formula, but they are sure the formula is wrong.

In my own area we have defense plants, but many of the people working there have lived in that community ever since they were born. They did not cause any impact on that area. They own property, they are paying taxes on that property. They are there just the same as all the rest of us.

As a matter of fact, I understand that a Member of Congress living over in Virginia is included as one of those who makes an impact on the school area. He received a questionnaire as to how many children he had in school. He is buying property there and paying taxes on it, including school taxes. Congress certainly predates any defense impact.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. This amendment is not going to correct any inequities under the present law. The gentleman claims some are being paid 100 percent. This amendment will take 12 percent off the appropriation.

Mr. SCRIVNER. Perhaps if there is a decrease made it may cause the legislative committee to take another look at this situation and then count those that are really defense impacted. An example is the situation as the gentleman mentioned here, about some new uranium area that is going to be a new community and there will be people coming in there who will be under the defense program. You can understand that. But where you are counting people that have lived in a place ever since they were born and have been raising children there, they should not count as any impact, and it just is not called for.

Mr. FOGARTY. I think the gentleman will agree with me that the point was raised further that sometimes appropriations committees try to legislate. This is just that in reverse. By attempting to cut this $12 million now we are attempting to legislate, to add legislation to an appropriation bill.

Mr. SCRIVNER. The Appropriations Committee and the House can always put limitations in any appropriation bill.

Mr. FOGARTY. The right way is to correct the basic law; is that not right?

Mr. SCRIVNER. Maybe we cannot wait that long.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from West Virginia.

Mr. BAILEY. I happen to be chairman of the subcommittee handling school construction legislation, and this angle of it has been assigned to my subcommittee. If the gentleman has some legislation to correct that problem, we would be glad to take it into consideration.

Mr. SCRIVNER. I am just pointing some of the things that are wrong. These people have lived there all their lives. They are not impacting any area. In many of these cases a defense plant may have come in, but the people would have been there anyway, so the defense plant did not make any difference as far as they and their children are concerned.

Mr. BAILEY. If the gentleman will bring in legislation to correct it, we will have a hearing and correct that situation.

Mr. SCRIVNER. The gentleman from West Virginia has always been courteous, considerate, and kind to me. If I can just get a little time from the Appropriations Committee work, I shall be glad to make some suggestions.

Mr. BAILEY. May I say to the gentleman that cutting this appropriation will not do anything that will remedy the problem in the future.

Mr. SCRIVNER. It could be made to apply to this year and of course could save quite a few hundreds of millions of dollars in the future.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from New York.

Mr. KEATING. I think the gentleman has made a great contribution to our thinking on this subject in bringing out the point he has. May I ask him, a member of the Appropriations Committee, this question, whether or not if this reduction were made it would be possible to get the administration of the law not to spread it as a percentage reduction to each of these areas but rather to take under consideration some of the things the gentleman has mentioned and resurvey this question of what the proper distribution of these funds should be?

Mr. SCRIVNER. I do not know whether it would have that effect. But, certainly, this calls for a certain amount, and you do not have to appropriate for every authorization. Any authorization is just that and no more. If the authorization was going to be all that there was to it, there would be no reason for having a Committee on Appropriations.

Mr. BALDWIN. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. FOGARTY. With reference to the question asked by the gentleman from New York [Mr. KEATING], the answer is absolutely no, the Office of Education cannot use any discretion in deciding where this reduction would be made, because you fixed in the basic law the way that these funds would be apportioned. There is no way they can change it. They have no leeway whatsoever. If you are going to cut it back by passing this amendment then there would be a cut of 12 percent for every one of those 3,400 school districts. There is no other way around it.

Mr. KEATING. Mr. Chairman, will the gentleman yield for a moment?

Mr. BALDWIN. Mr. Chairman, I would like to make a couple of points, and if I have time, I will be glad to yield to the gentleman.

Mr. Chairman, one of the problems that have developed this year is the problem of authorization of construction of Capehart housing. Last year in the housing act of 1956, the bill provided that on any base that Capehart housing was constructed, the Department of Defense had to take steps to acquire by purchase the Wherry housing that existed on that base. I would like to give you a specific example of the situation at the Travis Air Force Base in California. Over 900 units of Wherry housing were built under the Wherry law. That housing under the Supreme Court decision has been paying local taxes to the counties and school districts. In the housing act of 1956, that Wherry housing is going to have to be purchased by the Federal Government and it is going to go off the tax rolls and the school districts will not receive a dime from those 900 units. In the meantime, the Air Force has advertised and the bids are out right now for the construction of 500 additional units of Capehart housing at that same base. That means there is going to be a combination of 900 units that up to this year were paying taxes to the local school districts and that are now going off the rolls plus an additional 500 units that are going to be built that will not be contributing a dime. This legislation is the only salvation and the only possible solution for the school districts in a problem area like that. These school districts are completely depending on the bill that we passed last year in good faith in this House of Representatives and in the other body.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. BAILEY. I should like to commend the gentleman, for he is the first Member of Congress to get up on the floor today who has really put his finger on the necessity for leaving these funds the way they are in this bill, and that is because it has to do with the operation of Capehart housing. If there were no other reason, that alone would justify the appropriation.

Mr. BALDWIN. The only possible solution that the school district in areas such as this has is the legislation that we passed last year, legislation upon which they are entitled to rely and legislation upon which they have based their budgets. If we take action at this time to cut 12 percent off that bill, we are losing faith with every school district in the United States which is completely dependent on the honesty and sincerity of this Congress and on the action that we look last year.

Mr. CHRISTOPHER. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. Chairman, in view of the fact that I have not spoken on this legislation that has been on the floor for a week, and in view of the fact that I shall not seek any more time to speak on this legislation, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. HOFFMAN. Reserving the right to object, will the gentleman tell us what he is going to talk about?

Mr. CHRISTOPHER. Mr. Chairman, I rose in opposition to the amendment. The gentleman from Michigan can make his own inference.

Mr. HOFFMAN. I thank you. That is all I wanted to know. I wanted to hear that.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Chairman, I am in opposition to this amendment. I may be accused of having selfish reasons for objecting to this amendment. If representing the people of my district, the Fourth District of the State of Missouri, to the best of my ability, makes me selfish, then I stand convicted. Lake City Arsenal is in my district. Grand View Air Force Base is in my district. Knob Noster Air Force Base is in my district. Also Bendix and Westinghouse that are presently engaged in the manufacture of products for national defense. Schools in those areas are impacted by the influx of workers in that arsenal, those air bases, and those defense plants. Therefore, I am in opposition to any cut in funds in this bill for aid to schools in impacted areas.

This bill has been on the floor for almost a week. What are the things for which the money is being appropriated in this bill? I will list most of them. Bureau of Labor Standards, veterans' employment rights, Bureau of Apprenticeship, employment security, employees' compensation, Bureau of Labor Statistics, Women's Bureau, Wage and Hour Division, retarded children, problems of the aging, printing for the blind, Food and Drug Administration, Freedmen's Hospital, vocational rehabilitation, control of venereal diseases, tuberculosis, sewage treatment, hospital construction, Indian health activities, medical research, Cancer Institute, Heart Institute, Dental Institute, St. Elizabeths Hospital, where I have ideas of going some day of my own volition, after hours and hours on the floor of this House, Social Security Administration, old-age and survivors insurance. That is what this bill is for.

This bill has been considered by the Committee on Appropriations of this House, whose chairman is the dean of our Missouri delegation, Hon. CLARENCE CANNON, who happens to be sitting in front of me right at this time. The ranking member of that committee is Hon. JOHN TABER, than which there is no more conservative Republican on the floor of this House. They have had

that bill before them for weeks and weeks and weeks. It has been read in that committee paragraph by paragraph. That committee has worked its will on that bill and reported it to the floor of this House. I am forced to say that because of the things that these dollars are being appropriated for, this House has cut and haggled and seesawed for a week. Who does this bill benefit? The people that pay the taxes that run this Government, the greatest Government and the greatest business on the face of this earth at the present time. Let me say to you that 80 percent of the income-taxpayers of this Nation earn less than $6,000 a year. Do not get me wrong. I did not say that 80 percent of the income tax was paid into the United States Treasury was paid by people who earn less than $6,000 a year, but 80 percent of the number of income-tax payers are people who earn $6,000 or less.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. I yield.

Mr. MASON. Eighty percent of the amount of dollars that come in come from the bracket below $6,000.

Mr. CHRISTOPHER. I thank the gentleman. My figures vary from his a little, but that makes my case still stronger. I thank the gentleman.

I do not know why we are haggling so much over this bill. Someone has said that we will have a rollcall on these cuts. I hope we do.

If this House really wants to save the taxpayer some money it can easily be done by loping at least a billion dollars off foreign aid when it comes to the floor of this House. I am reliably informed there will be an unexpended balance of five to six billion dollars at the end of this fiscal year, June 30, 1957, so there is the place to save money and not take it away from our aged, our children, and sick and our vet's programs.

I am ready to vote against every cut made in this good bill right straight down the line and accept the bill as it was reported out to the floor of the House. What have we got an Appropriations Committee for anyway? I did not sit in the hearings; neither did the majority of you Members. You do not know what the testimony was and will not unless you read the testimony that was given before the committee, and I will bet that not 20 percent of the Members of this House have read even the report in its entirety. I trust that committee, and I am willing to accept the bill as it was brought to the floor of this House.

Maybe some of you think you can curry a little political favor by voting for these cuts. Do not kid yourselves. My Democratic friends on the right hand side of this aisle, let me say to you that when you vote to cut out money that is needed in your district and my district for the people who pay the taxes, and when we have another congressional election and that barrage of Republican propaganda descends on your head and some of those programs like aid for the blind and the aged and schools and health in your district have been crippled by the cuts you vote for, your opponents will say: "President Eisenhower said how much money he needed out here, but the Appropriations Committee cut that out, a committee having more Democrats on it than Republicans—cut over a hundred million dollars out of this bill. The House not satisfied with that took out other millions and the House was Democratic, and if you have not got enough money to carry on the operations in your district, blame the Democrats for it." The fact that 95 percent of the Republican Members of this House may have voted for these cuts will not help you one whit.

Time after time I have shown up Republican legislation and proved that it was wrong and not in the best interest of the people of my district, and Republican propagandists came back to me with this. They said, "We could not help it; it is the result of things the Democrats did in the 20 years before we came into control of the office." Remember, my Democrat friends, we and we alone will be responsible for cuts in this bill even though the cuts receive almost solid Republican support. If you think you can curry any favor by cutting down these appropriations, you are just as wrong as you ever were in your life.

I am ready to vote to restore every cut this House has made in this bill and take it exactly as it came from the committee.

Mr. CARNAHAN. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. I yield.

Mr. CARNAHAN. I want to compliment the gentleman on the contribution he has made. I just want to express my opposition to the pending amendment and to urge the members of the Committee to vote it down.

Mr. HOSMER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, my entire congressional district is an impacted area, and I think it is probably one of those prime examples of how this kind of appropriation can be of beneficial effect. Despite the fact that the district has on every occasion overwhelmingly passed bonds for new schools, and has accepted again and again raises in the tax rates to operate those schools, had it not been for the grants under these Federal laws, the Long Beach unified school system which not only covers my district but extends and expands into that of my colleague, the gentleman from California [Mr. DOYLE], could not have met its load.

There is a definite problem that has been brought up by the heat of the debate here today, and that is: If you have read the report you will notice that the purpose for which the money is being used is gradually shifting over from the construction of buildings to the operational maintenance of schools, with more emphasis on the latter than on the former as time goes on.

There also are changes with respect to the communities which have been impacted; they are gradually increasing the tax base by reason of the fact that the new activities are becoming fairly permanent, so permanent as distinguished from temporary enlargements of the communities are occurring. This enlarges the tax bases of the communities.

What I am afraid of is that the debate we have had today indicates that at some point along the line we are going to be asked for appropriations under the program at which Congress will suddenly rebel and end the program suddenly and entirely without prior notice by refusing any appropriation. In that event, that one $30,000 difficulty of one single school district mentioned earlier in the debate would be multiplied by millions and millions of dollars in thousands of school districts throughout the country. I think the gentleman from Ohio in offering his amendment had something of that kind in mind. I do not believe he was irresponsible or arbitrary at all in offering the amendment. I do believe he voiced a warning that at some point Congress must decide where we are going and whether this program is to be a permanent program or not. The size of the appropriation has a definite influence on when the question is faced. The larger the proposed appropriation, the sooner it will come up. As a matter of fact, the program started out as a temporary affair with absorption features that would require a less amount every year and eventually bring itself to an end. I do not think from today's debate that elimination of the absorption feature definitely gave the program premanence.

Now, is it or is it not going to be a permanent program? That is something in excess of 3,000 school districts must know for purposes of their financial planning. Are we coming to some year in this Congress where the whole thing will be wiped out in one fell swoop? Or, if the program is not to be permanent, are we going to adopt a deceleration procedure which will permit the local districts to make an orderly adjustment? There will be distress in all these districts if we do not do some long-range thinking on this problem. I ask that you have these facts and questions in mind, and that perhaps as time goes on the appropriate committees, including both the Education and Labor and the Appropriations Committees, can bring to the Congress something of a more express nature as to whether it is a permanent program or a policy of eliminating the program. I believe all concerned would benefit by such an expression.

Mr. TABER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, a considerable interest was shown a little while ago in some facts that the gentleman from Kansas [Mr. SCRIVNER] brought out. That seemed to me to be quite an important thing.

Mr. Chairman, in my opinion, the present amendment should be adopted. I believe there will be plenty of money to take care of all of these school districts where there is a legitimate claim upon the United States to provide for the schoolchildren, if we were to adopt an amendment immediately after the amendment offered by the gentleman from Ohio [Mr. BOW] was adopted, which stated:

Insert on page 18, line 9: *"Provided,* That none of the funds herein appropriated shall be paid to any school district on account of children whose parents have heretofore lived

in the district or paid taxes in the school district or who pay rent to taxpayers for real property where they reside in such school district."

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. KEATING. Mr. Chairman, it seems to me that is a constructive approach to this problem and I commend the gentleman for working it out. The situation to which the gentleman from Kansas called attention presents an almost ridiculous case. It is possible under this present law for an adjoining district to Washington to get aid simply because there is a Congressman living there. If that is true, we certainly should provide against such an eventuality as that by a limitation on this appropriation. It seems to me it is sound. If the reduced figure is accepted, as I am inclined to believe it should be, we should then add on such provision as the gentleman from New York has suggested which would take care of the situation that is troubling so many of us.

Mr. TABER. I thank the gentleman. It seems to me it is perfectly clear that is the way to handle the situation. I believe—and I have listened to the hearings on this item—that there is no question but what they will have plenty of money and more too if we adopt this kind of a limitation on the paragraph.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kansas.

Mr. SCRIVNER. There was never any thought, so far as I know, that we would consider staff members of Congress who lived here all these years and the employees of the Veterans' Administration, the Post Office Department, the Internal Revenue Bureau, and all of those as being people who caused impacting, when those people are taxpayers and lived here all their lives. They were not called in by any of these activities; they were already there, and the demand for them would be there whether they were Government employees or not. This has gotten to the point where it is all inclusive or counting almost every Government employee, no matter what his activity is, or any employee in a defense plant no matter whether he lived with his parents or grandparents. It just is not a realistic approach, and I do not think it is what the Congress had in mind.

Mr. TABER. I think the gentleman is right.

Mr. CANNON. Mr. Chairman, let us not be dragged away from the question before the House.

You know, when the tribe first consented to sit down in a circle and listen to one man at a time talk about one thing at a time, orderly parliamentary procedure was established. Here this afternoon we ought to invoke again the old tribal law under which the tribe gathered about the campfire to decide what should be the policy of the tribe in those ancient days and they talked about the one question that was under debate.

The question before us here today is whether or not we will retain the amounts appropriated for this purpose for the current year or whether we will increase them.

It might be said by way of preface that the law under which we made special contributions to impacted districts was a wartime measure. We are no longer at war. Normal conditions have been resumed. Certainly, because during the war we found it necessary to meet these sudden shifts of population to the war plants for the manufacture of war munitions and war weapons does not mean that it should be in force today. But, the effort has been made to lead us away from the point that is before us.

Trying to get away from the question before us some have tried to make this a labor bill. They have insisted that because you were opposed to increasing amounts appropriated for the current year, you are against labor In the same way they have tried to make this an education bill and to leave the impression you were against education. But the one issue before us is economy. This is an appropriation bill and the question of labor, or education or all these other issues are not before us at all.

No man can stand on this floor and say that I have not supported labor during my entire service in the House. I have been on the floor longer than any Member here today. At the desk I saw SAM RAYBURN and CARL HAYDEN come to the House. And, in all that time I have supported every one of the fundamental laws establishing the rights of labor. My district was at that time an agricultural district with practically no labor organization. Most of you men so vociferous in your support of labor came from labor districts. You had to be for labor. But I was for labor in a farm district because I thought agriculture and labor had a common cause and were preyed on by the same predatory interests. I was for labor legislation because I thought it was right and not because it was the politically expedient course to follow. I was for the Norris bill, the Wagner bill, the Walsh bill, the Wage and Hour and Portal to Portal bill and no one can stand on this floor and tell me that because I am for reasonable appropriations and against excessive appropriations and excessive taxes in these critical times, I am anti-labor. And I have in season and out of season supported education and every bill for education and vocational education through which the children of America have been benefitted.

So don't try to make me out as opposed to education. The children of the Nation will suffer more from lack of food and clothing when we pass excessive bills and increase the cost of living and hammer down the purchasing power of the hard-earned dollar their father received for his daily toil than they will lose—if at all—from the passage of this highly salutary amendment.

So, Mr. Chairman, we should not allow ourselves to be drawn off into collateral issues. Let us follow the old tribal custom of talking about 1 thing at 1 time. The thing before us today is whether or not we should increase the appropriation for this purpose. It is not a question whether it is good legislation or bad legislation, whether it is a good purpose or a bad purpose. It is a question whether $113 million is sufficient instead of $127 million.

Mr. HYDE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the debate on this measure today points up the necessity for a serious congressional study to be made of payments in lieu of taxes by the Federal Government in those areas where they have large Federal installations. I think some of the arguments that have been made here today, both for and against this amendment, show some of the inequities in the present program with respect to the distribution of these moneys for aid to impacted areas.

For example, there was the point made by the gentleman from Kansas [Mr. SCRIVNER] and endorsed by the gentleman from New York [Mr. TABER], which is a very important point in connection with a program such as this. And it is important to my own congressional district because there are many, many people in that particular category in my congressional district. But this whole matter of Federal payments in these areas not only for schools—because there are other things, other services that these Government installations and the employees there require; there is police protection, fire protection, and all the other various services that a community affords which must be paid for by the people living in those communities, which are aggravated when more and more people suddenly are brought into the community. It is no answer to this problem today to say, "Well, my district would like to have some of these new Federal installations, whether they pay taxes or not, because they bring in new payrolls." If you follow that argument to its logical conclusion then I would ask whether the same gentleman would say that all of the private enterprises in his district should be made tax free because they bring in payrolls. That argument does not make any sense.

No, this whole problem of Federal payments to local areas where they are affected by Federal installations, in lieu of taxes, should be seriously studied by this Congress. That question has not been. I understand there has been some staff work done on it in some committees, but the study has not been seriously undertaken by any committee of this Congress.

Mr. KEATING. Mr. Chairman, would the gentleman yield?

Mr. HYDE. I yield to the gentleman from New York.

Mr. KEATING. The gentleman is so right in what he is saying. I apprehend that perhaps he and I differ on this particular amendment before us; I do not know about that. But this Congress should do something about this problem of Federal installations coming into these communities tax free. In my district there is only a relatively small number of them. In the gentleman's district there are undoubtedly many more. But this is something that should be grappled with by this Congress in the appropriate committee. I have had a bill in for years on this subject, as many other Members have. No one of us probably has the

exactly right answer, but we should do something to provide for payments in lieu of taxes by the Federal Government to these various areas where they are now using the facilities of sewer and water and, as the gentleman said, police and everything else, way beyond what is involved in this bill. The gentleman has put his finger on something very important for this Congress to tackle.

Mr. HYDE. I thank the gentleman for his contribution.

As far as this particular bill is concerned, I will vote against this reduction. I will vote against any further tinkering with this particular program until we do solve the matter and solve it conclusively and intelligently by a restudy of this whole program.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Maryland.

Mr. DEVEREUX. Is it not true that because of the more liberalized formula that has been adopted the net result of following this amendment would be that we would be reducing payments to the impacted school districts by 12 percent?

Mr. HYDE. That is as I understand it; yes.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HAGEN].

Mr. HAGEN. Mr. Chairman, I have been waiting here very patiently to say a few words about this amendment. Perhaps the delay was worthwhile, because the issue seems to be getting bigger by the minute. We have just heard from the chairman of the committee and from the ranking minority member in support thereof and in opposition to their committee proposal.

I may say with respect to the suggestion of the gentleman from New York [Mr. TABER] that quite probably his proposal would be subject to a point of order because he would be attempting to legislate in an appropriation bill.

Mr. TABER. The gentleman is not correct on that, in my opinion. It is a clear limitation.

Mr. HAGEN. Let us say possibly it would be subject to a point of order. In any event, it is legislation which would alter the program in a fashion which, if it should be accomplished, should be done by the basic committee concerned with this legislation, the Committee on Education and Labor.

Actually what we are doing here in appropriating for this program is deciding what is a reasonable estimate of the needs of the program as established by the Congress. The Department and the committee have said that $127 million is a reasonable estimate. I for one am inclined to accept their estimate.

What happens if we overestimate what is necessary to carry out a clear statutory formula? If we overestimate, the money is not spent, it still remains in the Treasury. We have not lost a thing.

If we underestimate, what happens? If we underestimate we create a real problem for all of these some 3,400 school districts, because they plan their budgets, a great many of them, on the basis of the availability of this Federal entitlement. If you say to them "You can have only 88 percent of a budget instead of 100 percent of a budget, and they need schoolteachers, they need janitors, they need school supplies, and they have to really struggle with the problem of educating those children. Either they have to water down the quality of the educational service they give or they have to resort to various expedients which cost the program more in the long run.

I know of one school district in my congressional district that has only one substantial source of operating funds, and that source is this Federal program. What happens if they get 88 percent of their necessary budget? In the past this has happened, and they have had to borrow money to pay their teachers and the janitors and to pay for their school supplies. Borrowing the money calls for paying interest, and the money comes from a source which is of dubious legality as far as legal ability to lend is concerned, so that they have had a very difficult problem.

Actually when we have underestimated in the past the Department has come in later and asked for more money by defining appropriation to complete the program and the Congress has acceded to such request, so if you make a wrong underestimate here you are not saving any money because the deficiency will be provided next year. In the meantime, however, you have seriously inconvenienced a large percentage of these 3,400 school districts and these million plus schoolchildren around the country, so that you have not accomplished anything except to harass the beneficiaries of this program. In effect you are indulging in an idle act as far as saving money is concerned, and I am certain you do not want to do that.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I have 2 or 3 observations to offer. One of them, for whatever pertinence it has to this discussion, is that we are constantly told that employees in the federally impacted areas contribute nothing to the schools, and that in many instances there is no tax base provided. I would just like to observe, and this is not by way of negating the principle of aid for impacted areas, that in the State of Michigan 2 cents of every 3 cents sales tax on the dollar goes to school aid at the State level. That is paid by employees and by persons connected with the Government in the federally impacted area. The second observation I want to make is with reference to the remark made, I believe, by the gentleman from New Jersey [Mr. THOMPSON] that one reason for this increase this year in the proposed budget is the fact that there has been an increase in impacts. I am not going to argue that explanation or that point. But, certainly, insofar as there are increases in the bureaucracy, apparently there are increases in impacts. And insofar as there are increases in impacts, there are increases for need or for alleged need for aid. It seems to me there is a moral to be drawn from that. If we do happen to curtail the bureaucracy a little bit, we curtail the impacts and we curtail the subsidiary addition to aid because that addition results from the increased size of the bureaucracy. One final thought. Some of these days we are going to be talking about proposals to put the Government into some new activity in competition with private enterprise. It may be in the field of atomic energy. Some day we are going to be talking about some new type of Government activity which private enterprise ought to carry out. May I respectfully remind the House that insofar as this House votes to do that and insofar as that becomes policy, we create more impacts and by competing with private enterprise take fields of activity out of areas where they can yield tax support for the Nation and for the community and for the State.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. BENNETT] to close debate on the pending amendment.

Mr. BENNETT of Florida. Mr. Chairman, I take this time to point out an illustration in my own district which I think may throw a little light on the workings of this bill. I represent two counties here—Duval and Clay. Clay County is a small rural county which has been a small rural county for 100 years or thereabouts. In that county, 50,000 acres or thereabouts are taken away from the tax rolls and from the turpentine and timber developments for the purpose of having a standby infantry camp which is nonproductive as far as taxes are concerned. Secondly, in that county there is a mothball fleet of the Navy. The Navy selected it because it has fresh water and these ships are well taken care of there. I am old enough to remember World War I and the mothball fleet following World War I. After a while they were a pretty sorry spectacle and you began to wonder where you were going to get the money to get rid of that fleet which was cluttering up the streams, now that they had become outmoded. Certainly, there is nothing very permanent about that kind of military installation. With respect to the personnel that were brought to this small rural community, are they people who went there voluntarily? No, they are there involuntarily because they are all Navy personnel. They have brought their children there. Their children do not have any choice about going there, but neither do the parents have any choice about going there. So we have a small rural county which was getting along pretty good before they had this military installation put there, and which now has a terrific burden upon its taxes and upon its opportunities to educate the people who have been brought there.

There might be other counties where the need is not so great, but in approaching this matter we should bear in mind the thought that, after all, this is not the place to write legislation. If there are some improvements or changes you want to make in this legislation to improve it here and there, there is a legislative committee. Your ideas should be brought to that committee. They should be ironed out and considered there in the proper manner, so that everybody has an opportunity to study it, so that the proper staff work can be done upon it, so that we do the proper thing. It seems to me this amendment would be unfair to a small county which was getting along pretty well before this military installation came, which has no great benefit as a result of the military installation, and where this military installation may sometime go and leave in that river a tremendous fleet of boats which will have to be destroyed.

So I urge that this particular amendment be not adopted, that we allow the full funds and take care of this much needed educational work.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield.

Mr. KEATING. Would not the gentleman's problem be solved by the adoption of this amendment, plus the adoption of the amendment offered by the gentleman from New York, Mr. TABER? I think the gentleman has put his finger on a case where there is a real impact, and where this law is sound and should take care of an unusual situation such as the gentleman has mentioned, but there are other areas, like for instance Washington, where a Congressman's child is counted in the area. I am sure the gentleman would agree that is not sound. But if the figure is still sound but it is properly allocated so as not to include such areas as the gentleman mentioned, you would have the answer to the problem.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield.

Mr. FOGARTY. There is not much sense to the argument made by the gentleman from New York [Mr. KEATING] because the basic law has been the basic law since the first time this was passed in 1950. If sufficient funds are not appropriated by the Congress to match the formula that they lay down, then the available funds will be prorated among the 3,400 school districts. There is no other way about it.

Mr. KEATING. But there will be sufficient funds——

Mr. BENNETT of Florida. I refuse to yield further.

I am not in favor of the amendment before us now and after all I was supposed to make some final remarks in this debate. Personally, I feel this is no way to write legislation on the floor of the House. I did not even hear the amendment offered by the gentleman from New York [Mr. TABER] and I don't think many others did. I do not think that is any way to tamper with an important program of this type.

The CHAIRMAN. The time of the gentleman from Florida [Mr. BENNETT] has expired.

The pro forma amendments were withdrawn.

The CHAIRMAN. The question occurs on the amendment offered by the gentleman from Ohio [Mr. BOW].

The question was taken; and on a division (demanded by Mr. BOW), there were ayes 49, noes 62.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 18, line 10, after the period insert the following: "*Provided*, That none of the funds herein in this paragraph appropriated shall be paid to any school district on account of children whose parents have heretofore for 5 years or more lived in the district and paid taxes for school purposes or who pay rent to taxpayers for real property where they reside in such school district."

Mr. TABER. Mr. Chairman, I have offered this amendment to correct what seems to me to be an abuse in the distribution of the funds under this act. It seems to me that we should try our best to correct it and that the correction will result in saving the money that would have been saved had the Bow amendment been adopted.

I believe the situation is quite serious. They tell me that children of Members of Congress who own houses in the suburbs of Washington are used as a credit by the school district in fixing taxes. I expect that the children of anyone who carries mail or who does anything else for the Government, who is an employee of the Veterans' Administration, are counted toward this sort of gratuity.

It would seem to me that in this particular situation the Committee on Education and Labor needed to go to work and try to bring in an amendment that would correct this bill so that cases of this kind could not happen.

It does not seem to me that anyone should oppose this amendment but that everybody should be for it, because the only way we can ever get credit in this world is by doing the thing that seems to be right; and that we should do this seems to me to be perfectly clear.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. KEATING. It seems to me in the light of the defeat of the Bow amendment that the amendment offered by the gentleman from New York is even more necessary now that we are retaining the larger figure in the bill, to insure that the money be not squandered, as I would put it, in the method outlined, and that it be used only in those areas where the impact has been real and not under such fantastic conditions as the gentleman has been describing.

Mr. TABER. The gentleman is correct.

I hope the amendment will be adopted.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WIER. Let me ask the gentleman this question: After listening to the gentleman's amendment as it was read, and to the statement he made, I think the gentleman is trying to solve a problem that the Committee on Education and Labor had before it in the early days, a problem that dealt with the larger cities of the Nation where there is plenty of taxable property and plenty of room for increased millage for school purposes.

I have been trying to think of the major cities of the United States that have been participating in this program. I think the gentleman has some reference to the fringe of Washington; at least he put his finger on Maryland and Virginia. Would this go beyond that?

Mr. TABER. It would go all over the country. They tell me that in one city in Missouri they count employees of the Veterans' Administration; they tell me they have done the same thing in New York and in many of the communities. I think the children in this situation that I have described in the amendment have not the slightest claim to a Federal subsidy. That is the reason I have offered the amendment.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. TABER].

Mr. Chairman, the substance of what my friend, the gentleman from New York [Mr. TABER] offers might have some merit but it certainly should be presented to the appropriate legislative committee of the House to determine in a more deliberate manner, if it has. This amendment that is offered now, although it is not subject, as I see it, to a point of order, because it is in the form of a limitation, to me is legislating on an appropriation bill. I do not believe that we today in 7 or 8 minutes should attempt on an appropriation bill to change the intent of Congress and change the basic law. How far this amendment will go I do not know, and neither does anybody else here in the House. An amendment like this deserves a hearing before the appropriate legislative committee. I do not think we as members of the Appropriations Committee should assume the responsibility of the legislative committees of the House. As chairman of this committee I have never gone to the Rules Committee for a rule waiving points of order on any of these appropriation bills that I have had anything to do with and I do not intend to as long as I am on this committee. I do not like legislation on an appropriation bill, especially when it goes to basic matters as this one does. That is exactly what we would do by adopting this amendment. I was pretty sure the Bow amendment would be defeated because it was a blow against education. This should be, too, under these circumstances because I do not know how far it will go and feel certain no one else here does. I hope the membership of the committee will follow the vote on the last amendment and vote down this amendment.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from California.

Mr. HOSMER. Are there any statistics available at all so that the amendment could intelligently be acted upon?

Mr. FOGARTY. No.

Mr. HOSMER. This would stop the whole program until a lengthy process of an entire census was taken?

Mr. FOGARTY. The gentleman is absolutely right. When this particular appropriation was being considered, this matter was not gone into at all. We have no justification in our appropriations hearings for the adoption of such an amendment. The justification for the formula that we have in the basic law was adopted after long hearings by the Committee on Education and Labor and after this bill was extended 2 or 3 times in the past 6 or 7 years by the Congress of the United States. This is not the right way to do business. There may be something in the gentleman's argument but I think it should be presented to the proper legislative committee, a hearing should be held, they should take action, then come back and make their recommendation to the House.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from New York.

Mr. TABER. I do not see how it is possible to correct this situation unless we go about doing it. Now that we have the chance, let us do it.

Mr. FOGARTY. I am trying to reason with my friend. It is a responsibility of the proper legislative committee to change the basic law. I do not think that we as members of the Appropriations Committee ought to assume the prerogatives of the standing committees of this House. I am not for it, I never was for it and I hope I never will be.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman will agree with me that certain legislative language has already been stricken from this bill on a point of order?

Mr. FOGARTY. That is right.

Mr. GROSS. So the gentleman has indulged in legislation in an appropriation bill.

Mr. FOGARTY. Most of that was put in years ago and has been carried year after year because it has never met with objection from a single Member. We have never attempted to defend any points of order that have been raised on such legislation and we have never gone to the Rules Committee to ask for a rule waiving points of order in connection with this particular appropriation bill. I do not expect we ever will. And I might say further that the legislation we have included is largely to straighten out small procedural matters rather than to change the basic concepts of legislative enactments as the pending amendment does.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Indiana.

Mr. DENTON. As I understand the amendment, it excludes children if the parents have been in the community 5 years or own a home?

Mr. FOGARTY. I cannot tell the gentleman for certain. I could not be certain that it may not go far beyond what the intent may be without spending much more time on it than we can now.

Mr. DENTON. The point is that it does not hit the problem. The real problem that we have is that the Government owns a very large part of the property in many of these areas, it is not subject to taxation, the local community cannot tax the property or raise money through taxation. This amendment would kill the whole program.

Mr. FOGARTY. When the old 3-percent absorption clause was eliminated it was stated that an area either is federally impacted or it is not. That is the question that was raised then. It either is or is not. We are changing the basic law if we adopt the amendment. There might be some merit to it but if there is a hearing should be held by the proper legislative committee, then a report made to the House.

Mr. BROYHILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the amendment. I believe that the gentleman from Rhode Island hit the nail on the head when he said the main objection to this amendment is that it is something that should be worked out in the proper legislative committee. This formula under which this law is administered is a very complicated and confusing formula. The formula is not satisfactory to me, and I would like to have it amended by the proper legislative committee. At the present time the communities have to absorb 3 percent of the children of federally connected employees attending the local school. The formula now provides for 50 percent of the cost to the local community for educating the children of Federal employees who live or work on Federal property. Regardless of how long the people have lived there—and the term "impacted" has been used quite often here—the basic purpose of the legislation, as I see it, is recognizing that the Federal Government, owning the property in these various communities which are taken off the tax rolls, should provide some means of reimbursing the communities for the education of these children. We have to provide some form of payment in lieu of taxes. Again with reference to the employee who works or lives on Federal property, the Government under this legislation only provides for 50 percent of the cost for educating that child, with 50 percent contributed by the local community, and that again is based on what it costs a comparable school district in the various States. It costs the citizens of Arlington County $320 a year for each child. Under this legislation we only receive $96 a year from the Government for children of Federal employees who live or work on Federal property. It is not a bonanza to any of these communities. We would all be much better off if the Federal Government paid its just share of taxes. But, if they want to change the formula, let them take it before the proper legislative committee and not do it on an appropriation bill.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from New York.

Mr. PILLION. A year or two ago a survey indicated that the per family income of Arlington County was somewhere in the neighborhood of $8,500 per year, which was the highest per family income of any county in the whole United States. Does the gentleman claim that Arlington County has any need for these federally impacted school funds and that they should be paid for by areas of the country where the per family income is, say, less than $4,000 per year?

Mr. BROYHILL. I would say that the average income per family in Arlington County is one of the highest in the Nation, and it is one of the finest communities in the Nation, but that does not relieve the Federal Government from its responsibility and requiring that community to render service as the result of their operations.

Mr. PILLION. The county of Arlington has very little industry and the primary cause of the high per family income is mainly because of the Federal Government payroll; is that not true?

Mr. BROYHILL. That is true, but that does not mean the Federal Government should receive tax exemption on all the property that it owns.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on March 28, in the CONGRESSIONAL RECORD, at page 4694, the majority leader, Mr. MCCORMACK, speaking of the President, said:

> This is his budget. This is not merely a recommendation. He was forced to defend his own budget because of the rebellion against him by the majority of his own Members in this body. The President said that his budget had been drawn up, and I quote: "Carefully, intelligently." How historic it is that a President feels that he is on trial and must defend himself to the point of having to say that his budget has been drawn up "carefully, intelligently." The President also used in his press conference the word "futile," and I quote that in connection with cutting the budget, as he said, "severely," that too big a cut in foreign aid, for example, would endanger the country's national interest. I called that to the attention of the country some weeks ago when I was on the television program conducted by our good friend, the gentleman from New York [Mr. KEATING]. I projected my mind ahead. Drawing on my years of experience in Government, I said, "Where can the sharp cut come?" It must come along the lines of least resistance. My mind focused on foreign assistance—not that I approve of that method but I saw that that was the easiest way. When Secretary Humphrey started the revolt, when the executive budget was sent up, that was the time the President should have acted. Humphrey's revolt became contagious and it is now a revolution among the great majority of the Republican Members. President Eisenhower said he took the responsibility for his budget. Well, we got that out of him anyway. He has his responsibility to try and stop cuts being made that will affect our national interests. He will have to do something more than make

statements in a press conference. He will have to go to work and he will have to go to work among his own Republican Members and Republican leadership.

The President ought to know that in the committees and in the House of Representatives practically all the members of his own party are the ones who are attacking his budget and by their votes they are showing that they do not believe his budget was drawn up, and I quote again, "carefully, intelligently." The President leads one way and his army in the House of Representatives goes the other way. What a picture. And who do they think they are fooling? It is not my responsibility to give President Eisenhower advice—I, the Democratic leader—as to how he should meet the situation.

One thing is certain, when a Democrat was President he at least had the majority of his own party supporting him, not by words "I like so and so," but by votes.

Oh yeah? Remember when at least twice when President Truman vetoed a bill the Democrats, then under their present leaders, furnished the votes to override President Truman? Was it not just last week when by some 57 majority they refused to follow the party line? They have just as many on that side who vote their convictions as do we.

Now, do not the Republican Members remember what they did over on the Democratic side when this bill first came before us? That budget, that they now cite the President as saying was a model, carefully and intelligently drawn up. Permit me to say to the gentleman from New York [Mr. ROONEY], who is at the moment sitting over on our side, and I am glad to welcome him in behalf of all the membership on our side—does the gentleman remember what the opposition said to the President about the budget, to the cutting of which they now so strenuously object? On rollcalls 17, 18, and 19, the majority leader [Mr. MCCORMACK] and the gentleman in charge of the bill, the gentleman from Rhode Island [Mr. FOGARTY], voted to send it back to the President. Three times on March 12 the majority leader and the gentleman in charge of this bill [Mr. FOGARTY] voted to send it back to the President with a request he tell us where to cut it. Did the gentlemen want it cut or were they just passing the buck? And now that it is back—do they want it cut? If they do not, just why did they ask the President to tell them where to cut? Just how inconsistent can the gentlemen on the other side be?

It would be a pleasure to have our good friend from New York [Mr. ROONEY] tell us what is wrong. On the 28th they told us the President said the administration had drawn up the budget carefully; a fine budget. But it was the same budget they had sent back to him on the 12th. Now on April 1—is it because it is All Fools' Day—they say that any cuts which the President said we should make if we found it possible to make them, should be voted down. Do the Democrats want the budget cut or don't they?

Is there anything we can do—and if there is, I would like to have the gentleman in charge of the bill [Mr. FOGARTY] and the gentleman from New York [Mr. ROONEY] and the majority leader [Mr. MCCORMACK] tell us what it is—just where the cuts can be made—that will please them? That is, if it will reelect a Republican Congress, or elect a Democrat Congress in 1958 and elect a Democratic President in 1960—just those things.

Mr. FOGARTY. You remember 1947–1948, do you not?

Mr. HOFFMAN. Yes.

Mr. FOGARTY. You were doing the same kind of a job then with the same kind of combination you have here today.

Mr. HOFFMAN. I quoted that earlier in the day.

Mr. FOGARTY. You remember how sure you were you were going to elect a President in 1948.

Mr. HOFFMAN. I never was; some were. I am never sure of an election until after the votes are counted and a certificate of election is in my hand.

Mr. FOGARTY. I thought Mr. Dewey was from the State of Michigan and you were one of his prime supporters in the election of 1948.

Mr. HOFFMAN. He was from Michigan. He was, I thought, the better of the nominees, but I never fell in love with him. My choice was Bricker and later Bob Taft. I quoted your statement earlier today. Permit me to quote it again—and to save a few cents I will strike it from my previous remarks:

> You remember the election of 1946 when the Republicans swept the country, elected a Republican House and a Republican Senate. You also remember that in the campaign in 1946, they were going up and down and across the country promising the working people of our country, that if they were elected, the friends of the workers and the workers of our country would be fairly treated. Yet you must recall that the first thing you did was to enact the Taft-Hartley Act in 1947. And then when this appropriation bill came before you, you cut it 25 percent in 1947. We Democrats made a pretty good record in 1947 on the floor of this House in fighting those amendments. And then in 1948 you helped to cut it another 20 percent over 1947. So, you made a splendid record in that 80th Congress in cutting appropriations for the Department of Labor. But, what happened in the election of 1948? Because of your help in cutting these appropriations to such an extent, especially in the Department of Labor, and taking away the rights and privileges that the Department extended to the working people of this country by denying them the enforcement of these laws, the people reacted in the fall of 1948 and you woke on the day after election the most amazed persons on this earth, because nobody believed at that time that a Democrat could win the Presidency of the United States as Harry Truman did in 1948.
>
> I want to congratulate you now, because the same combination that was working in that 80th Congress in 1947 and 1948 is again in effect yesterday and today and tomorrow. The same leaders are leading the same fight, and I hope that you have the same success and I hope and pray that your success in cutting these appropriations will guarantee that a Democrat will be elected to the White House 4 years from now.

The gentleman from Rhode Island said that resulted in the election of a Democratic Congress.

The gentleman said that, did he not?

Mr. FOGARTY. Yes.

Mr. HOFFMAN. And the gentleman said he hoped that our cutting of these items in the budget would result in the election of a Democratic President next time; am I correct?

Mr. FOGARTY. Yes.

Mr. HOFFMAN. So we see there is nothing political about this Democrat opposition to any economy cuts—any cuts—even though they told the President to tell them where it could be cut—oh, no.

Mr. FOGARTY. I thought you would have more sense than to go along with all these cuts and bring the same result on all over again in the next Presidential election. I thought that you had learned your lesson.

Mr. HOFFMAN. No; I am still thinking that our people do not want inflation, they do not want additional billions given for foreign aid. I still want to protect and promote the welfare of our people. I am not so much concerned about the politics of the gentleman in the White House as I am about the future of our country, the record of the party itself, and my own record. In my opinion there is not a Member of the House who does not believe that we cannot continue the present rate of spending without overburdening our taxpayers.

Mr. FOGARTY. We are just trying to help your President.

Mr. HOFFMAN. Help the President? Will the gentleman pardon me if I say that that is just as sincere as some other argument?

Mr. FOGARTY. Or vice versa.

Mr. HOFFMAN. I just quoted the gentleman as saying—daily CONGRESSIONAL RECORD, page 4036—"I hope and pray your success in cutting these appropriations will guarantee a Democrat will be elected to the White House 4 years from now." Mr. Chairman, if the RECORD does not show beyond any question that the gentleman has said that he hoped that our cutting of the budget, an end which the people say they want, would result in the election of a Democratic Congress and a Democratic President, then I do not understand the English language.

Mr. FOGARTY. I did say that. It is in the RECORD.

Mr. HOFFMAN. Surely; then the first objective is the election of Democrats.

Mr. FOGARTY. I just thought you would have more sense than to do again what you did 10 years ago. I did not think you would want to do the same thing all over again.

Mr. HOFFMAN. I shall, if it is the right thing to do. It is not my purpose now—it never has been—to buy my way into office either by the making of promises which cannot be kept or by imposing unconscionable burdens upon one group of citizens to gain the votes of a majority. Oh, I know that method has in some places on occasion been successful. In the end if continued it will ruin this Nation—great and rich as it is.

Tax and spend—and so elect—was the political philosophy of Harry Hopkins—but it brought no permanent good to our people.

Mr. BALDWIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it seems to me any proposal to change the formulas under which payments are made under Public Law 874 should at least be given the courtesy of a hearing so that the 3,400 school districts that are affected by this would have notice of the hearing and have an opportunity to express themselves as to how this affects their particular situation. It seems to me that is the least courtesy we can pay to those school districts. They have read the law we passed right at the close of the session last year. They have gone ahead and prepared their budgets on the basis of that law. I think we owe them a fair hearing through our normal legislative committee channels.

In one particular area in California where the Mare Island Naval Yard is located there is the community of Vallejo. There is no other industry in that community. The primary source of employment is the Mare Island Naval Yard. The school district in that community receives funds under the law which we passed last year. There are about 10,500 people working at the naval yard, and many of them would be eliminated from the provisions of this bill under the amendment that has now been offered.

Instead of our suddenly making a major, fundamental modification in the basic computation that we use in our whole formula under Public Law 874, and doing it in 5 minutes, it certainly seems to me we should give this problem the same study and the same consideration we gave when we passed Public Law 874 originally and that we have given to every amendment to it. Certainly that is the fair and proper thing from the standpoint of the school districts.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from West Virginia.

Mr. BAILEY. May I inform the distinguished gentleman that my subcommittee has at least three amendments to Public Law 874 pending now. As soon as I have disposed of the matters presently undertaken by the committee I will open hearings on the amendments to Public Law 874. If there is an amendment offered to modify and correct this, let me assure the author of the proposal and the entire membership of this House that it will have the same careful consideration the original Public Law 874 had in 1950. That will mean that there will be no bugs in it.

Mr. UTT. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from California.

Mr. UTT. The phrase in the amendment, "or pays taxes for school purposes," would cut California out of every nickel of this appropriation, because everybody in California pays sales taxes for school purposes. That phrase would cut California out of every nickel because we have a sales tax for school purposes.

Mr. BALDWIN. I thank the gentleman. I emphasize the point the gentleman from California has just made, that every district in the State of California under this amendment would be barred from getting a dime, because the State of California has a sales tax that applies directly to school purposes. Therefore, everybody under this amendment would be barred, and not a single district in California would get a cent from this appropriation. That just proves that anything affecting a fundamental formula in the detail that this amendment does should not be handled in 5 minutes on the House floor, it should be considered by the legislative committee in the usual way.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from California.

Mr. HOSMER. I congratulate the gentleman on his statement on this matter and associate myself with him on it. Not only would this act be scuttled insofar as the expenses of the children in the impacted areas are concerned but, with all due respect to the author of the amendment, the amendment is illogical in itself. A Government employee comes in and buys a house in an impacted area and his children are covered, but if he rents a house his children are counted out immediately.

Something like that just is not logical. As the gentleman pointed out, you simply cannot legislate on an important and technical matter such as this in a few minutes on the floor of the House of Representatives during debate on an appropriation bill.

Mr. BALDWIN. I thank the gentleman.

Mr. KEATING. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to clear up the points raised by the gentleman from California. I believe the gentleman may have misinterpreted this amendment, or perhaps I have. As I understand the amendment—and I would be glad to be corrected by the author—it would only eliminate from consideration, in counting the number of pupils involved, those whose parents had been there over 5 years holding a Federal job of some kind. It would not have the effect of eliminating, as was suggested here, all of the children in California because they have a sales tax. As I read the amendment, or rather as I listened to it being read, it does not have anything to do with the tax method of the particular State or municipality involved. But I would like to have the author of the amendment clear that up for me, if I am mistaken about it.

Mr. TABER. The children involved are children of parents who have lived in the district 5 years or more. They would not be eligible for counting toward this gratuity.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.

Mr. ROGERS of Colorado. As I read the amendment, it says that for a period of 5 years the parent may be employed and may pay a school tax on real estate or he may rent property on which a real-estate tax is paid for school purposes. Is it limited to real-estate taxes alone?

Mr. TABER. It does not say real-estate taxes alone.

Mr. ROGERS of Colorado. May I propound this question. The State of Colorado has an income tax, a certain percentage of which is devoted to school purposes. Would the fact that any employee of the Federal Government had paid income taxes for a period of 5 years make his children ineligible to be counted to receive this money under Public Law 874? I wonder whether or not an individual in the State of Colorado who would pay an income tax which is partly used for school purposes and if they should pay that tax for a period of 5 years, would it then make the children of the income-tax payer ineligible to be counted to receive money under Public Law 874?

Mr. KEATING. I am not an expert and I rose for information myself. I would like to refer that question to the gentleman from New York.

Mr. TABER. It would probably make them ineligible. Yes. But, maybe they should be made ineligible. It looks to me as if they should.

Mr. ROGERS of Colorado. Let us go one step further. As the gentleman from California pointed out about the employees at a naval base in an impacted area, would the fact that they may have worked there for 5 years then make their children ineligible to be counted although they have contributed to the impacted area.

Mr. TABER. Does the gentleman mean if they lived on Government grounds?

Mr. ROGERS of Colorado. No, if they live on Government grounds you have one formula, but if they live outside of Government grounds or if they are employed by the Federal Government and meet certain requirements, they are eligible. In my own district, we absorb 3 percent.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ROGERS of Colorado. Mr. Chairman, I rise in opposition to the amendment.

In my own district we already absorb 3 percent, and that is the highest amount that can be absorbed under the setup, and yet we are eligible. The Federal Government owns in excess of $25 million worth of property in the district alone. Surrounding my district, represented by the gentleman from Colorado [Mr. HILL], there is a terrifically impacted area that will apply to this formula. The chances are 9 out of 10 it will ruin some of those school districts. As I read the amendment—and I have read it twice, so that at least I have some conception of what the gentleman is trying to do by the amendment—he says that for a period of 5 years any person employed by the Federal Government who may have children who were eligible to receive a part of this money, should no longer receive it if, first, he has paid taxes on real estate, and second, he has paid rent to a real estate owner who, in turn, has paid taxes, then that individual should not be counted in the census in determining the amount of money that that particular school district would

have. Then the additional question might arise, if you are going to limit it to taxes that have been paid for the use of a school district, then you have a lot of sales taxes and you have income taxes and you have many other taxes paid by the parent that would make the district ineligible. As heretofore pointed out, this is a complicated formula. It requires the secretary of a school district to make this ascertainment. How can they go about doing it? First, they would have to ascertain, does the individual own a piece of property, and, second, has he paid taxes on the same for the last 5 years, and, third, if he is a renter, then you must ascertain whether or not the person from whom he rented has paid taxes on that property. It puts an indeterminable burden on the school district and those who are trying to operate the schools to ascertain the facts, that would take them longer than is necessary for the district to receive the money.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield.

Mr. KEATING. I think the gentleman has some merit in his argument. I was not aware of the last part of this amendment when I rose to ask a question about the payment of taxes. I had understood that the amendment was limited to the elimination of those children whose parents had been living in the district for 5 years, regardless of what taxes were paid there. I propose to offer an amendment to the amendment at the proper time to strike out this part about taxes. It seems to me it is sound to limit it to the elimination of children whose parents had been living there for a period of 5 years.

Mr. ROGERS of Colorado. In other words, as I understand, you are hopeful that the gentleman from New York [Mr. TABER] would recognize the impossibility of adequately carrying out Public Law 874, and you would then amend it to say that if an individual who is the parent of children in question who are counted to determine the amount that would be received, if that parent lived in the district for a period of at least 5 years, then that child should not be counted in the census. Is that what you had in mind?

Mr. KEATING. That is what I had in mind.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. ROGERS] has expired.

Mr. NICHOLSON. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Massachusetts rise?

Mr. NICHOLSON. Mr. Chairman, after listening to two lawyers, pretty smart ones, too, I think, talk about this bill, I rose only to ask unanimous consent that the amendment be read again so that some of the rest of us might form some opinion of it.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 18, line 10, after the period insert the following: "*Provided*, That none of the funds herein in this paragraph appropriated shall be paid to any school district on account of children whose parents have heretofore for 5 years or more lived in the district and paid taxes for school purposes or who pay rent to taxpayers for real property where they reside in such school district."

Mr. KEATING. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING as an amendment to the amendment offered by the gentleman from New York, Mr. TABER: Strike out all the words after the words "lived in the district."

Mr. KEATING. Mr. Chairman, I do not want to prolong this debate.

The purpose of this amendment is to eliminate from consideration such a situation as has been referred to by various gentlemen from California and others and to confine this strictly to those cases where the parents have lived in the so-called impacted areas more than 5 years. Certainly it seems to me when we enacted this law we never intended that the children of Members of Congress in these adjoining districts should be counted in the impact which is made on that district for school purposes.

It is a simple amendment. I hope it will clear up some of the doubt expressed by a number of Members.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Do I understand that under the gentleman's amendment if an employee of the Federal Government has lived in the impacted area for 5 years his children should not be counted in the census to determine whether or not the area should receive money under Public Law 874?

Mr. KEATING. That is the purpose.

Mr. ROGERS of Colorado. The gentleman makes residence the only requirement. His amendment does not require that the parent pay taxes or that he pay rent to a real estate owner who in turn pays taxes as contemplated by the gentleman from New York?

Mr. KEATING. No; it does not cover the taxation question at all; it is based upon living in the district.

Mr. ROGERS of Colorado. Is it consecutive or cumulative?

Mr. KEATING. It is for a period of 5 or more years.

Mr. ROGERS of Colorado. Suppose a family lived there 3 years, moved away, and after a lapse of time returned; would they have to live there 2 years or 5 years to fulfill the requirements of the amendment?

Mr. KEATING. In my judgment it would be 5 years of total residence in the district.

Mr. ROGERS of Colorado. Then the gentleman's answer is that 2 years after their return they would be ineligible to be counted; is that right?

Mr. KEATING. I would so interpret the amendment; it is worded in that way.

Mr. ROGERS of Colorado. One other question: Does the gentleman mean 1 or 2 parents of the children?

Mr. KEATING. The amendment is worded in the plural, "parents."

Mr. ROGERS of Colorado. Then both parents would have to live in the district?

Mr. KEATING. That is right.

Mr. HOSMER. I wonder if the gentleman will ask the Clerk to read the amendment as it would be amended with the gentleman's wording.

Mr. KEATING. I have it right in front of me. Mr. TABER'S would read, as amended:

None of the funds herein in this paragraph appropriated shall be paid to any school district on account of children whose parents have for 5 or more years heretofore lived in the district.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the requisite number of words and I ask unanimous consent that the amendment, as amended, be now read to the House.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Page 18, line 10, after the period insert: "*Provided*, That none of the funds herein in this paragraph appropriated shall be paid to any school district on account of children whose parents have heretofore for 5 years or more lived in the district."

Mr. HOLIFIELD. Mr. Chairman, is that the total amendment as now amended?

The CHAIRMAN. As amended.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. I was going to try to get from the sponsor of the amendment an answer in response to the question of the gentleman from Colorado. He said he would interpret it to mean both parents would have to be there, presumably consecutively. We sometimes are faced with the problem with servicemen that move into an impacted area, a husband, wife, and one child, we will say; they are there for 3 years, then the man is ordered overseas for 2 years. I presume that would suspend the running of the gentleman's amendment?

Mr. HOLIFIELD. I would not interpret it that way. I would interpret the amendment to mean that if at any time, regardless of the period of time heretofore the parents had lived in that district, they would come under this ban. It would not necessarily mean a consecutive 5 years. They could have lived there 20 years ago for 5 years, then moved back into the district and have gone to work in a defense plant.

Mr. THOMPSON of New Jersey. The gentleman said it would not mean consecutive. A good analogy would be the act of acquisition of property by adverse possession.

Mr. HOLIFIELD. Mr. Chairman, the Committee has an example before it of an attempt to legislate on an appropriation bill, even though it comes within the provision of limitation on an appropriation bill. Some of the possibilities that have been brought up in regard to these amendments and amendments as

amended indicate the lack of wisdom in proceeding along this course. I think the illustration is apparent enough to the House that no further debate is needed that the amendment should be defeated.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. BALDWIN. Is it not true, for example, that if there are two school districts adjoining a base, the people would move from one to the other. If they lived in one district for a time, they would move over to the other. It proves very clearly what the gentleman has been pointing out that this is no place to legislate on a basic piece of legislation.

Mr. HOLIFIELD. On a very complicated bill that needs the attention of the legislative committee in order that all of these probabilities and possibilities might be explored and in order that the House might be able to work its will. I agree with the gentleman from California a vote in favor of this amendment would be the endorsement of a provision which is ambiguous and which is not clear to the House at this time.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. MILLER of California. I would like to direct a question to the author of the amendment. Will this amendment apply to children whose parents live in Public Housing Administration projects, old Lanham Act projects within a school district which are owned by the Government and for which no taxes are paid? In the city of Alameda we are still using some of these old Lanham Act projects for this type of housing, where the people are already living in houses owned by the Federal Government and pay no local taxes to the local communities. Will they be exempted, or will you accept an amendment exempting those people from being counted in this?

Mr. HOLIFIELD. The gentleman points out another possibility. I think the amendment should be defeated.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. KEATING] to the amendment offered by Mr. TABER.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was rejected.

Mr. FOGARTY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes, had come to no resolution thereon.

IF ATTEMPTING TO COMPLY WITH THE CONSTITUTION AND CONTINUING TO GUARANTEE TRIAL BY JURY IS "HAM," I AM FOR MORE OF IT

Mr. CRAMER. 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. CRAMER. Mr. Speaker, on Friday, Drew Pearson's column carried a story about a "hamstringing" amendment, as he calls it, to the civil rights bill that was defeated in the Judiciary Committee of the House of which I am a member, by a vote of 15 to 17—so he says—but he purposely does not state what the amendment was. It was an amendment to guarantee trial by jury under title 18, civil rights statutes now in existence and those proposed by this bill.

The amendment, which I would like to read, provides for the right of trial by jury and says:

> Notwithstanding any other provision of law or of the rules of procedure of the United States district courts, in all cases of contempt arising in any proceeding under this act, the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the contempt shall have been committed.
>
> This section shall not apply to contempts committed in the presence of the court or so near thereto as to interfere directly with the administration of justice.

Under title 18 of the United States Code, persons are entitled to a jury trial when tried in criminal contempt cases except where the United States is a party to the action. It is the admitted purpose of the bill voted by the committee to provide that the Attorney General shall bring actions against individuals in the name of the United States, and under title 18 procedures people would be denied the right of trial by jury. The amendment, which I supported, would have retained the right of trial by jury which is a basic right three times spelled out in the Constitution. It would have provided for the same procedure of trial by jury guaranteed everyone on matters criminal in nature, whether by contempt or other judicial process.

Congress has recognized in the past, and has provided as with labor legislation, the Norris-LaGuardia Act as an example, that even though the United States was a party to an action, the defendant in any given labor dispute would be guaranteed his constitutional and basic right of trial by jury. Thus, Congress showed in this instance, where labor was involved, a clear grasp of the results of providing for contempt proceedings and, in recognizing that without a specific provision providing for trial by jury where the United States is a party such a trial would be denied the accused, has made specific provision for trial by jury. Can it be said that Congress would not be equally vigilant and jealous of this basic right in the instant at hand than where labor was involved? Should we deny to municipal and State officials, school officials, public servants the basic right we have taken cognizance of in labor legislation?

I believe it essential that, as a member of the Judiciary Committee of the House, as a Member of Congress who has sworn to uphold the Constitution and the laws of the land, I continue to fight for this basic right of trial by jury and I intend to do so. And if, as it has been suggested, this is "ham," then I am for more of it.

CAN WE IN AMERICA AFFORD NOT TO SPEND THIS MUCH MONEY?

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. SHELLEY] may extend his 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. SHELLEY. Mr. Speaker, I have been listening to this debate over the last 3 days with a great deal of interest because of my personal knowledge during the years I served the labor movement in California of the many worthwhile activities of the Department of Labor and in later years the programs administered by the Department of Health, Education and Welfare. It has been going through my mind that in analyzing this bill as reported by the Appropriations Committee, we should all consider just what we are getting for the taxpayers' dollar and what we might lose should some of the amendments as offered be finally passed by the House. First of all, let me pay my respects and offer my commendation to the distinguished chairman of the subcommittee and respected Representative from Rhode Island [Mr. FOGARTY]. This subcommittee has labored long hours over this measure, as we on the Appropriations Committee know so well, and they have brought forth a measure designed to perform the services obligated to the Department by action of this body and I am sure we all realize here today the immense amount of humanitarian services contained in the responsibility of these Departments.

Now, as to the benefits of this particular operation of our Government. And during this review, I believe we should all think to ourselves "Can we in America afford not to spend this much money?"

First, there is the matter of public assistance grants to the States distributed by the Social Security Administration. This amounts to $1,700,000,000.

There is in this budget about $550 million for the Public Health Service or about $3 for every man, woman, and child in the United States. This has built thousands of hospitals, conducted medical research, has provided grants

to States to fight tuberculosis and venereal diseases and communicable diseases, and has worked on health problems of the American Indian.

Let us not forget in particular the great work the National Institutes of Health is doing in the fields of cancer and heart research. Federal money has helped support the work which led to the discovery of the Salk vaccine. Today, we know much more about heart diseases, more about mental health, more about cancer and its terrifying ramifications. I personally know of some of the great work being done in research on heart disease. I pray that some of the budget-cutters at work these days with their nibbling away at this particular measure will never be struck by crippling and disabling diseases that maybe some few dollars for added research might help in changing the pattern of these diseases as the discovery of Salk vaccine has done to polio.

The rest of the programs of spending tax dollars under the labor and welfare budget are: Apprenticeship and training programs, study of problems affecting the aged, grants for school construction, vocational rehabilitation, the school-lunch program for 12 million children and maternal and child health services and aid to crippled children. Sure, all of these programs cost money but just what is this amount in the whole picture. It is 5 percent of the total national budget and just 1 percent of our national income. To me this is a small price to pay for a happy, contented, and healthy American nation.

Of course a lot of us are disturbed about the size of this huge budget. But, let us not forget our responsibilities are huge today and also our capabilities are huge in this great and active economy of ours. For just a minute let us just take a look at what makes up our budget, as I know you all are so well aware:

	Billion
National defense (includes atomic energy)	$41.3
Mutual security (military and economic)	4.8
Interest on debt	7.4
Veterans' benefits	5.0
Agriculture	5.0
Labor and welfare	3.5
Commerce and housing	1.8
Natural resources	1.5
General government	1.5

So what does this list of figures mean? It means that 65 cents of every tax dollar is going to build up our own defenses and those of our allies in order to deter international communism. I for one have been thinking long and hard just where we are to cut this budget for 1958 that the President tells us we must cut, but does not tell us where to cut. The budget that the Secretary of the Treasury says could bring such a depression that it would "curl your hair." Well, for the information of the Secretary, there are many soft spots right now in the economy of our land: Just recently, General Motors announced that they have ordered an indefinite suspension of their program to build a mammoth new assembly plant hiring more than 4,000 people down in Sunnyvale, south of San Francisco.

Yes, indeed, Mr. Speaker; we may be unhappily surprised at the end of this fiscal year when the revenue is stacked against the outgo. But the important question here in my mind remains, Where can we cut this budget?

It seems to me that this Congress must take a long look into the expenditures for our national defense and those moneys that are being asked to support programs of mutual security and foreign aid. Let us stop now giving and approving programs for these neutralist nations that have been playing footsie with the Communist bloc for so long. This to me does not look like an investment likely to pay off in big dividends, but maybe in big bombs. We are asked to aid King Saud, Tito, Gomulka, maybe even Nasser, and more to Nehru. Lord knows where this money is going and how it is being used by our generosity and humanitarian actions in offering aid to these particular foreign countries. And in the field of national defense we are met by cries of "national security, classified and not for public information." I cannot here pass expert judgment on the budget for the Defense Department, and its proper use of the Military Establishment. But certainly we stack 5 percent up against 65 percent, is it any wonder that, as some of us feel, we are being foolish in chipping away in amounts of 30 and 20 thousand dollars?

Mr. Speaker, I would like to also commend the gentleman from Mississippi [Mr. COLMER] on his remarks regarding adequate staff assistance for the Appropriations Committee.

The members of the Appropriations Committee are served today by very able and devoted assistants, but how can these few staff people compete in analysis and information gathering against the gargantuan staff of the Bureau of the Budget, numbering some 400 people. It has long been my hope that we could create in this House an expanded staff of professional investigators working on a year-round basis constantly available for special assignment and direction by the committee to go into the multitude of fiscal problems and operations of the departments downtown. Only in this way will the House receive complete and adequate information from sources reporting to the House and not to the executive branch.

My remarks, Mr. Speaker, have attempted to point up some of the vast amounts of possibilities we are faced with in trying to trim this massive budget presented to us for 1958. Let us face up to the fact that the services the departments we are appropriating for today offer to the American taxpayer real benefits and that reduction of the budget will only occur through reducing those items of such amounts that really make up this budget—the military and foreign-aid items. And in closing, do not let us forget that many of those who are screaming the loudest for cuts have been those who have furthered the high-interest policies of this Government which have added almost a half billion dollars to the interest costs of the Federal Government.

THE GERRY MURPHY CASE

Mr. LONG. 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 Louisiana?

There was no objection.

Mr. LONG. Mr. Speaker, I feel that I would be remiss in my duty if I did not take this occasion to bring about an explanation of what I believe to be a misapprehension of fact on the part of my distinguished friend and colleague, Representative PORTER, that scholarly freshman Congressman from the great State of Oregon, a gentleman for whom I, and I am sure my distinguished colleagues as well, have the greatest respect, admiration, and affection.

Some days ago this distinguished Representative from Oregon took the floor of this House to castigate the President and chief of the armed forces of the Caribbean Republic of Santo Domingo. Since the matter involved a young man from his own State of Oregon, a pilot of the ships of the air, Gerry Murphy by name, it is quite understandable that our distinguished colleague spoke in righteous wrath and anger.

However, Mr. Speaker, the State of Oregon lies some three thousand miles from the Dominican Republic, while that island Republic lies only a few hundred miles from my own State of Louisiana. In the absence of a personal visit to that island nation, our distinguished colleague spoke, of necessity, upon facts gained only by hearsay. The Dominican Republic means much more to us of Louisiana than it does to those of other great States of our Union. While I do not represent the congressional districts in which the great city of New Orleans is located, I do have access in that great city to a group of experts who are always qualified to advise me of everything of importance in those great free and independent nations, our next door neighbors, so to speak, which border on the legendary Caribbean Sea. My brother, Earl K. Long, is now the Governor of Louisiana, and is often called upon officially to meet and entertain the heads of state and representatives of our proud and independent neighbors of the Caribbean. My brother, Huey P. Long, Governor of Louisiana and United States Senator, who died at the hands of a cowardly assassin, and whose wife once served in that other august legislative body, and whose son, even now, is a Senator of these United States, also knew, loved and respected our proud Latin American neighbors. And so it is not without some knowledge and background that I rise in this House to speak about our Caribbean good neighbor, the island where the great Christopher Columbus first established a community on the soil of our hemisphere, the island Republic of Santo Domingo.

Now, Mr. Speaker, let me make one point quite clear. It has been widely and loosely said that the Dominican Republic is a dictatorship. I am under no obligation whatever to the Dominican Republic, directly or indirectly. I do not rise to speak in defense of dictatorships

in general or of any dictatorship in particular. Of my own knowledge, I do not know that the Dominican Republic is a dictatorship. Only too well do I remember when my martyred brother, Huey P. Long, a man whom I, with justifiable pride, consider one of the greatest leaders and statesmen that our Nation has produced, was Governor of Louisiana and a Member of the other legislative body, that he was accused all over our Nation of being a dictator and my native State of Louisiana was erroneously termed a dictatorship all over the land. Those charges were absolutely false. Governor-Senator Huey P. Long wielded great power in the State of Louisiana. But he wielded that power as its temporary custodian. It was freely bestowed upon him by that source of all power in our Nation, by the sovereign electors of the State of Louisiana. In those years there was always a noisy and, as later proven, dangerous, anti-Long faction in Louisiana. But I defy any man to prove that Huey P. Long ever came to power by any means other than the free ballots of the people, and I defy any man to prove that any man or any woman or any child was ever injured by Huey P. Long because that person opposed Huey P. Long politically, or for any other reason. There was never a time when any person could not stand anywhere in Louisiana and blast Huey P. Long to high heaven without any fear of personal injury, punishment, or reprisal.

And so, Mr. Speaker, I have learned by experience not to be taken in by this word "dictator." Too often it is used by our Communist enemies to smear or destroy the character and reputation of those righteous men and women who will not do their bidding. Of course, I hate dictators and I despise dictatorships. But, Mr. Speaker, I determine the aptness of that term by the facts. I am not afraid of the word itself. My own brother was smeared as a "dictator." That completely untrue and unjustified characterization brought him to a martyr's death, and after 20 years and more he is still referred to as a "dictator" by wicked or unthinking men.

Now, Mr. Speaker, I have made the foregoing preliminary remarks in order that my distinguished colleague from the great Pacific Ocean State of Oregon will understand that what I am saying here today is in no way intended as any criticism of him or his speech to this House. On the contrary, I am motivated by a desire to be of aid and assistance to him. Should the occasion arise when I had reasonable cause to speak about any matter concerning, say, the great Canadian Commonwealth Province of British Columbia, which is a close and honored neighbor of the State of Oregon, I am sure that my esteemed friend from the State of Oregon would make available to me that intimate knowledge which he must have of British Columbia, and which I, living some 3,000 miles distant from that great Province, would not possess.

And, of course, Mr. Speaker, I have other motivations in addressing this House, all of which I hope are good and worthy as befits a Christian citizen of the greatest nation on earth, and particularly a duly elected Member of the greatest legislative body on earth. First among these motives is the welfare of our own beloved Nation. We live in a time of great crisis, a time in which our continued existence as a free and independent nation, adhering to Judeo-Christian religion, hangs in the balance. Every one of us on all occasions and under all circumstances must keep that important fact in mind. This House may be assured that I have that all-important matter of national survival as the uppermost matter in my own mind at this moment.

And now again, Mr. Speaker, I believe we must keep in mind certain things which we of our own great Nation consider as fundamental and sacred. First, we must clothe the duly constituted officials of the Dominican Republic with that presumption of innocence which all true Americans consider to be their undoubted right. If, indeed, the Dominican Republic is a dictatorship, we have no proof of that fact which would stand up in a court of law of our Nation. Secondly, we must remember that the island Republic of Santo Domingo is a sovereign nation. We must remember that it, like all of the nations of the Western Hemisphere, is an American nation. Certainly the type of government which the people of that sovereign nation choose to live under is of no concern to us, except and until the safety and welfare of our own Nation be threatened by any such government. As a Representative from a sovereign State of our American Union which is a close neighbor, I feel sure that I would know if the tiny island Republic posed any threat to our Nation. I know of no such threat.

By no stretch of the imagination could I, Mr. Speaker, be considered an "isolationist" in the sense that we have come to accept that term. While it is true that I cannot personally approve all of the vast expenditures abroad of the present administration, many on projects which seem unnecessary and even fantastic, yet I am happy to live in a nation that not only has the amazing ability, but the unselfish willingness to lend its aid and assistance to its less fortunate fellow human beings over the world. But, and this I have emphasized many times before, I firmly believe that our first concern in this respect should always be our fellow Americans in the other nations of our hemisphere. There are now nearly 200 million Spanish- and Portuguese-speaking Americans living on the continents of our hemisphere and the islands adjacent thereto. They are our neighbors and our friends. In time of great world crisis, all of the peoples of all of the Americas must, of necessity, stand together and present a united front to the world.

The nearly 200 million people of what we term "Latin" America speak the same, or nearly the same, language. Consequently, they are bound together by one of the strongest bonds which serve to hold peoples of different nations together. Our own bonds with Her Britannic Majesty's government is proof enough of this. And, for this reason, our own national interest demands that we refrain from any unjustifiable action, either by word or deed, that may be offensive to any of our Spanish-speaking neighbors. Any offense against any one of them may be an offense against all of them. Many of us now living have seen our own great Nation go twice into the supreme sacrifice of a foreign war. In the last analysis, we went into both of these wars in defense of our gallant friend and ally, Great Britain—an island nation whose people speak our own language.

Mr. Speaker, I have been able to gain certain information about the Dominican Republic which should be of interest to all of us. At this particular moment in our history, when our Nation is greatly alarmed by a national budget so huge as to dwarf all previous expenditures, I was astonished to learn that the Dominican Republic is the only government on earth which has no debt of any kind, foreign or domestic. I was also able to learn that this nation has a living standard second only to our own in the Western Hemisphere. Such a state of affairs can only be the result of the most honest and expert handling of the affairs of the Government of that nation. I am informed that the Government of the Dominican Republic has, for some 20 years, been largely in the hands of one family, the family headed by the soldier who is now the chief of the armed forces of that nation, and known to us as Generalissimo Rafael Trujillo. His brother, His Excellency, Hector B. Trujillo, is the President of the Republic. If the fact that these two men have so long occupied prominent places in the Government of their native land is the basis for the charges so often and loosely made against them and the Dominican Republic, then I cannot agree with their critics. We know men by their works. In this case, we know that these two men have achieved a modern-day miracle in paying all debts, internal and external. Just as many Members of this House are returned year after year in free elections by voters who are satisfied with their work, so too can I understand how the voters of the Dominican Republic would keep in office as long as possible those men who have achieved for them such a high standard of living and such political and financial stability.

Now, Mr. Speaker, on the specific question with which my esteemed friend from Oregon was concerned, I have likewise had occasion to make some inquiries, and I find that the representatives of our own Government in the island Republic of Santo Domingo are completely satisfied with the cooperation which they received from the officials of that nation in the case involved. And, when it comes to relations with other nations, we must of necessity rely upon our own representatives. After all, we have the power to hold them responsible for their actions. We have no such power over the heads of state of neighboring nations. We do have, so I am informed, a treaty of extradition with the Dominican Republic, and should our duly constituted representatives there find any cause for bringing to our country any person who has committed a crime here and is now in that Republic,

such person may be returned to our country to face trial with all necessary speed and with the full cooperation of the authorities of that Republic.

In conclusion, Mr. Speaker, let me emphasize again the vital interest which our Nation of necessity has in the other nations of our hemisphere. Those nations are essential to our national safety, and even to our national survival. And, let us never forget, it was the inability of the great Emperor of France, Napoleon I, to subjugate the brave, proud, and courageous people of the island of Hispaniola, two-thirds of which is now known as the Dominican Republic, which made the famous Louisiana Purchase possible and thus enabled us to become the strongest and most fabulous nation on earth. I cannot believe that these proud people would ever submit to a ruthless dictator. I can and do believe that they would proudly honor good and efficient public servants, even as they are so honored in our own land, by returning them to public office again and again for the glory and honor of their country and their God.

Even in the midst of the perilous times through which we are now moving, and while the outcome in the worldwide battle for domination of the human mind by the forces of godless, atheistic, and evil communism and those of Christian decency remains in doubt, at least by those who lack the faith that only the Christianity of our Lord and Saviour Jesus Christ can provide, already the record discloses clearly that the Christian Republic of Santo Domingo and the militant Christian political leader who has for so long guided the destinies of his country has never for one moment hesitated. The Dominican Republic and its chief of the armed forces, Generalissimo Rafael Trujillo Molina, and its President, His Excellency, Hector B. Trujillo Molina, have always and unequivocably been on the side of God and Christianity. They have been to us a vital and necessary bulwark against the encroachment of atheistic communism in its diabolical attempt to infiltrate and destroy our Nation through our eastern seaboard. Our country, whether under a Democratic or a Republican administration, has maintained the most cordial relations with the Dominican Republic. At this moment we maintain in Santo Domingo military and electronic installations that are vital to our national defense. Only in the past few days, as announced by the press, we have entered into yet another treaty with the Government at Ciudad Trujillo for the construction there of a loran station, which is to be a part of that chain of defense which we consider necessary for our national welfare.

Mr. Speaker, cooperation among friends and Christians is not a one-way process. For the hand of Christian fellowship extended to us by the proud Republic of Santo Domingo honor demands that we reciprocate at least to the extent of making an acknowledgment of gratitude and appreciation. For this reason, therefore, I am respectfully using my own meager talents to explain the characteristics of my own next-door neighbor to my distinguished colleague from the great State of Oregon, likewise a good neighbor, but one who is so far removed geographically that he is, of necessity, unable to know and understand the Government and people of the proud island Republic of Santo Domingo as do we who live so much closer and hence are aware of their true nature.

In conclusion, Mr. Speaker, I most respectfully suggest that my learned and esteemed colleague from Oregon visit the island Republic of Santo Domingo and see for himself what goes on there. I have every confidence that he will be received as an honored guest, and that he will personally be assisted in every way in making any type of reasonable investigation which he may desire into the unfortunate incident about which he lately addressed this House. When he has done this, when he is able to speak from knowledge gained at firsthand, then, Mr. Speaker, I believe that we, his colleagues who hold him in high esteem, will be inclined to listen to him with great respect and to give to his words the consideration and gravity to which they would then be entitled.

ANNUAL SPRING CONFERENCE OF REPUBLICAN WOMEN

Mr. SCHENCK. 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 Ohio?

There was no objection.

Mr. SCHENCK. Mr. Speaker, this is the beginning of the 1957 visitors season in our great and beautiful Capital City of our United States. Thousands and thousands of visitors will be here and a very high percentage of them will visit the Capitol to see their Congress in action.

Some 1,500 women delegates will be here today, tomorrow and Wednesday from all over the United States to attend the annual Spring Conference of Republican Women. Nearly 200 of this number will come from the State of Ohio. I want to pay my personal respect, appreciation and commendation to our distinguished colleague, the gentleman from Ohio, the Honorable CLARENCE J. BROWN, who is national committeeman from Ohio and who is also vice chairman of the National Republican Committee, also to Mrs. Katherine Kennedy Brown, our national committeewoman from Ohio and a resident of our important Third District of Ohio which district I have the great honor and high privilege to represent here in the Congress of the United States, also to Ray Bliss, chairman of the Ohio Republican executive committee who is our third national committeeman from Ohio.

Of the nearly 200 Republican women from Ohio, which is the largest delegation from any State, 65 ladies are here from the Seventh and Third Districts. Of this number 6 are from the Seventh and 59 are from the Third District of Ohio. Thus, the 65 Republican ladies from our 2 districts represent the largest delegation of ladies from any one area of the United States. We are understandably proud of not only the number but also of the quality of our delegation and I want to sincerely thank Mrs. Robert Kline, chairwoman of Montgomery County, and Mrs. James Fath, chairwoman of Butler County, which two counties comprise the Third Congressional District of Ohio, for their untiring efforts and for their leadership in bringing these ladies to Washington.

Our distinguished colleague, the gentleman from Ohio, the Honorable CLARENCE J. BROWN, and Mrs. Katherine Kennedy Brown are not related, but they are an unbeatable team in Ohio who have worked together very effectively for many years in behalf of our Republican Party in Ohio.

Mr. Speaker, it has long been my firm conviction that we will continue to have good Government at all levels of Government just so long as our citizens maintain an active interest in the affairs of Government. This active interest is always improved and strengthened, Mr. Speaker, when people are kept well informed.

Visiting our National Capital and watching the Congress and its committees in action is one of the very best ways to encourage this very necessary interest and participation in the affairs of Government.

It is my sincere hope, Mr. Speaker, that every citizen will be encouraged to visit the Capital and the Congress so that this ground swell of an informed opinion will encourage people of all walks of life and all political persuasions to maintain an active interest which will keep our great Nation the most wonderful place in the world in which to live.

BURDEN OF PROOF IN A PRICE-DISCRIMINATION CASE UNDER THE ROBINSON-PATMAN ACT—NO ONE MUST PROVE HIS INNOCENCE—BURDEN OF PROOF NOT SHIFTED

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the general common-law rule regarding the burden of proof in a case in litigation applies in price-discrimination cases arising under the Robinson-Patman Act. In general, that rule is to the following effect: The burden of proof in any proceeding lies at first on that party against whom the judgment of the court would be given if no evidence at all were produced on either side—regard, of course, being had to any presumption which may appear upon the pleadings.

Let us analyze how that rule applies in a price-discrimination case arising under the Robinson-Patman Act. First of all, pleadings by the plaintiff or the Government in order to state a cause of action in a price-discrimination case under the Robinson-Patman Act must, among other things, allege that:

First. The party charged with a violation of the law is engaged in commerce—meaning, of course, interstate commerce.

Second. In the course of such commerce the party charged has discriminated in price between different purchasers of commodities of like grade and quality and that some of those purchases involved in such discrimination were in interstate commerce.

Third. The sale of the commodities involved in the discrimination were sold for use, consumption, or resale within the United States or some other place under the jurisdiction of the United States.

Fourth. The effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with the customers of either of them.

Pleadings by the plaintiff or the Government in such litigation not containing allegations to the effect indicated above would fail as not having stated a cause of action.

What about the burden of proof in such proceeding? First let us assume that a simple answer had been filed by the defendant who merely denied the allegations made by the plaintiff. Assume further that no evidence was offered by either party. Then under the general rule regarding the burden of proof the plaintiff would fail. He had alleged a good cause of action but he had failed to prove his case. The burden of proving the case is upon the plaintiff and that means proving each of the necessary allegations as above indicated. The defendant need not prove any of those allegations. In his pleadings it is sufficient for him to merely deny them. Of course, once the plaintiff has put forward his proof in support of his allegations the defendant is then privileged to come forward with evidence in an effort to contradict or otherwise rebut the evidence upon which the plaintiff relies.

For the plaintiff to allege a good cause of action and then to proceed to produce evidence which would tend to prove his allegations would establish for him a prima facie case. Under such circumstances if the defendant at that stage offered no evidence to contradict, otherwise rebut, or to excuse himself with proof of some affirmative defense then the judgment would be rendered against the defendant on the basis of the plaintiff's prima facie case. It is common to describe that stage as one where the burden of proof has shifted.

The defendant at common law as well as in the litigation of price-discrimination cases arising under the Robinson-Patman Act has imposed upon him a burden of proof whenever the plaintiff has established a prime facie case. Likewise the defendant at common law as in cases arising under the Robinson-Patman Act has imposed upon him the burden of proof when he seeks to take advantage of any affirmative defense. For example, in a price-discrimination case under the Robinson-Patman Act the defendant has available to him the opportunity of utilizing as affirmative defenses the showing that the alleged differences in prices made only due allowance for differences in costs or of showing that the lower price of the alleged discriminatory price was made in good faith to meet an equally low price of a competitor. Of course, as already noted, the burden of proof establishing either of those affirmative defenses is upon the defendant. At common law in a bodily injury case based upon negligence and where the element of contributory negligence is allowed as an affirmative defense to overcome a prima facie case of the plaintiff, the burden of proving the element of contributory negligence is upon the defendant. The same rule applies in cases of bailment at common law. For example, where the bailee returns the goods in a damaged condition and with no explanation as to their injury, it has been held that the burden is upon him to show that he had used due care in the use of the goods as provided for in the bailment. Even in criminal cases both at common law and under criminal codes where homicide is excused as a matter of self-defense, mistake of fact, or otherwise, the burden of proving the basis for the excuse is upon the defendant.

Nothing in H. R. 11 or S. 11 would operate to shift the burden of proof from the plaintiff to the defendant. There would remain upon the plaintiff in price-discrimination cases arising under the Robinson-Patman Act the burden of proving either a prima facie or a conclusive case. One thing that would be required if H. R. 11 or S. 11 should be passed would be the imposition upon the plaintiff of a higher degree of proof respecting effects in the event the defendant should raise the affirmative defense of good faith. That is to say that if the defendant should put forth proof of the affirmative defense of good faith, then it would be encumbent upon the plaintiff to prove that the effect of the alleged discrimination would be to substantially lessen competition or tend to create monopoly in any line of commerce. Previously it was thought that the only thing that the plaintiff need do in order to overcome any such defense would be to show that the effect of the alleged discrimination would be to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination or with the customers of either of them. Of course, one further effect of the passage of H. R. 11 or S. 11 would be to deny to the defendant the benefit of the good faith defense when the plaintiff showed that the effect of the alleged discrimination would be to substantially lessen the competition or tend to create a monopoly. As the law stands now, when the defendant has carried his burden of proof and shown good faith, he is absolutely excused from the application of the law even though the effect of his discrimination in prices would be to substantially lessen competition or tend to create a monopoly.

In view of the foregoing it is difficult to understand why some lawyers who oppose H. R. 11 and S. 11 are so unlawyerlike and reckless as to charge that the effect of the passage of H. R. 11 or of S. 11 would be to require the defendant in a price-discrimination case under the Robinson-Patman Act to prove his innocence. They argue that the effect of this proposed legislation would be to shift the burden of proof in Robinson-Patman Act cases to the defendants. That is utter nonsense. Lawyers with ability have argued such nonsense. Therefore, one must believe that they know their argument is nonsense.

H. R. 11 IS NEEDED TO PROTECT SMALL AND INDEPENDENT MANUFACTURERS FROM DESTRUCTIVE PRICE DISCRIMINATION, OTHERWISE THEIR DAYS ARE NUMBERED. OPPONENTS WEAPON IS ATTEMPT TO CONFUSE, ALTHOUGH ISSUE SIMPLE

Mr. Speaker, during the 84th Congress when representatives of hundreds of thousands of small and independent businessmen were pleading for the passage of H. R. 11, the equality-of-opportunity bill, opponents argued that those who wished the bill passed included only retailers and distributors. It was argued that small and independent manufacturers would not benefit from the passage of the legislation. It was argued that small and independent manufacturers were not interested in the passage of the legislation. Those arguments disregard and ignore the facts. Small and independent manufacturers are now complaining and have complained over a period of years about how giant corporations discriminate in price and thereby destroy competition and create monopolies.

On March 19, 1956, I pointed out—CONGRESSIONAL RECORD, volume 102, part 4, pages 5096 and 5097—how a few giant corporations engaged in the distribution of bakery products on a nationwide basis were using the practice of price discrimination to destroy local manufacturing bakers and thereby eliminate competition and create monopolistic conditions. I inquired then how many Members knew that small manufacturing bakers in their districts were being destroyed as a result of price discrimination.

The House Small Business Committee had heard sworn testimony from a number of independent manufacturing bakers who had been doing business in various parts of the Middle West. They all described a desperate situation in their areas resulting from the discriminatory tactics of a few nationwide corporations. Likewise, the House Small Business Committee had received a petition signed by 48 wholesale manufacturing bakers located in Pennsylvania, West Virginia, Ohio, and a number of other nearby States—praying for relief from discriminatory practices which were being carried on by giant corporations in their areas.

On March 8, 1956—CONGRESSIONAL RECORD, volume 102, part 4, page 4346—and on March 13, 1956—CONGRESSIONAL RECORD, volume 102, part 4, page 4635—I explained how the Supreme Court in deciding the Standard Oil case in 1951, Three Hundred and Fortieth United States Reports, page 231, had so interpreted the Robinson-Patman Act as to permit these destructive price discrimination practices and how that loophole would be plugged by H. R. 11. It appears that the Members took those matters into account when they were called upon to consider and vote on H. R.

11 on June 11, 1956, because it was on that date that the House voted its approval of H. R. 11 by a vote of 393 to 3.

Currently, representatives of giant corporations who are opposing H. R. 11 again are arguing that H. R. 11 will not help the small and independent manufacturers and the small manufacturers are not interested in its passage. Again we refute those arguments by reference to the facts.

SMALL FOOD PROCESSORS AND CANNERS WANT AND NEED H. R. 11

On February 4, 1957, I placed in the RECORD at page 1516 a copy of a letter a food processor and canner wrote me under date of January 23, 1957. In that letter the president of that small and independent firm pointed out that in 1954 there were 1,911 canning firms listed in the directory of the National Canners Association. By the close of 1955, 581 of those, or 30 percent, had gone out of business. That represented not merely canning plants but canning firms. That high rate of mortality of small-business firms was attributed to the practices and conditions we are attempting to remedy through the passage of H. R. 11.

Incidentally, since I have made reference to the canning industry, I would like to call attention to a statement which was made in a letter which was addressed to one of the Members on March 15, 1957, by one of his small-business constituents. In that series of correspondence the Member had stated that he was confused because of the arguments which were being made by representatives of giant corporations that H. R. 11 would not help small manufacturers. In the letter of March 15, 1957, the constituent wrote:

I can well understand that you and other Congressmen are confused. I lived with the Robinson-Patman Act for 7 years. I played a role in litigation involving this act. I went to work for a citrus canner in Florida in 1936 starting out as a bookkeeper at $20 per week. In 3 years, by virtue of endless hours of work and wholehearted application to my work I wound up second high man in the company, who at that time was the fourth largest canner of citrus juices in Florida. I had a brilliant future in front of me. Then we were discriminated against by American Can Co. We fought them tooth and nail and litigation involving the Robinson-Patman Act went to the Supreme Court of the United States twice, the first time getting one of those famous 4 to 4 decisions. My company won their suit against American Can and I believe that I am right when I say it is the only time that damages have been awarded under this act. However, that company is now bankrupt, going to the wall in 1952 and with it went the future I had worked so hard to carve out for myself. The cost of fighting American Can Co. was too much and contributed in a large measure to destruction of this company.

Now I am in business for myself and I am faced with the same danger of having the ground cut out from under me. Believe me, sir, I know what these big companies can do if they have a mind to. I do not contend that all big companies do act that way or that bigness in itself is an evil.

SMALL AND INDEPENDENT PROCESSORS IN THE DAIRY INDUSTRY WANT AND NEED H. R. 11

Under date of March 8, 1957, the Armstrong Creamery Co. of Wichita, Kans., wrote a letter to Members of Congress and to Members of the Senate in which price discrimination practices of the National Dairy Products Corp. were outlined. That up-to-date instance of price discrimination was described by the Armstrong Creamery Co. as follows:

Recently the National Dairies Division (Sealtest) at Kansas City lowered the price of ice cream 25 cents per gallon throughout this area. Discounts and all other factors considered, this new price is lower than 97 percent of the sales volume in the area before Sealtest lowered the price. This low price makes it impossible for any dairy to sell ice cream at a profit, and if continued very long will force a number of independent plants out of business. At the same time Sealtest has been raising prices in other areas where competitive situations are as bad, or worse, than they are here.

The plain fact is that through ineptness and mismanagement, Sealtest has lost a lot of volume in the past few years and has taken this method of regaining their position. Right now they can use the excuse that they are meeting the price of the 3 percent of the volume which was sold at a cutthroat figure (and which will always be sold that way).

Of course Sealtest's profits in other areas will more than carry the losses they will take in this one.

The letter of the Armstrong Creamery Co. concluded as have many others I have received from small and independent business concerns in a plea for the passage of H. R. 11. The closing words of that letter were:

It is the only salvation for a great number of independent businesses.

Since H. R. 11 is designed to eliminate destructive price discriminations which substantially lessen the competition and tend to create monopoly, who are those opposing it and why?

Most big business concerns such as National Dairy Products Corp. and the giant major oil companies are opposed to the passage of H. R. 11. Need we discuss the details of why when we have before us examples of the practice of price discrimination such as the one outlined by the Armstrong Creamery Company of Wichita, Kans.

REPRESENTATIVES OF GIANT CORPORATIONS PROPAGANDIZE AGAINST H. R. 11 BUT DO NOT CONVINCE ALL SMALL MANUFACTURERS THAT H. R. 11 IS NOT NEEDED

A few days ago a small and independent fountain pen manufacturer sent me a copy of a letter in which it was stated:

I wish to submit the following statement for the consideration of your committee in regard to Senate bill No. 11 which is designed (I understand) to eliminate the good faith defense under the Robinson-Patman Anti-Price Discrimination Act.

I have received several bulletins from our association, Fountain Pen & Mechanical Pencil Manufacturers Association, Inc. which have presented several arguments against Senate bill No. 11.

I have also received a memo prepared by the NAM law department arguing against this legislation.

So far I have not yet received, or at least read any arguments in favor of this legislation; however, after studying the arguments against it, I wish, as a small manufacturer, to go on record as favoring some such bill as Senate bill No. 11.

As I understand it, according to the Supreme Court's Indiana Standard decision, a seller can now lower his price to one or more customers without necessarily having to make comparable reductions to all customers where this is done in so-called good faith to meet a lower price offered to such customers by a competitor.

Regardless of the reason, I feel that it is unfair discrimination for a manufacturer or distributor to make price discriminations between his customers providing those customers are performing the same basic function for him as a manufacturer or distributor. To allow this so-called good faith defense to stand, in effect, nullifies the purpose of the Robinson-Patman Antiprice Discrimination Act and would not only allow definite price discrimination by the manufacturer, but would tend to foster monopoly, and in time curtail competition between manufacturers.

To illustrate my point, let me cite a hypothetical case. Suppose that the ballpoint pen refill market is dominated by one large manufacturer who produces and sells practically all of the ballpoint pen refills on the market (this is strictly a hypothetical case). Now suppose that some new small manufacturer is interested in entering this field. The new small company sets up to produce a superior product in very limited quantities. Let us presume that all he needs is one large customer to take care of his immediate market needs, and so he goes to a large chain and offers them his refill at a price below cost of the refills of the large manufacturer. If the large manufacturer is allowed to make price concessions to the large chain which it is not required to make to other customers, it can freeze the new and smaller company out of the market without ever greatly disturbing its overall profit picture. On the other hand, if by law, the large manufacturer is required to make the same reduction to its other customers, he may decide that profitwise, it is better to allow the new and smaller company a small piece of the market.

Such a step, I believe, would help create competition in the manufacturing field of ballpoint refills and thereby leave this section of our economy in a healthier condition.

H. R. 11 PROTECTS HOMETOWN INDUSTRIES AND HOMETOWN MERCHANTS

I have called your attention to only a few of the many instances in which price discrimination is being used to destroy small and independent manufacturers. Corporations doing a nationwide business are using the evil practice of price discrimination to destroy the local hometown industries. Therefore, as I have pointed out on many occasion, H. R. 11 is intended to protect not only the hometown merchants but also the hometown industries. Our local hometown industries are entitled to protection from unfair and predatory trade practices, just as our hometown merchants should be protected in their rights to buy their goods, wares, and merchandise from General Motors, General Mills, General Electric, or General Foods, under the same terms and conditions that the chainstore across the street is permitted to buy its goods, wares, and merchandise from the same seller.

THE ADMINISTRATION'S PROPOSED BUDGET

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BYRD] is recognized for 10 minutes.

Mr. BYRD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BYRD. Mr. Speaker, although the size of the administration's proposed budget is repugnant to all of us, it at least served one useful purpose: The general public, which heretofore has never shown particular concern about the fiscal orgies created by a budget department which speaks only in astronomical figures, is at last bestirring itself to action against what is finally recognized as a literal Frankenstein.

Previous budgets presented to this legislative body have, so far as I can recall, never been quite so far out of line as to provide such a resounding jolt to the most apathetic of our taxpayers. The multi-billion-dollar monster here before us is, on its own recognizance, as menacing as an enemy lurking on the outside. Our taxpayers immediately sense the invidious characteristics, and they rise in protest.

It has been my experience over the past several weeks, and I find in talking with a number of my colleagues that parallel circumstances are prevailing in their offices, to receive scores of letters from constituents who never before have been inspired—or at least have not given expression to such impulse—to get in touch with my office on any major issues. I believe that I can speak for most Members of Congress in observing here that we deeply appreciate correspondence which reflects the constructive views of those citizens whom we represent. I would be less than frank to admit that in my 5 years in Washington I have been confronted with a number of proposals which, after the deepest study, have been decided by only the most delicate shade of evidence or conviction. In these instances a Congressman must weigh every factor and he must pray for divine guidance. It is at such times that Congressmen, who, being human, are not equipped with the extrasensory powers that preclude error, rely heavily upon the opinions of their constituents.

The letters I have been receiving in respect to the unreasonable budget now before us have come from unselfish citizens seeking only to protect this Nation from the potential economic catastrophe inherent in this unwieldly and repelling fiscal mostrosity. While my innate sense of economy and my ordinary business experience prompted automatic resistance the moment the budget was sent down from the White House, I have, nevertheless, been greatly encouraged by the deluge of mail that has come from all walks of life confirming my analysis of the projected Federal expenditures for fiscal 1957–58. I am also happy to note that similar opposition is being raised by patriotic, civic, business, and labor organizations whose memberships are equally alarmed over the extravagance and growing deficit that are in the making.

Recently, the Charlestown Rotary had the pleasure, on March 1, of hearing an address by Mr. Robert Witschey, a resident of Charleston and immediate past vice president of the American Institute of Accountants. Mr. Witschey spoke on the subject of taxes, and his remarks were so enlightening that I am sure my colleagues would enjoy perusing them. I therefore ask to have printed in the CONGRESSIONAL RECORD the remarks made by Mr. Witschey.

GOVERNMENT ON CREDIT

(Address by Robert E. Witchey Before the Charleston Rotary, March 1, 1957)

Gentlemen, on the occasion of my first appearance before this club about a year ago, I tried, by illustration, to point up something of the nature and the magnitude of our present tax load. Today I am back at the same old stand because I am just as concerned, perhaps more so, about the fiscal policies of Government than I was a year ago.

Just a few weeks back one of our most responsible Cabinet members—a man who has sacrificed much to serve in a difficult position in Government—made the comment to the effect that if we could not in peacetime find ways of reducing the budget, then we were in for serious trouble ahead. Immediately the charge of irresponsibility was thrown at him from every direction. Now I am beginning to wonder if my own outlook on the present budget and my alarm over the tax load necessary to underwrite it, is not old fashioned and obsolete. Perhaps I have not kept pace with the rapidly changing times and conditions of our generation. But gentlemen when I realize that a quarter of our productive capacity is required to govern us, and when responsible men intimate that there is little hope of retrenchment in the near future, and hardly a chance that we can pay something on our debts, then I begin to wonder how it happened that in our lifetime we got into this situation.

Much of the change over this span is obvious. Each time I travel up along the Ohio River I can see evidence of those changes. I have seen the tremendous industrial complex developed in the Ohio and Kanawha Valleys. However, the real changes that have taken place in our lifetime are much deeper and of much greater significance. This is the change in the thinking and the attitudes of people.

If I were to try to symbolize our half-century with 1 or 2 words I think I would use the term "nuclear fission." This term seems to signify to me the peak of our scientific achievement up to this time. Ours has been a half century of putting together sometimes seemingly unrelated bits of knowledge to provide something new for the benefit of mankind.

A little knowledge of a force called electricity and how it is transported has made the candle forever obsolete except as a centerpiece on the dining table.

A little knowledge of electrical impulses sends our voices winging throughout the world without need for wires. To that knowledge we coupled an almost forgotten bit of information about a scanning disc, and now we send images of people and events along with their voices and sounds.

We have unhitched the horse from the wagon and in his place have set an engine. To a knowledge of aerodynamics we have added motors that men might mount on wings as the eagle. We lengthened a day's journey from 25 miles to 3,000 miles.

We took a little knowledge of bacteria and viruses, added some knowledge of chemistry and produced sulfa drugs and penicillin and other antibiotics which one day may play a major role in wiping disease from the face of the earth. We learned to transfer blood from one individual to another—we lengthened the lifespan 50 percent.

We have discarded completely a way of life that had seemed entirely adequate since the first recollection of man.

Now we talk of strange new wonders to come—unlimited sources of solar and nuclear energy—unlimited supplies of raw materials synthesized from the sea and from the air—islands launched into outer space to serve as rest stops on our trips to the moon.

Political democracy now undertakes to provide full employment, equality of opportunity, rising standards of living and a fair distribution of the fruits of production to all those who contribute to their creation.

In our half century world wars have been fought and more are yet to be fought, unless we recognize quickly that masses of people who now see the possibility of freedom from poverty and pain will not let anything or anyone stand in their way of achieving it—nor can they be bought off with dollars.

Instead of the term nuclear fission to describe our changing times, perhaps a better world is revolution. We are beginning to realize now that we are living in a revolution—a revolution that properly managed could, perhaps, provide a high standard of living for every person in the world—feed those who have known only hunger—cure those who have known only disease—free those who have know peonage.

We are also beginning to realize that living in a revolution is a difficult business. Only those governments will survive who show the greatest resourcefulness—the greatest capacity to adapt quickly to rapidly changing conditions—who have best planned to meet change—who have been least willing to accept blindly all of the illusory promises that revolution holds out.

The manifestations of great change in our time are nowhere more apparent than in the fiscal policies of our Government and in our conception of its place in our economy. At the turn of the century, the total expenditures of Federal, State, and local governments combined were about $1½ billion. In the fiscal year 1956 all governmental units in the United States spent more than $100 billion.

The significance of this increase can be better understood if we compare Government spending with the total amount of all spending in the economy. Fifty years ago, the Federal, State, and local governments spent about $1 out of every $15 that was spent in the United States. Now all Government expenditures account for $1 out of every $4 spent.

Much of the increase is of course the result of international struggle and distrust. National defense expenditures are now running at the rate of about $40 billion a year, and we are told that they are likely to increase in the future. But Government spending on other things have also increased at the State and local levels as well as the Federal level.

The States and municipalities have concentrated mainly on their traditional service—education, roads, police and fire protection, sewerage and water, health and welfare—services that have to be expanded as the population and economy grow.

The Federal Government, on the other hand, has entered into many new fields. Social insurance, social welfare programs, assistance to farmers and small-business men, veterans' services and benefits, aid to foreign countries, highway construction, public power, urban renewal and redevelopment, disaster relief—all of these and many other Federal programs were either nonexistent 50 years ago or were minute as compared to today's activities.

What few people realize is that in recent years, none of the rise in Government expenditures is attributable to defense activities. Between fiscal years 1952 and 1956, total cash expenditures of the Federal Government increased from $68 billion to $72.6 billion. Expenditures for national security programs declined $3.5 billion during this period, while other expenditures rose $8.1

billion. State and local expenditures increased almost $9 billion at the same time—from $20.9 billion to about $30 billion.

Thus we find expenditures for nondefense programs at all levels of government increased more than $17 billion in the last 4 fiscal years—an average increase of $4.25 billion a year.

I would not quarrel with the thesis that some of these programs are desirable under present-day conditions, but I insist that many others are debatable. But whether or not you and I think each program is necessary or essential, it seems to me that it is extremely important that everybody recognize that their cost is great.

Now we are faced with the largest Federal budget in our history, some $71 billion. I take some comfort in the fact that Congress has already found ways of reducing expenditures that are said to amount to somewhere between 2 and 3 percent of this budget. But I offer this unqualified opinion—if we cannot, in our present economy, when incomes are at an alltime high, find ways of curtailing our national debt—find ways of reducing our tax burden, then eventually ways will be found that will be otherwise disastrous to our economy.

No matter how good or how desirable the programs for social benefits may be, we must consider that government already is costing a man with a family of three, earning $4,500 a year, about $1,350 in taxes. As his income increases, the percentage of that income required to finance his government increases correspondingly or perhaps in greater amount. We are then living up our substance to the last penny without thought of paying our debts. I submit that we are enjoying luxuries which we cannot afford, and yet, the trend is to expand governmental service rather than curtail it.

It seems to me that American industry is dropping rapidly most of the appendages of old world capitalism. It has discarded the notion that labor, like materials, was just another commodity in the production process. American industry has in the main now recognized its social obligations. However, I keep wondering if, over the past quarter of a century, government has not become infiltrated more and more with old world notions of social justice? Has the mass of our people come to believe, without realizing that they believe, that nothing belongs to anybody—or, to put it another way, everything belongs to everybody? Have we come, little by little, to accept a philosophy that each man is entitled to a share of the total production, replacing the old-fashioned idea that he was only entitled to the fruits of his own production?

Absurd as it sounds, our present tax law is based on exactly that premise. It is built on the concept that every man should pay according to his ability and every man should share according to his need. The ultimate result of an extension of such a philosophy is, of course, a complete communal sharing of all the wealth. In such an atmosphere, our system of government cannot exist. If the idea seems a wild one, just bear in mind that government now employs 10 million of our employables—that's 15 percent. Government now spends 25 percent of our income.

Surely, I must have failed to keep pace with changing times because I still accept as wisdom the almost forgotten words "the power to tax is the power to destroy."

And for some reason I still cling to the old-fashioned notion that the four basic maxims or principles of a sound tax structure have not changed since Adam Smith first enunciated them:

1. Ability to pay—That is in proportion to the protection each enjoys from government.

2. Certainty—The tax should be certain and not arbitrary and the time and manner of payment must be clear to the contributor and to every other person.

3. Convenience of payment—The tax should be levied at the time and in the manner in which it is most likely to be convenient for the contributor to pay it.

4. Minimum cost of collection—The tax should take out and keep out of the pockets of the people as little as possible over and above what it brings into the Public Treasury.

In our present tax rules I see these principles but dimly. Ability to pay? A tax-load of 30 percent of the income of a low income taxpayer is far beyond ability to pay. A tax that takes 90 percent, or, in certain instances, more of high bracket income is no longer ability to pay but confiscation. More and more we read or hear that such high rates are breeding dishonesty in the American taxpayer. We read that some are coming around to the notion that the only way to get an even break with the collector is to cut corners on the tax return.

Certainly—not arbitrary? For many taxpayers, who have income sources other than salaries, achieving certainty of income-tax liability is impossible until the 3-year statute of limitations has passed or until the return has been examined some 2 years or more after it has been filed. In case of dispute, where the taxpayer feels that he is right, final determination of his tax might not be made for years. Certainty? You and I have no sure way of knowing all of the hundreds of taxes we pay—nor whether we pay too little or too much.

Complex as the revenue laws are, no businessman can feel assured that his tax has been fairly determined, that legitimate deductions will always be allowed. In such a situation he is of necessity going to be faced, at times, with an arbitrary decision of the collection agency. Just as excessively high rates may breed dishonesty so does complexity breed a kind of dishonesty in collection procedures—blackjack collection of a tax that is supposed to be self-assessed. This is no criticism of collection agents, who, by and large, do an excellent job under difficult conditions. It is to say that collection procedures will grow progressively more arbitrary. Deficiencies will be assessed without reason, except that most taxpayers will settle for something rather than go to court. If that does happen—and it could—then tax collection becomes extortion.

Convenience of payment? Here I must admit that a great deal has been done to assist the taxpayer in getting his taxes paid—particularly his income taxes.

Minimum cost of collection? Here too a good job has been done especially of the income tax.

Gentlemen, everyone seems to believe that taxes are too high. All thinking men are alarmed that governmental budgets that take 25 percent of all income make no provision to curtail a debt that has reached its legal limit. There is growing concern that our Government exists from day to day without thought that there could be an economic disaster as well as a military one.

If I am not completely behind the times—if there is validity to my concern over the current spiralling of Government expenditures—what is the solution to these problems? Any answers I might give certainly carry little weight of knowledgeable authority but these things I believe:

1. That we must rid ourselves of the long-held idea that it necessarily costs more to administer governmental operations than to administer like operations in business.

2. That we must somehow realize that desirable as many social programs may be, there are definite limits to how much we can afford to pay for them.

3. That we should reaffirm the principle that the traditional services of government are still its primary functions and that responsibility even for these should be largely with the State or smaller governmental units.

4. That we should recognize promptly that if we cannot find ways to curtail the public debt, then we must accept it as a permanent obligation until the time it is repudiated.

5. That we must discard the notion that waste, inefficiency, and duplication are unavoidable facts of government.

6. That we should discontinue the policy of finding more and more ways to find tax dollars. These become the hidden taxes—the most insidious and the most dangerous—that drive the total tax load beyond safe limits without forewarning to the taxpayer.

7. That we must somehow make clear to every taxpayer the actual taxload he bears—not only to the high tax-bracket taxpayer but to the man who makes $4,500 and out of it pays $375 of Federal income tax and $800 or $900 in other taxes—that each taxpayer works the first 3 to 4 mouths each year of his life for Government.

8. And last that we need to take drastic action even—risking the danger of some economic disruption. It sounds good to say that a budget should be reviewed item by item to relate it to the value received. But studied in this manner each item seems important and needed and the end result is little or no correction.

The only effective way yet found to substantially curtail governmental expenditures is to cut back the source of available revenues. If that sounds like an irresponsible conclusion, then I ask you you, Has there ever been any other way devised to do the job? The practical effect of revenue cuts is the elimination of the waste and of the least efficient.

Many thinking men believe that a sharp slash in revenues—say 5 or 10 percent—would have a serious impact on our economy. Of course it would. But gentlemen, there isn't an easy way out. For a quarter of a century we have been racing as rapidly as we could back to the very things that the drafters of our Constitution were trying to guard against. I suspect that the road back to Government we can afford may be considerably rougher.

Gentlemen, if you have accepted my remarks as a critique of one administration or another you have missed the point. I have been talking about careless citizenship—greedy citizenship. I have been talking about you and me who have permitted—who have often demanded that Government take over in our lifetime powers and functions that should have remained the responsibility of individual enterprise and initiative.

Let us face the situation honestly—if we are unwilling to reassume those responsibilities quickly, at whatever cost, then we have no alternative but to continue drifting with the trend of our times until the term democracy is just a word to remember.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ROBESON of Virginia (at the request of Mr. HARRISON of Virginia), for today, on account of official business.

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. BAILEY for 20 minutes on Thursday next.

Mr. BENTLEY for 10 minutes on Thursday, April 4.

Mr. BYRD for 10 minutes on today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. KEE.

Mr. REED and include extraneous matter.

Mr. MILLER of New York.

Mr. HILLINGS (at the request of Mr. TABER) and to include extraneous matter.

Mr. PATMAN.

Mr. JONES of Missouri and to include a speech by Senator STUART SYMINGTON.

Mr. JONAS, his remarks in Committee of the Whole today and to include a table.

Mr. EDMONDSON and to include a speech.

Mr. DINGELL (at the request of Mr. MCCORMACK) in two instances and to include extraneous matter.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 42. An act to provide for the construction by the Secretary of the Interior of the San Angelo Federal reclamation project, Texas, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 44. An act to authorize the Secretary of Agriculture to exchange certain lands in the State of New Mexico; to the Committee on Agriculture.

S. 78. An act to provide for the maintenance and operation of the bridge to be constructed over the Potomac River from Jones Point, Va. to Maryland; to the Committee on the District of Columbia.

S. 812. An act to amend the Agricultural Act of 1949 with respect to price support for extra long staple cotton; to the Committee on Agriculture.

S. 1442. An act to facilitate the regulation, control, and eradication of plant pests; to the Committee on Agriculture.

S. 1679. An act to increase the special assistance authorization available to the Federal National Mortgage Association for the purchase of mortgages insured under title VIII of the National Housing Act; to the Committee on Banking and Currency.

S. J. Res. 39. Joint resolution to authorize the construction of certain water-conservation projects to provide for a more adequate supply of water for irrigation purposes in the Pecos River Basin, New Mexico and Texas; to the Committee on Interior and Insular Affairs.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5866. An act to amend the Atomic Energy Act of 1954, as amended, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on March 29, 1957, present to the President, for his approval, a bill of the House of the following title:

H. R. 4090. An act to provide a 15-month extension of the existing corporate normal-tax rate and of certain excise-tax rates.

ADJOURNMENT

Mr. MCCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.), the House adjourned until tomorrow, Tuesday, April 2, 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:

677. A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1957 in the amount of $38,000 for the legislative branch and $7,500 for the judiciary (H. Doc. No. 144); to the Committee on Appropriations and ordered to be printed.

678. A letter from the Attorney General, transmitting the annual report relating to the awards for a Young American Medal for Bravery, and a Young American Medal for Service, pursuant to the act of August 3, 1950 (64 Stat. 397–398); to the Committee on the Judiciary.

679. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the case of Michael Angelo Valentine, A–4456271, involving suspension of deportation under the provisions of the Immigration and Nationality Act of 1952, and requesting that it be returned to the jurisdiction of this Service; to the Committee on the Judiciary.

680. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to certain cases involving suspension of deportation under the provisions of the Immigration and Nationality Act of 1952, and requesting that they be returned to the jurisdiction of this Service; to the Committee on the Judiciary.

681. A letter from the Administrator, Veterans' Administration, transmitting a report of two violations of overobligations of funds, pursuant to section 3679 of the Revised Statutes, as amended, subsection (1) (2); to the Committee on Appropriations.

682. A letter from the Secretary of Defense, transmitting the Ninth Annual Report on the National Industrial Reserve, pursuant to section 12 of the National Industrial Reserve Act of 1948, Public Law 883, 80th Congress; to the Committee on Armed Services.

683. A letter from the Administrator, Small Business Administration, transmitting a proposed amendment to the Small Business Act of 1953, which would establish the Small Business Administration as a permanent agency; to the Committee on Banking and Currency.

684. A letter from the Acting Director, Administrative Office of the United States Courts, transmitting the Annual Report of the Director of the Administrative Office of the United States Courts for 1956, and the Annual Report of the Judicial Proceedings of the United States for 1956, pursuant to section 604 (a) (4) of Title 28 of the United States Code; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H. R. 3476. A bill to facilitate the regulation, control, and eradication of plant pests; with amendment (Rept. No. 289). Referred to the Committee of the Whole House on the State of the Union.

Mrs. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers. House Report No. 290. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. RODINO: Committee on the Judiciary. H. R. 6127. A bill to provide means of further securing and protecting the civil rights of persons within the jurisdiction of the United States; without amendment (Rept. No. 291). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H. R. 6534. A bill to authorize the Secretary of the Navy to take possession of the naval oil-shale reserves and to experiment in the extraction of synthetic liquid fuels from oil shale in the interest of national security; to the Committee on Armed Services.

By Mr. BAILEY:

H. R. 6535. A bill to amend an act entitled "An act to provide for the disposal of federally owned property at obsolescent canalized waterways, and for other purposes"; to the Committee on Public Works.

By Mr. FARBSTEIN:

H. R. 6536. A bill to amend the Immigration and Nationality Act so as to provide for the admission into the United States of certain escapees and expellees who, because of persecution, have fled from any Communist country or country within the general area of the Middle East; to the Committee on the Judiciary.

By Mr. GWINN:

H. R. 6537. A bill to authorize the disposition of certain obsolete and excess property to the United States Volunteer Lifesaving Corps; to the Committee on Government Operations.

By Mr. HAYS of Arkansas:

H. R. 6538. A bill to amend the Watershed Protection and Flood Prevention Act with respect to the determination of the cost-benefit ratio of works of improvement; to the Committee on Agriculture.

By Mr. KING:

H. R. 6539. A bill to amend the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. McMILLAN (by request):

H. R. 6540. A bill to amend the Strategic and Critical Materials Stock Piling Act to permit the exchange of gem diamonds for industrial diamonds; to the Committee on Armed Services.

By Mr. ROOSEVELT:

H. R. 6541. A bill to provide that the Secretary of Commerce shall be authorized to

furnish weather reports to certain air-pollution-control agencies, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMSON of Wyoming:

H. R. 6542. A bill to authorize the Secretary of Agriculture to convey certain lands in the State of Wyoming to the town of Dayton, Wyo.; to the Committee on Agriculture.

By Mr. WALTER:

H. R. 6543. A bill to amend chapter 57 of title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H. R. 6544. A bill to provide preference in staff reductions for those persons who have been awarded the Congressional Medal of Honor, Distinguished Service Cross, or Navy Cross; to the Committee on Post Office and Civil Service.

By Mr. HARRIS:

H. R. 6545. A bill to provide for the suspension of the vesting of alien property, and the liquidation of vested property, under the Trading With the Enemy Act; to the Committee on Interstate and Foreign Commerce.

By Mr. JENKINS:

H. R. 6546. A bill to extend the benefits of the act of May 29, 1944, entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," to certain additional civilian officers and employees; to the Committee on Merchant Marine and Fisheries.

By Mr. METCALF:

H. R. 6547. A bill to amend title 4 of the United States Code to provide that the permission thereby granted to States to impose sales and use taxes in Federal areas shall not apply in the case of certain national parks; to the Committee on Interior and Insular Affairs.

By Mr. VINSON:

H. R. 6548. A bill to amend the Universal Military Training and Service Act, as amended, as regards persons in the medical, dental, and allied specialist categories; to the Committee on Armed Services.

By Mr. BEAMER:

H. R. 6549. A bill to authorize the Postmaster General to provide mail delivery service to rural patrons by the most efficient and economical means possible, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CHRISTOPHER:

H. R. 6550. A bill to amend section 104 of the Servicemen's Readjustment Act of 1944 with reference to certain former members of the Armed Forces and their survivors; to the Committee on Veterans' Affairs.

By Mr. DINGELL:

H. R. 6551. A bill to amend section 201 of the Social Security Act to provide that moneys in the social-security trust funds may be invested in State and local obligations issued to finance urban-renewal projects, and for other purposes; to the Committee on Ways and Means.

By Mr. REES of Kansas:

H. R. 6552. A bill to amend the Veterans' Preference Act of 1944 to authorize the noncompetitive acquisition of a competitive status, upon completion of a probationary period of service of 1 year or more, by any employee entitled to veteran preference with compensable service-connected disability of 10 percent or more, and his wife or widow, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CELLER:

H. J. Res. 293. Joint resolution relating to the inability of the President to discharge the powers and duties of his office; to the Committee on the Judiciary.

By Mr. KEATING:

H. J. Res. 294. Joint resolution proposing an amendment to the Constitution of the United States relating to cases where the President is unable to discharge the powers and duties of his office; to the Committee on the Judiciary.

By Mr. CELLER:

H. J. Res. 295. Joint resolution proposing an amendment to the Constitution of the United States relating to the inability of the President to discharge the powers and duties of his office; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H. Con. Res. 158. Concurrent resolution expressing the sense of the Congress with respect to the treatment of Jews in Egypt; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. PRICE: Memorial of the 70th General Assembly of the State of Illinois memorializing the Congress of the United States to authorize the Corps of Engineers, Department of the Army, to undertake such surveys and investigations as may be necessary and appropriate to determine the feasibility of a commercial-barge channel in the Wabash River, Ill. and Ind., from its junction with the Ohio River to such upstream terminus as may be found advisable; and appropriate sufficient funds to the Corps of Engineers to enable early and expeditious prosecution of the investigation and studies; to the Committee on Public Works.

By the SPEAKER: Memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States relative to requesting the Department of the Interior and the Department of Agriculture to complete soil classification thereby permitting immediate construction of the Paonia project, Colorado; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States pursuant to article V of the Constitution of the United States for a convention for proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to pass legislation granting to the State of New Mexico and the other Western States all of the lands and minerals within their respective borders with the exception of lands within national parks, national monuments, national forests and lands utilized for national defense and for the promotion of aviation and agriculture; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to propose an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States to appropriate immediately the funds necessary so that, upon completion of the preliminary planning, construction of the John Day project by the Federal Government can be initiated immediately; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States to take immediate action to improve and implement the present channel from Vancouver, Wash., to The Dalles, Oreg., by appropriating funds with which said channel can be immediately dredged to the authorized depth and width to alleviate the present serious and hazardous condition of navigation in the Columbia River and its detrimental effect upon trade, commerce, industry, and the general welfare; to the Committee on Appropriations.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States relative to the fines and forefeitures collected in the United States commissioner's courts and United States district courts in Alaska, and requesting legislation permitting part of these funds to be covered into the general fund of the Territorial treasury for the purpose of meeting the expenses of the Territory in providing for the administration of justice in Alaska; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOW:

H. R. 6553. A bill for the relief of Fernando Melendez; to the Committee on the Judiciary.

By Mr. COUDERT:

H. R. 6554. A bill for the relief of Eleanor Mary Hinder; to the Committee on the Judiciary.

By Mr. DIXON:

H. R. 6555. A bill for the relief of Dr. Cheung Nung Huang; to the Committee on the Judiciary.

By Mr. DORN of New York:

H. R. 6556. A bill for the relief of Viviana Petronio Hindy and Giuliana (Julianne) Petronio Hindy; to the Committee on the Judiciary.

H. R. 6557. A bill for the relief of Marga Meszaros; to the Committee on the Judiciary.

By Mr. KILGORE:

H. R. 6558. A bill for the relief of Mrs. Esther Valasquez de Limon; to the Committee on the Judiciary.

By Mr. MILLER of Maryland:

H. R. 6559. A bill for the relief of Mrs. Emma (Fiedler) Mahoney; to the Committee on the Judiciary.

By Mr. THOMPSON of Texas:

H. R. 6560. A bill for the relief of Koa Lim; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

187. By the SPEAKER: Petition of P. F. Morgan and others, Auburn, Wash., urging support of the bills H. R. 3974 and H. R. 4677 respectively, pertaining to railroad retirement annuities; to the Committee on Interstate and Foreign Commerce.

188. Also, petition of the secretary, the State Bar of California, San Francisco, Calif., petitioning consideration of their resolution relative to making an additional statement relating to a letter dated March 25, 1957, petition No. 176, CONGRESSIONAL RECORD of March 27, 1957; to the Committee on Un-American Activities.

EXTENSIONS OF REMARKS

Statement by Hon. John Marshall Butler, of Maryland, on 12th Anniversary of Soviet Enslavement of Rumania

EXTENSION OF REMARKS
OF
HON. JOHN MARSHALL BUTLER
OF MARYLAND
IN THE SENATE OF THE UNITED STATES
Monday, April 1, 1957

Mr. BUTLER. Mr. President, on March 6 last, 12 years had elapsed since the Soviet enslavement of the Rumanian Nation in 1945. Through overwhelming Soviet military and political pressure, Rumania is still occupied by Russian troops and is subjected to the suppression of all political and human rights, as well as to savage economic exploitation. In honor of the courageous people of Rumania, I ask unanimous consent to have a statement I have prepared printed in the RECORD.

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

STATEMENT BY SENATOR BUTLER

This sad day for 20 million souls, the 12th anniversary of Rumania's enslavement by the Soviets on the 6th of March 1945, should bring to our minds more vividly the tragedy of modern slavery.

Victim's of Moscow's aggressive expansionism and of international failures which abandoned the eastern part of Europe to the absolute rule of the Soviets, the Rumanians have proceeded far on the road to calvary.

The starting point for this Rumanian drama was one of the most flagrant and brutal examples of interference and seizure of a free nation by the Soviets. The two important witnesses reporting the circumstances of the seizure, presented in the first documents forwarded by the Rumanian leaders to the United States authorities—the late General Radescu, former Prime Minister at the time of the seizure, and Mihail Farcasanu, head of the anti-Communist movement of the national liberal youth of Rumania—gave us a clear picture of what happened. In their declarations delivered respectively in Lisbon, August 26, 1947, and in Rome, August 19, 1947, they record the series of Soviet overt acts, ranging from press-censorship to terror and assassination, aimed at bringing the country under the heel of the Communist agents.

"During the extremely trying period in which I held the premiership," noted General Radescu, "Soviet troops have been indulging in looting and were killing people at random. Every morning I used to receive reports showing the robberies and assassinations perpetrated during the preceding 24 hours."

Together with such conditions a Communist armed force was built up, while massive reductions in the Rumanian Army and police were arbitrarily imposed. According to the order received by the Communist leader Gheorghiu-Dej in Moscow in January 1945, a direct action for seizing the government was undertaken by the Communists on February 24. They tried to assassinate the Prime Minister and take over the administration. This Communist coup not succeeding, Moscow sent Vishinsky with full powers to forcibly install a Soviet stooge government. So, 2 weeks after the Yalta Declaration one of the signatories, Soviet Russia, was ruthlessly crushing the independence of a country with a brazen display of brute force. This is in fact what happened on February 27, when Vishinsky delivered his ultimatum to King Michael.

It is to the honor of the Rumanian people that, after 12 years of Communist terrorism, deportations, slave labor camps, religious persecution, and economic bleeding, their spirit of resistance is still strongly alive. I think it is proper for the Congress to salute the fight for freedom of a friendly nation and not forget her people's ordeal.

Six Billionth Ton of West Virginia Coal Will Be Mined During April 1957

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, April 1, 1957

Mrs. KEE. Mr. Speaker, the sixth billionth ton of West Virginia coal will be mined during this month of April 1957, a significant moment in the economic progress of the beautiful State of West Virginia.

Coal is one of America's most versatile and precious minerals. It made possible the tremendous industrial revolution of our country in the past half century. Without this most basic fuel—the United States would still be the agrarian Nation of Thomas Jefferson's time—a nation of small farmers and a limited national economy. Our tremendous production and consumption of electric power—the network of rails transversing the country from ocean to ocean—the development of our great manufacturing centers—our industrial might—came about because of the availability and production of coal. Without this miracle mineral America could not have successfully defended our way of life through our recent World Wars.

Coal is West Virginia's principal industry and the keystone of our State's economy.

Especially is the mining of the sixth billionth ton of West Virginia coal significant when we realize that West Virginia still has recoverable deposits of over 52 billion tons.

Coal was first found in the West Virginia section of the Appalachian Basin in 1750. Just 50 years later, in 1800, a few commercial mines commenced production in Brooke and Monongalia Counties in northern West Virginia.

In 1863, the historic year in which West Virginia became the 35th State of the Union, West Virginia for the first time produced one-quarter million tons of bituminous coal annually. With the closing of the Civil War, West Virginia's coal production rose rapidly, and by 1869 our annual production first exceeded 1 million tons. Following World War I, in the year 1923, West Virginia's annual production exceeded 100 million tons.

There are workable seams of coal found in 49 of West Virginia's 55 counties which include 37 counties with mines that are currently in production. In 1931, West Virginia became the Nation's chief producer of bituminous coal and has retained this distinction ever since. With our remaining recoverable deposits exceeding 52 billion tons—West Virginia will retain this leadership.

It is interesting to note that West Virginia will produce approximately 30 percent of the 516 million tons estimated to be produced in United States coal mines this year.

It is with a feeling of pardonable pride that I have the honor to represent the Fifth District of West Virginia, the Nation's second largest coal-producing Congressional district, which is currently mining nearly one-third of West Virginia's total annual output.

Mr. Speaker, I feel it is entirely fitting to pause these few moments—to pay tribute and give justly due credit to the coal operator and the coal miner, who join together—each dependent upon the other—to accomplish this remarkable feat. Appropriate recognition goes also to the investor, the railroads, railroad labor, and our shipping industry, who make it possible to deliver this miracle mineral to its worldwide markets. I am proud, too, to recognize the manufacturers and distributors of modern mining machinery who are bringing this important medium of automation to the mining communities. It is a source of gratification that so many in this important industry are centering their activities in my home city of Bluefield.

I am pleased also to have this opportunity to salute the electric utilities, coking coal, steel and rolling mills, railroads, cement mills, and other industrial consumers of coal.

In this atomic age our Nation's demands will be for more and more electric power, more steel, aluminum, chemical products, and cement. This can only mean a demand for more and more coal. In addition, more and more people daily demand greater quantities of coal's essential byproducts such as: aspirin, vitamins, ammonia, sulphur drugs, baking powder, perfume, lipstick, nylons, dye, detergents, phonograph records, film, plastics of all kinds, linoleum, synthetic rubber, synthetic gasoline, TNT, and many others. Those responsible for these byproducts are to be justly recognized.

I feel it my duty to highly commend the members and the staff of the Coal Research Committee of the House of Representatives for the dedicated manner in which they have been engaged in

their extremely important work. I have full confidence that the final result of their labor will be of substantial benefit to the coal industry, as well as to every American citizen. Every American every day is dependent upon coal.

I am grateful for the opportunity to work with all of those engaged in this basic industry.

Yes, Mr. Speaker, April 1957 is an important month in the life of every American citizen as we look to the future with full confidence.

Report of President and Secretary of American Group of the Interparliamentary Union for 1957

EXTENSION OF REMARKS
OF
HON. DANIEL A. REED
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, April 1, 1957

Mr. REED. Mr. Speaker, as president of the American group of the Interparliamentary Union, I respectfully submit to the Congress of the United States my annual report for 1957, together with the report of Hon. HENRY O. TALLE, secretary of the American group of the Interparliamentary Union:

REPORT OF THE PRESIDENT, AMERICAN GROUP, INTERPARLIAMENTARY UNION, 1957

Although no formal meeting for the election of officers has been held since 1955, the group met informally on many occasions since March of that year. In 1952, the bylaws were amended to elect officers to serve for each Congress rather on a yearly basis and this meeting today is to review the work of the past 2 years, as well as to elect officers for the duration of the 85th Congress.

There have been four formal meetings of the Interparliamentary Union since our last official meeting. First, the council meeting in Rome; second, the 44th conference in Helsinki; third, the council meeting in Dubrovnik; and last the conference—the 45th for the Interparliamentary Union—in Bangkok.

We have had briefings at the Department of State or here on the Hill before each council meeting and conference. Because of the campaign in 1956, these briefings were only with those who could be in Washington but we provided for it by a special report of the executive secretary, who for 2 weeks previous to leaving for Bangkok represented us in meetings abroad with the British, French, Swiss, and Italian groups, as well as a meeting with DeBlonay at bureau headquarters in Geneva.

We have been represented, as well, by Congressman COOLEY, serving on the Union executive committee, for these last 4 years but since his term has now expired, we can have no representative on that committee elected until 1958. The place on that committee is an extremely important one in relation to our position in the union and though the 1958 conference will not be obliged to elect a United States delegate, it is a position we have held almost continuously in the Union since its inception.

The theme of the conferences in 1955 and 1956, as well of course of the council meetings, has veered from peaceful coexistence to the major subject of disarmament. We are required to report the actions of our Congress on the resolutions made at these conferences and I am happy to say that over the 2 years and over the 9 years preceding them since we met in Cairo after World War II, we have always been able to report that we either already had the recommendations of the conference in force in our country before they were passed or that action was taken during the ensuing year to bring them into being.

Unfortunately, I was not able to lead the delegation at Helsinki or Bangkok, but I have followed with intense interest the work of each conference as well as the Dubrovnik council meeting at which we were ably represented by Senator ROBERTSON and our beloved former president, Senator Alben Barkley. I should like to express here also my grateful thanks to Congressman TALLE, who took over the burden of acting as chairman at Helsinki and Bangkok. I should like to express my thanks, too, to Senator PURTELL, who acted for Congressman COOLEY at the postconference session of the executive committee in Helsinki, where a further attempt was made to violate the expressed wishes of the council and the conference in the proposed admission of Communist China to the Union.

The action of the executive committee meeting in Delhi in 1955, taking advantage of a bare quorum in which the presiding officer, Lord Stansgate, cast a vote for such recommendation, is a symptom in my opinion, of a far greater problem and conspiracy, in fact, to take over the Interparliamentary Union by Communist forces, representing the Soviet and her satellites.

It was significant that at the Praesidium of the Soviet Republics in February 1955, that the word "Parliament" was first applied to the single-party assemblies of the Soviet and that shortly before and during that time, the offending ex-members of the Union, once independent governments, returned one by one to the fold of the Union, preparatory to the admission of the Soviet as a member at Helsinki in 1955. It is true that Spain and Liberia were admitted at the same time but the Soviet and its satellite, Albania, came in to complete the Soviet bloc, already returned to membership.

The Union now stands at 51 member nations. It must include over 30 more nations to, in any way, balance the membership of the U. N., of which it is a part. In the admission of Brazil and now Peru to the small Latin American group, we have a greater world representation as well, as in the admission of Australia, New Zealand, and little countries like Laos and Cambodia and our neighbor, Canada, which has already taken steps to resume membership after almost 20 years of absence from our conferences. In the words of our secretary general, membership has become more realistic but realism brings with it many new problems.

My own view is that the Union, even with the menacing force of the Soviet bloc, is becoming a more powerful voice in world affairs and so long as it remains a free body, presents many opportunities for the free world. It is an excellent place to make tests of world opinion and an excellent meeting ground for representative members of our Congress to gain an intimate knowledge of other points of view and to resolutely state our own positions clearly and unequivocally to members of other parliaments.

For these reasons, I believe that the upcoming council meeting in Nice and the London conference in September are particularly important to us. Our Department of State was deeply concerned with the outcome of the conference at Bangkok and will be equally concerned with that of London, where an opportunity will be provided to not only adjust our differences with European powers but also to strengthen our relations with our friends in the Near and Middle East. The subject of colonialism has been debated for over 50 years in the Interparliamentary Union and steady growth has been obtained in a much more enlightened attitude on the part of the governing and nonself-governing powers in that time.

It is imperative that right leadership be provided the Union in the election of the new President of the Council who is actually the guiding spirit of the Union this year, and it is imperative that every advantage be taken of the 1958 conference in Rio de Janeiro to get our Latin American neighbors into the Union, with a subsequent meeting of the new executive committee, 1958, which is proposed to occur in Washington, following the conference.

In 1957 Thai and Swiss representatives leave the executive committee, 1 voting with us, 1 against us on the Communist China matter. It is likely that a new Far Eastern representative will be elected and another European representative. It is in the interest of the future democratic development of the Union that these new members both represent the free world.

These few matters I have discussed with you in this report which bear upon our continued influence in the Union. Another abortive attempt will be made at Nice to recommend Communist China, still unrepentant and still unrecognized by the U. N., to membership, in contradiction to the past vote of the Council. We should see that this action, antagonistic to world peace, based on justice, shall not take place.

DANIEL A. REED,
President of the American Group, Interparliamentary Union.

MINUTES OF THE ANNUAL MEETING, INTERPARLIAMENTARY UNION, 1955

The regular annual meeting of the American group, Interparliamentary Union, recessed from the third Monday in January, was opened at 10:15 a. m., March 15, 1955, in the old Supreme Court chambers at the Capitol. There were approximately 30 Members of the House and Senate present. Congressman DANIEL A. REED, vice president of the group, presided.

The short minutes of the meeting of January 17, 1955, were unanimously approved.

The minutes of the annual meeting of the group held on January 18, 1954, were distributed and, reading being dispensed with, were unanimously approved.

The report of the executive secretary was read and approved. The former president, Senator Homer Ferguson, being now United States Ambassador to the Philippines, sent greetings from Manila and allowed his previous report covering the Washington Conference of the Interparliamentary Union to speak for his administration of group affairs.

It was moved by Senator ROBERTSON and seconded by Senator WILEY and Senator SPARKMAN that Congressman DANIEL A. REED, of New York, be elected to the office of president of the American group to serve for the period of the 84th Congress. The vote being unanimous, Congressman REED took the chair and called for resumption of the regular business of the meeting.

Nominations and elections of other officers for this period of the 84th Congress were then in order. Congressman COOLEY nominated HENRY O. TALLE, of Lowa, for the office of secretary. Being duly seconded, Congressman TALLE was declared elected. Congressman POAGE nominated for the three offices of vice president, Congressman COOLEY, of North Carolina; Senator ROBERTSON, of Virginia; and Senator WILEY, of Wisconsin. Being duly seconded, the vice presidents were declared elected. Congressman KEATING nominated Congressman POAGE, of Texas, for the office of treasurer. Being duly seconded, Congressman POAGE was declared elected.

The following Members of Congress were elected to serve on the executive committee: Senator Albert Gore, of Tennesee; Congress-

man Clifford R. Hope, of Kansas; Congressgressman John M. Vorys, of Ohio; Congressman Antoni A. Sadlak, of Connecticut; Senator Thomas C. Hennings, Jr., of Missouri; Senator John J. Sparkman, of Alabama; Senator Paul H. Douglas, of Illinois; and Congressman W. Robert Poage, of Texas. Dr. Franklin Dunham was continued as permanent executive secretary. Congressman HAROLD D. COOLEY, of North Carolina, and Congressman DANIEL A. REED, of New York, were elected as members of the Interparliamentary Council, Congressman COOLEY being already a member of the executive committee of the Interparliamentary Union.

On nomination by Congressman Poage, seconded by Congressman Hope, Ambassador Ferguson and former Congressman Lucas, of Texas, were elected as honorary members of the American group.

A discussion was then entered into as to the size of the delegation to be appointed to the 44th conference to be held in Helsinki in September 1955.

Senator ROBERTSON spoke to the point, advising that the group be of sufficient size to adequately present the United States in relation to the size of other delegations of leading world powers. On motion by Congressman COOLEY, seconded by Congressman POAGE, the president was authorized to appoint the delegation, not to exceed 15 Members of Congress.

Senator HENNINGS spoke of the necessity of assembling the members of the delegation at a time well in advance of the conference, so that the delegation could properly organize to discuss its position on questions offered for debate and resolution.

President REED spoke from the chair, advising that the British were always well organized for the conferences, having a permanent secretariat located in the House of Commons, with a full-time secretary, secretarial help and budget to cover adequately many meetings and the reception of foreign visitors during the year. Congressman COOLEY also spoke of the regular IPU committee assignments which should be made early in order to make the delegates chosen familiar with their respective roles in the conference. Senator SPARKMAN noted that the conference agenda are set up after the April council meeting and that such assignments could be made after that meeting.

The original motion regarding the delegation was thereupon amended to include as well 15 alternates who could be used as a priority list from which to draw names of delegates in case of vacancies occurring in original designations.

Congressman COOLEY introduced the question of raising the prescribed contribution of the United States to the Interparliamentary Bureau to the newly assessed charge of $18,000.

On motion, it was agreed that Senator ROBERTSON in the Senate and Congressman REED in the House would handle the matter of such increase which is, at present, $3,000 above the usual amount recommended in the Department of State budget.

Senator ROBERTSON was also asked by the group to handle the matter of air transportation facilities to and from Helsinki, in late August.

There being no further matters for immediate discussion, the meeting was declared adjourned at 11 a. m.

Respectfully submitted,

HENRY O. TALLE,
Parliamentary Secretary.

Countersigned:

FRANKLIN DUNHAM,
Permanent Executive Secretary.

Read and approved by United States group, IPU, at business meeting, February 19, 1957.

MINUTES OF INTERPARLIAMENTARY UNION LUNCHEON MEETING, APRIL 23, 1956

The officers of the United States group held a luncheon meeting in the Vandenberg room of the Capitol on April 23 for the purpose of hearing reports on the meetings of the IPU Council held in Dubrovnik, Yugoslavia, from April 3 through April 8. The United States group was represented at the meeting by Senators Alben W. Barkley and A. WILLIS ROBERTSON.

Senator A. WILLIS ROBERTSON provided those attending this meeting with copies of a mimeographed report.

Senator Alben W. Barkley gave an oral account. In his report Senator Barkley emphasized that the most difficult problem dealt with at the meeting was the persistent demand by Russian delegates that Red China be admitted to membership in the IPU.

It was made clear that, although the attempt to seat Red China failed at this meeting of the Council, another attempt would undoubtedly be made at the forthcoming conference scheduled to be held in Bangkok, Thailand, in November.

Following a period of discussion in which members reviewed earlier attempts by the Russian delegates to get Red China seated in the IPU, and after considering steps that might be taken to defeat this purpose, the meeting was adjourned.

Respectfully submitted.

HENRY O. TALLE,
Secretary, United States Group,
Interparliamentary Union.

Read and approved by United States group, IPU, at business meeting, February 19, 1957.

MINUTES OF INTERPARLIAMENTARY UNION LUNCHEON MEETING, JULY 27, 1956

A luncheon meeting of the delegates appointed to attend the Interparliamentary Union Conference in Bangkok, Thailand, November 15 through November 22, was held in the Vandenberg room, Senate wing of the Capitol, on Friday, July 27, at 12:30 p. m.

In addition to the delegates the following persons from the State Department attended the luncheon meeting:

Mr. Walter S. Robertson, Assistant Secretary of State in charge of Far Eastern Affairs,

Mr. Robert Hill, Assistant Secretary of State in charge of congressional liaison,

Mr. Jack Leahy, Department of State, congressional liaison staff member.

President DANIEL A. REED introduced the guests from the Department of State and after briefly explaining the importance of the Bangkok Conference, he asked Mr. Robertson, of the Department, to brief the delegates on the Department's point of view relative to the matter of Red China being admitted to membership in the Union. He was also invited to suggest what he believed should be done by the United States group to prevent such action.

Mr. Walter S. Robertson gave a good explanation which, concisely stated, was that the IPU is yearly becoming increasingly important as an international organization; that the Soviet are most anxious to control it by adding as many satellites as possible and that the United States group must be a strong leader of the free-nation members to prevent the seating of Red China.

At the conclusion of Mr. Walter S. Robertson's briefing a general discussion took place relative to the action of the United States group in preventing the seating of Red China.

The meeting adjourned at approximately 2 p. m.

Respectfully submitted.

HENRY O. TALLE,
Secretary, United States Group,
Interparliamentary Union.

Read and approved by United States group, IPU, at business meeting, February 19, 1957.

Reply to Drew Pearson's Washington Merry-Go-Round Published Friday, March 29, 1957

EXTENSION OF REMARKS
OF

HON. WILLIAM E. MILLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1957

Mr. MILLER of New York. Mr. Speaker, under leave granted I wish to call to the attention of the Congress, particularly the House of Representatives, my reply to the column entitled "The Washington Merry-Go-Round" written by Drew Pearson as it appeared in many newspapers Friday, March 29, 1957.

My reply follows:

I have read with some interest and great astonishment today's column entitled "The Washington Merry-Go-Round" written by Drew Pearson, in which he once again by inference, innuendo, and distortion attempts to prove that my motives, in attempting to correct what I deem to be objectionable features in the civil-rights bills introduced this year in the House of Representatives and recently considered by the House Committee on the Judiciary, are prompted by an unholy alliance which I have with Representatives SMITH and COLMER, of the House Committee on Rules. According to Mr. Pearson, the alleged purpose of this alliance is mutual help in defeating civil-rights legislation and promoting the redevelopment of the Niagara hydroelectric project by private enterprise.

The fact and indisputable truth of the matter is that on the 9th day of July 1953 Congressman SMITH, of Virginia, and Congressman COLMER, of Mississippi, voted in favor of the bill which I had introduced providing for the development of the additional hydroelectric power in the Niagara River by private enterprise. I think that vote is consistent with their entire public record in the House of Representatives and occurred long before I had met either of the gentlemen personally and years before there was any civil-rights legislation before the House of Representatives for consideration. All who are familiar with the governmental philosophy of Messrs. SMITH and COLMER would know that I did not have to compromise a single principle in which I believe in order to enlist their aid in support of my position concerning the Niagara redevelopment project. However, the Pearson story becomes more rdiculous when, because of the Schoellkopf disaster of last year and because of the critical emergency of the present power situation in the Niagara frontier, I am no longer promoting my private enterprise position but have this year introduced a compromise measure providing for the development to be made by the Power Authority of the State of New York and I could almost state, without fear of opposition, that neither Mr. SMITH nor Mr. COLMER are aware of this change of circumstances and of the introduction by me of an entirely new bill incorporating an entirely new concept for the development of the Niagara project. As a matter of fact, with but very slight differences there is no longer any conflict existing concerning the Niagara power project which has to be resolved by the House of Representatives.

It is true that I introduced and originally supported a year ago a civil-rights bill. It is also true that after further study and further examination of the Constitution and laws pertaining thereto and a further probing of my conscience, I moved to recommit

the bill when it was up for consideration before the House of Representatives. But contrary to Mr. Pearson's statement, I did not succeed in blocking the bill. I made that motion on July 19, 1956, and my reasons therefore were fully set forth by me and are still fully set forth in the CONGRESSIONAL RECORD of that day. I based my objections on the Constitution and statutory laws as I know and understand them. What has been the history of this legislation since my remarks of July 19, 1956?

1. My first objection was that the legislation created a commission with the authority to subpena anyone in this country to any place within the country no matter how far distant from their home and hold them interminably at their own expense.

The Subcommittee of the Committee on the Judiciary by unanimous action, including the votes of the present authors of the civil-rights legislation, Representatives CELLER and KEATING, of New York, voted to amend the bill to provide that a person could be subpenaed to a place only within the judicial district in which he resides and that he must be paid a witness fee and a mileage allowance at the time he is served with a subpena.

2. I charged that a person could be subpenaed for interrogation on some loose allegation that he was exerting unwarranted economic pressure on somebody.

The subcommittee again by unanimous action amended the bill to provide that all allegations against someone must now be in writing and sworn to and the provision of the bill relating to unwarranted economic pressure and social and economic problems were stricken from the bill upon an amendment offered by me in full committee on the grounds that this was an authorization to a presidential commission to make investigations into the fair-employment practices field which the Congress has repeatedly refused to authorize and because it was an encroachment into a field in which the Federal Government has no constitutional jurisdiction.

3. I charged again on July 19, 1956, that the bill permitted the utilization of the services of an unlimited number of volunteers to work for this commission and to be paid a per diem allowance. I charged that this was a highly emotional issue and that no one would volunteer for work in this field who was not biased and prejudiced on one side or the other of the issue and that there were already at work in this country many volunteer organizations crusading on both sides of the issue.

As a result of this charge, the full committee unanimously, including the authors of the legislation, accepted the amendment restricting the number of volunteers assisting in the work of the Commission to 15 and the report will include a statement that no more than 8 shall be from any 1 particular organization.

4. On July 19, 1956, I charged that the provision of the bill authorizing the Attorney General to institute an action in the name of an individual against an individual defendant without the Attorney General even having the permission of the person in whose name the action was to be instituted constituted barratry in its worse form and was something if done by any other lawyer would subject him to disbarment proceedings.

As a result of this charge, the committee considering the bill, not upon my motion, voted to provide that the Attorney General could institute an action for protection of civil rights for the United States or in the name of the United States, but could not act as an attorney for one individual in a litigation involving another individual.

On July 19, 1956, I set forth two other objections to the bill in its then present form. I attempted to correct one of these objections by an amendment which Mr. Pearson referred to as a "hamstringing" civil-rights amendment and which did lose by a vote of 15 to 17 in the full Committee on the Judiciary and not in the Rules Committee as reported by Mr. Pearson. It is highly significant to me and I think it should be to the reading public of America that although Mr. Pearson professes to know the full details of all that occurred in this executive session of the Judiciary Committee, he does not attempt to describe or explain the amendment which I offered and which lost by a close vote, but simply prefers to refer to it as a "hamstringing" civil-rights amendment.

The amendment which I offered reads as follows:

"Notwithstanding any other provision of law or of the rules of procedure of the United States district courts, in all cases of contempt arising in any proceeding under this act, the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the contempt shall have been committed.

"This section shall not apply to contempts committed in the presence of the court or so near thereto as to interfere directly with the administration of justice."

Under title 18 of the United States Code, all persons tried in criminal contempt cases are entitled to a jury trial except where the United States is a party to the action. This civil-rights legislation provides for actions to be brought by the Attorney General against individuals in the name of the United States, so without the amendment which I offered, people would not be entitled to a jury trial. It is most noteworthy that when the Congress has passed labor legislation such as the Norris-LaGuardia Act, it always contained provisions that even though the United States was a party to an action, the defendant in a labor dispute would be entitled to a jury trial. Should we not extend the same protection of the law to local police officers, school board members, and others as we extend to leaders and members of labor unions? I am in favor of the protection accorded to leaders and members of labor unions and so I am in favor of the same treatment being accorded to all segments of our people. What Mr. Pearson fails to report is that this identical amendment, when offered in the subcommittee of the Senate Committee on the Judiciary, was supported by Senator JOSEPH O'MAHONEY, Democrat of Wyoming, who has and is proud of his record as a liberal and is reputed to be as his record would indicate, a staunch supporter of public power and an arch foe of the public utilities industry from whom I am accused by Mr. Pearson of having an abnormal loyalty.

In my House floor speech of July 19, 1956, I also objected to the provisions of the bill which authorizes the Attorney General in instituting civil-rights actions to circumvent the State courts and State administrative machinery which I believed then and now believe to be a fundamental rock upon which our system of States rights rests.

An attempt was made in the full Committee on the Judiciary to correct that section which effort I supported, although I did not inaugurate it. But that effort was defeated in committee. What Mr. Pearson fails to disclose concerning the executive session of the Judiciary Committee on which he reports is that I voted against several amendments offered by the so-called southern bloc which were aimed at crippling or defeating the legislation. I am not now in the position nor have I ever been in the position of opposing a civil-rights bill in any form and under any circumstances.

In closing, I wish to repeat what I stated on July 19, 1956. I believe now and have believed all my life in the fundamental proposition of civil rights. It is a fundamental precept of the creed and religion in which I believe. In the emotion and hysteria surrounding this legislation, it must be remembered that in this country, thank God, we still have a Government of laws and not of men. It is generally believed that this bill is designed and has for its purpose the promotion of the interests and equality of the colored race. But no where in this bill does the word "colored" appear. It refers only to minorities and all of us whether because of our race, our color, our creed, our religion or our national origin, are—standing alone—a minority. This legislation, in the hands of the wrong type of commissioners or law-enforcement officers, could be a vehicle for the persecution of any or of all of us, unless the bill includes proper constitutional safeguards. If the day ever comes when it is felt expediency is more important than constitutional law, we will come very close to the total destruction of the principles which have made our country the greatest and strongest in all the world. Since the beginning of our country, all minorities, within and because of our constitutional framework, have risen to the highest standards of living of any groups anywhere in the world. This is and will be increasingly true of the colored race, but if we disregard our constitutions and our laws in an effort to help them now, someone else at another time may also disregard the constitution and laws of the land to destroy them.

So that there will be no misunderstanding, may I therefore repeat that if the objectionable provisions of the former bill which have been deleted by committee action are not restored by floor action, and if the amendments which I have referred to relating to jury trials and States rights are enacted, I will gladly and enthusiastically speak for, support and vote for the legislation. Otherwise, I would once again vote against the measure not because of any alleged unholy alliance but because of my profound devotion to the constitutional system of government which I have taken an oath to protect and preserve.

Around the World in 80 Days

EXTENSION OF REMARKS
OF

HON. PATRICK J. HILLINGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1957

Mr. HILLINGS. Mr. Speaker, Washington is host today to the famous Hollywood producer, Mr. Mike Todd. He is here for the Washington premiere of the award-winning motion picture Around the World in 80 Days. I am sure my colleagues join with me in welcoming him to Washington on this occasion.

Around the World in 80 Days, which Mr. Todd produced, has received the academy award as the best picture of the year, and similar awards from the New York film critics, Associated Press, Good Housekeeping magazine, Cosmopolitan magazine, Parents' Magazine, and a host of other honors. The picture also received academy awards for best film editing, best musical score, best screen play and best color cinematography.

This outstanding motion picture will bring entertainment to millions of people in our country and abroad, and is an example of the outstanding quality of pictures produced by our motion picture industry. Mr. Todd's production will not only provide entertainment, but

will help to bring American good will to people all over the world.

I congratulate Mr. Todd for this splendid film which I hope all of my colleagues will have an opportunity to see.

Hon. Stuart Symington, of Missouri, Addresses Missouri Cotton Producers

EXTENSION OF REMARKS
OF
HON. PAUL C. JONES
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, April 1, 1957

Mr. JONES of Missouri. Mr. Speaker, it was my privilege and pleasure to attend the annual meeting of the Missouri Cotton Producers Association, held at Sikeston, Mo., on Thursday of last week. As usual, an outstanding program had been prepared. Participating on this program was one of my colleagues on the House Committee on Agriculture, the Honorable WILLIAM S. HILL, Representative from the Second Colorado District, who was visiting southeast Missouri for the first time. Since he was speaking extemporaneously, I am unable to report in detail the text of his address, which was well received by my constituents.

At the banquet held on Thursday night, the principal speaker was the Honorable STUART SYMINGTON, the junior Senator from Missouri. Since his address does include much information in which I believe most of my colleagues are interested, particularly those who are interested in the agricultural problem, under permission to extend by remarks I include the text of Senator SYMINGTON'S address, which follows:

As always, it is a privilege to be in Sikeston, one of the great towns of our State; and it is also a special privilege to be honored as a guest of this great association of cotton growers.

During the last year I have worked with one of the leading citizens of Missouri, who, as you know, is president of the American Cotton Producers Association, one who has been working hard in Washington in the interest of both the cotton producers of Missouri and of the Nation—A. L. Story.

I could not let the opportunity pass to express my appreciation to Abby for all the help he has given me in learning about cotton as a relatively new member of the Senate Agriculture Committee; and I also thank the executive vice president of the Missouri Cotton Producers Association, Hilton Bracey, for his guidance.

I also want to thank my senior Agriculture colleague, your great Congressman, PAUL JONES, for his consistent aid, not only on the problems of cotton but also on all problems of Missouri.

As a member of the House Agriculture Committee, Congressman JONES has done at least as much as any other Missourian in his efforts to promote the welfare of the farmer.

Now let's talk about the primary reason we are all here.

Cotton is, by far, the world's leading textile fiber.

It is our principal source of clothing.

It is a major fiber in the furnishing of our homes.

It is the outstanding material used wherever yarn or cloth is needed in our industrial civilization.

Approximately 1 million farmers in the United States grow cotton. It is the principal source of income for these producers in States across the country, reaching from the Atlantic to the Pacific, and from the Mexican border north to this great cotton country I have the honor of visiting today.

But cotton is also important to many other segments of our economy. For every 100 citizens who work in manufacturing industries in the United States, 15 work in textiles and apparel, where cotton is predominant.

The United States has the largest area of land adaptable to the production of cotton of any nation in the world, and the productivity of cotton in the United States is about 50 percent higher than the average productivity of all the rest of the world combined. Historically, American cotton farmers have shown a willingness, desire, and ability to engage in successful cotton production.

In the past 5 years, cotton production has averaged approximately 14 million bales, but production efficiency has increased almost 100 percent in 20 years, from slightly over 200 pounds per acre to an average in 1956 of over 403 pounds per acre.

It was only natural that continually increasing efficiency brought on an ever larger production of cotton.

Surpluses began to appear. Prices fell. Farm income declined.

Cotton farmers, along with most other farmers, then realized that production should be reduced. They agreed to acreage control.

Restrictions have become severe, however, and price supports lowered. As Mr. Hilton Bracey stated before the Cotton Subcommittee of the House Agriculture Committee:

"We feel, gentlemen, that we are being 'nibbled.' Acreage cuts, price reduction, the soil bank, one thing after another tightens the squeeze on the cotton farmer and the cotton economy. We cannot long survive the application of a policy which takes away, in turn, our acreage and our prices."

This statement about cotton applies generally to the rest of the agriculture economy.

In 1952 net farm income was $15.1 billion.

Then came Mr. Benson, with his new experts, to express his own incredibly theoretical ideas.

Farm income has declined ever since.

In 1956, even after some extraordinary efforts to put money out where it would get votes, farm income declined another $100 million, to $11.6 billion; a drop of some $3.5 billion in 4 years.

This is the lowest figure for any peacetime year since 1940.

Was the farmer, under the extraordinary theories of Mr. Benson, taking his licking along with the rest of the economy?

He was not. Let's look at the record.

In 1956 as against 1952, wages increased 22 percent.

During the same period, corporate profits after taxes increased 33 percent.

And the average increase of common stocks was 77 percent.

At the same time farm income declined 30 percent, with the parity ratio down in these 4 years from 100 in 1952 to 83 in 1956.

What right has this administration to force the farmers of America to undergo such economic pressures, when at the same time it establishes policies which bring unprecedented prosperity to the other segments of our economy?

This question is vital to our State, because agriculture is Missouri's most important industry. Cash receipts from farming in Missouri last year were slightly over $1 billion—9th highest State in the United States.

On January 29 last, Secretary Benson testified before the Senate Agriculture Committee. Despite the fact that net farm income had reached lowest level in 14 years, with the index of prices down from 288 in 1952 to 236 in 1956; despite all these indications that the American farmer was and is in trouble, the man in this administration who is supposed to represent the farmers, the Secretary of Agriculture, had this to say to our committee:

"Mr. Chairman, and members of the committee, this is the first time in many years that a Secretary of Agriculture has been able to come before your committee and report such favorable developments as these."

The first of these favorable developments he said was that "prices received by farmers have been running 7 percent above a year ago."

It is true prices in December 1956 were 7 percent higher than in December 1955. But why did not Mr. Benson give the complete picture?

That is his duty as a public servant. If he had, he would have said that prices for the year 1956 averaged exactly the same as in 1955, according to figures from his own Department. These figures show the index of prices received was 236 in 1955 and 236 in 1956.

Another favorable development Mr. Benson reported was that "realized net farm income in 1956 was 5 percent above 1955."

What he failed to mention was that the 5 percent increase applied to net farm income before inventory adjustments. After adjustments for inventories, that income was less in 1956 than in 1955.

Anyone with any banking or business experience knows that under the sound accounting principles of good business practice no businessman would dare to submit to his stockholders a balance sheet and earning statement without giving a true picture of the inventory expressed as part of his current assets.

If he did on a listed stock, he would be in trouble with the SEC.

And while the Secretary of Agriculture has been touring the country recently, continuing to talk about this favorable overall agriculture picture, the situation has become worse.

The index of prices received dropped 4 points in February as against January—and the parity index shows that during the same period prices paid by farmers went up 2 points, from 292 to 294.

And listen to this: The parity ratio as of February 15 is now 80, 2 points lower than the previous month, and lower than any annual average since 1939.

Yes, my friends, Mr. Benson's own figures disprove Mr. Benson's own statements.

But there is a bright light in an otherwise gloomy picture.

That is the cotton export program.

As many of you know, exports of cotton from the United States in 1955–56 were the lowest for any peacetime year in 85 years, since 1872, with the exception of 1947–48.

For the year ending July 31, 1956, we exported only 2,321,000 bales of cotton. The August 1, 1956, carryover was 14,540,000 bales—the largest on record.

But, because of advice from organizations such as yours, the Congress handed Mr. Benson a mandate which required his Department to take positive steps to regain our historic export market by means of the competitive pricing of our own cotton in the world market.

This was done despite objections, and predictions of failure, from high officials in the Department of Agriculture.

The result has been remarkable. Latest figures show that 1956–57 exports are expected to be about 6.5 million bales, the largest annual export since 1934.

These favorable results have been brought about under the various export financing programs that Congress insisted Mr. Benson use. They included Public Law 480, International Cooperation Administration programs, and Export-Import Bank loans.

In the February 5 issue of the Cotton Situation, the Department of Agriculture estimates that cotton disappearance will be

about 15.5 million bales this year; and as a result of this outstanding success of the export programs, the carryover at the end of the season will probably be about 2.2 million bales smaller than the record high of 14.5 last August 1.

Although the success of the present program exceeded our hopes, Secretary Benson announced to the Senate Agriculture Committee on January 29 that the administration was considering converting the new cotton export program into a program of direct subsidies. He said that, although some of the major farm organizations are against such a change—I might add that the Missouri Cotton Producers Association, and your very able A. L. Story, were part of the opposition—the cotton exchanges were for a plan whereby they would handle the sales and get a direct subsidy from the Government.

We were glad to see the announcement that the present cotton export program would be continued in the 1957–58 marketing year.

Such gains do not come easily. A subcommittee of the Senate Agriculture Committee held exhaustive hearings in the spring of 1955. These hearings disclosed that cotton was being treated like a political football in our international relations.

Let me give you an example.

It was the consensus of the cotton trade that because of our various aid-to-other-countries programs, the United States might, in 1953, export up to 6½ billion bales of cotton.

In 1951 Brazil had an unrealistic support-price program. It fixed the support price at 50 cents per pound. This price was above the world price and the entire Brazilian crop was taken over under loan.

In 1952 Brazil's support price was 40 cents a pound. The entire crop was again placed under loan.

The National Bank of Brazil financed the cotton support-price program. It took over both these crops; and thereupon these two cotton operations rendered the bank insolvent.

In 1953 Brazil fixed her cotton-export price first at $10 per bale under the American price; then at $20 per bale under that price.

We of course advocated that the Commodity Credit Corporation meet this price, on a competitive basis, from our own cotton stock.

But the State Department refused; and as a result our exports fell to 3¼ billion bales.

Three hundred million bales were added to our surplus.

This administration thereupon listened to the pleas of the Brazilian bank that had gone broke because of supporting these two cotton crops. It bailed the bank out; and as a result, in 1953, it permitted Brazil to take over most of the export market of the American cotton farmers.

The final result was that the additional surplus caused reduced acreage allotments for United States cotton farmers.

Time does not permit my presenting you with other illustrations of how, in this agriculture field, one Department works against the other.

If recent gains through our export program are to continue, however, world consumption of cotton must increase. The greatest opportunity to that end lies in expanding per capita consumption.

At present average per capita world consumption is about 6.8 pounds—about one-fourth the United States average.

If the world average could be raised to only half of the current United States level, cotton would be in deficit supply unless production was greatly expanded.

For some 20 years Congress has encouraged direct farmer participation in administration of the farm program, through democratically elected community and county farmer committees.

During the depression years of the thirties and the war years of the forties, these farmer committees proved their effectiveness, as they placed national policies into action in rural America.

In recent years, however, some of us have been disturbed by what appears to be unjustified interference with the work of these duly elected committees.

As example, in many of our Midwestern States the county committee has been relegated to the position of an advisory group.

The steadily declining participation of farmers in governmental farm programs may be a direct result of this single action, because one of the outstanding features of the committee system, prior to this administrative change, was the direct personal contact between farmers and their elected committeemen.

In the past 4 years many Missouri farmers have written, complaining about this and other changes in the administration of the Missouri agricultural stabilization and conservation program.

These complaints were called to the attention of the Department of Agriculture, by letter, by telegram, by speeches on the floor, and in complaints to committees in both Houses of Congress.

No satisfactory action was taken.

On July 29, 1955, therefore, we asked that a Senate committee conduct an investigation of this matter.

This request was necessary because, in our State, at least, many county committeemen elected by their farmer neighbors were being removed from office, often as the result of improper and unsubstantiated charges.

During a 3-year period some 55 committeemen were removed from office in Missouri—at one time 29 percent of all such removals in the entire country.

As a result of our request, a subcommittee of the Senate Committee on Agriculture and Forestry held extensive hearings and thereupon made a report on the operation and administration of the farmer committee system.

Last month Senator HUMPHREY, of Minnesota, chairman of the subcommittee, introduced a bill which was the outgrowth of those hearings. A few days later your able Congressman, PAUL JONES, introduced a companion bill in the House.

I was pleased to cosponsor the Senate bill because it is an honest and able attempt to provide safeguards which will insure the continued operation of our farmer committee system—the backbone of our entire farm program.

Some of the important provisions of the bill are as follows:

1. The right of county committees to decide by States whether they wish to follow an office manager system.

2. Clear-cut establishment of the authority of the county committee to hire, discharge, and supervise the work of their employees.

3. The right of county committees to elect one member of the State committee.

4. A limitation on the authority of the State committee in removal proceedings against county committeemen, by specifically requiring a fair hearing before removal action may be taken.

5. Elimination of the present regulation which requires a removed committeeman's appeal be made to the State committee.

While the Department of Agriculture has not yet sent its report on the bill, it should be noted that this measure is in no sense a reprisal for past actions. It seeks only to prevent the recurrence of such abuses in the future.

When read together with the hearings and report of the subcommittee, it is clear that this bill points the way toward a better and more representative farm program.

Therefore, we are hopeful of its passage during this session of Congress.

The greatest problem of the free world today is the gathering cloud of the growing strength of the Communist conspiracy.

We must also recognize our domestic problems, however, because in our way of life our defense strength can only come from our military strength.

In a totalitarian state the coin of the realm is the order of the dictator. In our system of free enterprise, however, nothing could be further from the truth. Economic strength and military strength go hand in hand.

That is why the position of the farmer should be raised at least to a reasonable level of equality with the rest of the component parts of our economy. If history repeats itself, and farm income continues to fall, it can only drag down the rest of us.

That would be grave in its implications, because we must maintain a strong economy if in turn we are to remain a free people.

Address by Hon. Hubert Humphrey, of Minnesota, to New Jersey Gasoline Dealers

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Monday, April 1, 1957

Mr. HUMPHREY. Mr. President, I ask unanimous consent that an address which I delivered before a group of New Jersey gasoline dealers on December 13, 1956, at Haddon Heights, N. J., be printed in the RECORD.

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

AN ADDRESS BY SENATOR HUBERT H. HUMPHREY BEFORE A GROUP OF NEW JERSEY GASOLINE DEALERS, HADDON HEIGHTS, N. J., DECEMBER 13, 1956

It is certainly a pleasure to be here with you tonight in the famous Cherry Hill Inn, enjoying your hospitality and being warmed by your kind words of friendship. While speaking with many of you individually this evening, it occurred to me that as a group you seem more relaxed and happier than when we last met. Perhaps one reason for this change is because most, if not all, of you are aware of the progress you have made as businessmen in the past year. And that real progress has been made, no one can deny.

Because the past often illuminates the present, please bear with me if I stir some unpleasant memories by saying that I found gasoline retailers during the war to be generally dispirited and quite apprehensive of their future. It seemed as though an atmosphere of gloom and doom had pervaded their ranks. And small reason why. I remember dealer witnesses testifying how they had been drawn unwillingly into the horrors of the price conflict and how, once involved, they were powerless to free themselves. I recall their describing how the war was denying them a livelihood, was draining away their savings, and, in too many instances, was costing them their businesses. I remember, too, the moving testimony of dealers' wives, like Mrs. Helen Beehler and Mrs. Marie Hoffman, who told of the hardship and privation that the war had brought to their families.

In looking back to the price war period, I am convinced that it was the unhappiness so prevalent among dealers that most influenced

my determination to search out a solution. I know that only a situation of near-catastrophic proportions could reduce the usually effervescent small-business man to such a depressed state. All of my life, I have known and associated with small-business men. As you know, my father was a druggist in a small South Dakota town and I worked closely with him for many years. I have learned that the key to the success of the small-business man everywhere is his indomitable will, his hope and confidence in himself, and his rare talent for finding happiness under even the most trying of circumstances. When these qualities cannot be found in small-business men, help is needed in the worst way. And I am the kind of fellow who will see that help is given, even if it means investigating a gasoline price war.

While the investigation of the New Jersey gasoline price war was designed primarily to relieve your particular competitive problems, it also had a secondary purpose which must not be overlooked. This was that the principles by which competitive problems were to be resolved in New Jersey should serve as well to relieve distress among dealers in other marketing areas. After all, it was argued, only a variance in degree distinguished the severity of problems confronting New Jersey dealers from those experienced by your fellow workers in other parts of the country. Surely, a study of a market where dealers' problems were most pronounced would produce salutary effects in other areas as well.

The extensive public hearings which were held demonstrated to my satisfaction that the major oil companies operating in New Jersey could bring the predatory and ruinous price war to an abrupt halt if they wanted to hard enough. Shortly after the close of the hearings, the price war was ended, seemingly because the major suppliers wanted to hard enough. Whatever the reason, with the advent of fair trade competition, the ruthless and irresponsible price war that had prevailed in the market waned and soon was no more than a dreadful memory for those thousands of dealers who had endured its hardships.

As you know, my keen interest in the well-being of gasoline dealers in New Jersey has not faded away with the adoption of fair trade competition. It has become my habit, to keep abreast of developments in this market by reading your letters and by occasionally talking with some of you by long-distance telephone. Only a month ago, I sent the counsel of my subcommittee up here to conduct an on-the-spot survey of post-price-war conditions.

At the present time, my information is that fair trade competition is working successfully in your State. It appears that dealers are working hard and making modest profits, that unethical practices have largely been eliminated, and that the motoring public is generally pleased with the rare combination which it is receiving of quality products, excellent service, and reasonable prices. Incidentally, gasoline prices in New Jersey are the lowest on the eastern seaboard.

I have also learned that fair trade is being practiced in a number of other Eastern States. The system is now found in Massachusetts, Connecticut, Rhode Island, and Pennsylvania. Except for one major supplier fair trading in California, the system is not being used in any other part of the United States, although in several Midwestern States, another form of resale price maintenance called suggested pricing has been adopted. It should be mentioned that suggested pricing is not expressly protected by Federal legislation and, therefore, involves serious antitrust problems, including price-fixing. In the spread of fair trade competition and even in the use of suggested pricing, there is a strong suggestion that at long last the major suppliers are definitely concerned over dealers' problems and are trying to resolve them in their fashion.

Now that fair trade is well-established in New Jersey, it may be that you would like to hear my views on the system. In my judgment, fair trade is a specialized competitive system offering great practical benefits to qualified manufacturers, wholesalers and retailers, and the consuming public alike. The system assures the manufacturer of a stable market for his product. But it does not give him an unfair advantage or a monopoly because, even with the protection of fair trade legislation, he is obliged to compete successfully with other manufacturers of the same or similar products. Should he fail to maintain the quality of his product or if he sets the price too high, he loses out to competitors, fair trade notwithstanding. However, fair trade does protect his product from possible destruction as a result of loss-leader selling and irresponsible price-cutting.

Fair trade benefits the retailer by placing him on an equal footing with all other retailers of the same branded or trade-marked products, whether such competitors are large or small. Most importantly, his margin of profit is fixed to yield him a fair return and he is protected against destructive competition from others who might be disposed toward the vice of predatory price cutting.

The benefits of fair trade to wholesalers are remarkably similar to those received by retailers.

The consumer, too, benefits from fair trade in a number of ways. He knows that the fair traded product may be purchased at a standard price wherever he goes to buy it. Fair trade eliminates the necessity for shopping around. He knows that the price is reasonable. By the very nature of fair trade laws, a price-fixed product cannot survive in the market place unless it competes successfully with similar items produced by other manufacturers. Fair trade also assures a consumer that an outstanding product will remain on the market. It will not be lost to the consumer through destructive price tactics.

That fair trade competition is basically sound in policy and purpose is evidenced by its 25 years of successful operation in the Nation's market places. In this, the Silver Jubilee Anniversary year of fair trade, the system remains strong and vigorous despite the disquieting setbacks it has received recently in a few State courts. The important fact is that the majority of State courts have consistently upheld the legal basis of fair trade. Moreover, it is heartening to note the record of the Supreme Court and the lower Federal courts in generally striking down attempts to destroy fair trade. And certainly not to be disregarded in this connection is the high favor in which fair trade is held in both Houses of Congress. As a matter of fact, so respected is this attitude of Congress that no move has been made to repeal the so-called Federal fair trade laws in the year and a half which has elapsed since such action was recommended by the Attorney General's National Committee To Study the Antitrust Laws. Nor do I see any likelihood that Congress would ever take such ill-advised action.

As you may be aware, it has become fashionable in certain circles nowadays to disparage fair-trade competition. I do not refer to those opponents of fair trade who are honestly and sincerely motivated by their own estimates of the system. Though disagreeing with such critics, I still respect their opinions and feel that debate with them can be constructive. My targets here are the professional critics of fair trade and those who think fair-trade criticism is some sort of parlor game. I am outraged by the actions of the former group and amused by those of the latter.

It is my opinion that the arguments of a person who is paid to hold a certain position are worthless. That person says what he does because it is financially remunerative for him to do so and not because he has studied the problem and arrived at a judgment on the merits. As a practical matter, such a person probably does more of a disservice to himself than to the cause of fair trade. At any rate, he is a man of slight influence on the future of fair trade, despite his noise and windmilling tactics.

For those who think that ridicule of fair trade is a parlor game, I have a suggestion or two to make. First, they could set up a small business and get first hand experience of the injurious effects of loss-leader selling and other predatory pricing practices. Another suggestion would be for them to seek out the views of small-business men on the advantages of fair-trade competition. They will find that the small-business men who are in the best position to know the merits of fair trade and the hazards of unrestricted price competition enthusiastically endorse fair trade. But even if the parlor game crowd remains unconvinced after following such suggestions, their voices like those of the professional opponents, will not constitute a threat to the continuation of fair trade.

This is not to suggest, however, that the future of fair-trade competition in gasoline marketing will be uneventful. As a matter of fact, there are unmistakeable signs that such will not be the case. You have heard or read of what is happening to fair trade in the Boston Federal courts. There 2 antitrust suits are involved, 1 a criminal proceeding by the Department of Justice against Socony Mobil, the other a suit by Esso Standard seeking injunctive relief against a price-cutting marketer named Secatore's Inc. Both cases raise substantial fair trade questions. Briefly, I will examine what I feel are the significant aspects of each case.

In the Socony Mobil case, it was alleged by the Department of Justice that the major supplier had fixed the gasoline prices charged by some of its dealers. At first blush, therefore, the case would seem to be a routine action under the Sherman Act. What distinguishes the case, however, is the defense raised by Socony Mobil to the indictment. On a motion to dismiss, the oil company argued that its price-fixing agreements with dealers were, in effect, fair-trade contracts and, therefore, immune from Sherman Act prosecution. Most interesting in this respect is that the Socony Mobil Co. apparently had no written fair-trade contract with any of its dealers at the time the alleged offense was committed, nor had it made any public announcement of its adoption of fair trade. Thus, it would appear that Socony Mobil is advancing a most novel theory—that a fair-trade contract may be oral in character and need not be publicly announced or in fact even made known to the dealers who would be bound by it.

As this case is now pending in Court, I feel obliged to limit my remarks on its issues. All I will say is that a fair-trading seller should be proud to have the fact publicized and should be prepared to show documentary evidence of his fair-trade program.

Another important feature of this case is that the fair-trade argument of Socony Mobil has afforded the Department of Justice an opportunity to reveal its traditional bias toward fair-trade competition in the brief which it filed with the Court. Not only has the Department in its brief joined issue with Socony Mobil on the subject of oral fair-trade contracts but it has also availed itself of a chance to argue that gasoline is not a product which can be lawfully fair traded.

Whether or not these fundamental issues concerning fair trade will be fully resolved

in the Socony Mobil case remains to be seen. But since they have been raised, it is to be hoped that Socony Mobil's defense of fair-trade principles will be spirited and vigorous. Regarding the price-fixing charges, however, the oil company is on its own.

The injunctive proceeding by Esso Standard against Secatore's is equally of interest to gasoline dealers. In that case, Secatore's a large Boston gasoline retailer, successfully defended against Esso's enforcement action by arguing that Esso could not lawfully fair trade its products so long as it was competing directly with its dealers. The theory underlying this defense is that the fair-trade law of Massachusetts prohibits the use of fair-trade contracts between competing sellers. In its decisions, the Court held that Esso was competing directly with Secatore's for consumer accounts and, therefore, could not lawfully make or enforce fair-trade contracts in Massachusetts. Accordingly, the Court dismissed Esso's application for injunction.

This case should not be especially disturbing to you dealers dependent upon fair trade. After all, the rule in the case merely follows the precedent established by the Supreme Court in the McKesson and Robbins case. There, the court held that, where direct competition exists between two sellers, even though one may also be a customer of the other, it is unlawful for them to enter into a fair-trade contract. In other words, the Supreme Court said that you cannot run with the hare and hold with the hounds. Either fair trade properly or abandon it! Surely no one can reasonably disagree with the soundness of such a position.

Henceforth in the case of every fair trading major oil company, there will be an important issue of fact presented: Is or is not the seller competing directly at any marketing level with his dealers? Should it be found that he is, the supplier must then address himself to choosing between fair trade and competition with his dealers. In his answer to that question will be considerable evidence concerning the major supplier's true feeling toward his dealers.

At this point, I feel it appropriate to remind you that the Senate Small Business Committee cautioned in its report on the New Jersey price war that fair trade was not a panacea for all of the competitive problems besetting gasoline dealers. "Fair trade competition in New Jersey it was emphasized, is ending only the price war; it is not eliminating the competitive conditions which produced it nor the marketing practices which prolonged it. Basic competitive problems stemming from the tremendous disparity in economic power existing between the major suppliers and gasoline retailers remain unresolved and are as threatening now as before the introduction of fair-trade competition."

In the light of these considerations, I strongly urge you to support the resolution which I have introduced in the Senate calling for a comprehensive investigation of competitive conditions in the oil industry. It seems to me that only through such an intensive study will Congress ever gain the information necessary for an informed judgment concerning the desirability of divorcement legislation. You may be assured that I intend to press in the next session of Congress for early action on this resolution. Already, strong backing for the measure has been received from many dealers' associations. To insure success, however, the united support of dealers' organizations throughout the country is needed.

Another legislative matter that warrants speedy action next year is the "Equality of Opportunity" bill. That measure, as you know, is designed to prevent the use of discriminatory pricing practices that tend to create monopoly. Enactment of the bill will be of especial help to gasoline retailers who are so often the victim of serious price discriminations. In view of the opposition which is now being organized against this measure by the major suppliers, your support of it is indeed vital.

Now for a few words of advice in conclusion. Be sure to ask your supplier for a fair-trade contract if you have not already signed one. Active participants in and not passive supporters of fair trade are needed to make the system truly effective. Then, become informed and articulate spokesmen for the advantages of fair-trade competition. Discuss these benefits with your fellow dealers and with your friends whenever an opportunity is presented. In particular, talk to your labor-union friends about how fair trade means quality products at reasonable prices, enabling manufacturer and marketer to pay fair wages. And, do not forget to let your views on fair trade be made known to your elected representatives at local, State, and Federal levels.

Remember always that you have great responsibilities under fair-trade competition. You must insure that the consumer patronizing your service station receives full value for every dollar spent. Service and courtesy must not be neglected. Most importantly, your business must be operated efficiently and with integrity.

Live up to your responsibilities and fair trade will long serve you well. I can assure you that Congress and the antitrust agencies will not allow the major oil companies to use the system selfishly. We must, however, be on guard against unwarranted price increases by the major oil companies, under the guise of pressures from the international situation. The Suez Canal crisis must not be used to justify profiteering or price gouging. A fair price and fair profit are always, in the long run, jeopardized by selfish exploitation in times of crisis.

Repeal the 3-Cents-Per-Pound Processing Tax on Coconut Oil

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1957

Mr. DINGELL. Mr. Speaker, under date of March 11, I introduced a bill, H. R. 5818, the purpose of which is to eliminate the 3-cents-per-pound tax collected on the first domestic processing of coconut oil as provided in section 4511 (a) of the Internal Revenue Code of 1954, leaving in effect the additional rate of 2 cents per pound provided for in section 4511 (b) and also leaving in effect the tariff duty of 1 cent per pound applicable to coconut oil in paragraph 54 of the Tariff Act of 1930. I desire at this time to submit certain statistical data relating to H. R. 5818.

Table 1 shows the United States exports and imports of oils and fats and the import or export balance as the case may be for the 9-year pre-World War II period 1930 to 1938. Table I also provides the same data for a 9-year postwar period beginning with the year 1948.

The 3-cents- and 2-cents-per-pound processing taxes on coconut oil were levied on coconut oil on May 10, 1934. It will be noted in table 1 that during the year 1934 and the remaining years in the 9-year pre-World War II period that the United States oils and fats economy was on a deficit basis, i. e., there was an excess of imports over exports. During the 9-year postwar period shown in table 1 the United States has enjoyed a surplus of exports over imports of oils and fats. In the year 1956 it will be noted that the surplus of exports over imports reached the amazing total of 3,890 million pounds.

The purpose of these comparisons is to show that the entire fats and oils economy of the United States changed during World War II and subsequently thereto. From a net importer we have become the world's greatest exporter of fats and oils. Under these circumstances the price level of fats and oils is no longer the world market price plus import duties and processing taxes as was the case in 1934. The domestic price level is the world market price less freight and insurance costs in moving American oils and fats into the world market. Hence it cannot be argued that the removal of the 3-cents-per-pound processing tax on coconut oil will result in the depreciation of the market price of our American oils and fats in the domestic market. The price level of our domestic oils and fats is established in world markets rather than the American market.

TABLE 1.—*United States imports and exports of fats and oils*

[In million pounds]

Year	Exports	Imports	Excess exports over imports
1930	923	1,660	−737
1931	831	1,506	−675
1932	798	1,201	−403
1933	816	1,678	−862
1934	614	1,362	−748
1935	191	2,135	−1,944
1936	217	2,009	−1,792
1937	223	2,599	−2,376
1938	297	1,756	−1,459
1948	924	1,175	−251
1949	2,257	1,031	1,226
1950	2,036	1,237	799
1951	2,435	1,094	1,341
1952	2,274	869	1,405
1953	2,595	913	1,682
1954	3,874	914	2,960
1955	4,514	512	4,002
1956	4,909	1,019	3,890

Source: Agricultural Marketing Service, U. S. Department of Agriculture.

Table No. 2 shows the world exports of fats and oils and the United States exports as percent of world exports. It will be noted from table 2 that beginning with the year 1954 the United States exports of fats and oils represented more than one-fourth of the total world exports. In 1956 the proportion of exports originating in the United States was one-third of the total.

The purpose of table 2 is to further establish that the prices of domestic fats and oils are established in world markets. It also shows that the hindrance of the entry of coconut oil into the domestic market by means of the 3-cent processing tax does not mean that domestic oils and fats avoid competitive impact with coconut oil. If coconut oil has the ability to compete with American oils and fats such competition is all the more pronounced in world markets because of the tendency of the processing tax on coconut oil to depreciate the price of Philippine coconut oil in world mar-

kets, a circumstance which is discussed in more detail below:

TABLE 2.—*United States exports as percent of world fats and oils exports* [1]

Calendar year	World exports (billion pounds)	United States as percent of world
1935–39 average	13.1	2.2
1945–49 average	8.1	14.8
1950	12.3	15.5
1951	12.8	18.0
1952	11.7	17.9
1953	12.7	19.3
1954	14.5	26.2
1955	14.5	27.6
1956 [2]	15.5	33.5

[1] Includes the oil equivalent of oilseeds exported.
[2] Partly estimated.

Source: Agricultural Marketing Service, U. S. Department of Agriculture.

Table 3 lists the principal oils and fats exported from the United States in the calendar year 1956. Domestic production, exports and percent of production represented by exports are shown. Table 3 shows that while inedible tallow and grease is the largest single item of export, viz 1,486,000,000 pounds, the aggregate of lard, cottonseed oil and soybean oil exports is 1,963,300,000 pounds which exceeds by almost 500 million pounds the volume of inedible tallow and grease exports. Since the total export of all oils and fats from the United States in 1956 was 4,909,000,000 pounds, exports of these 2 edible oils and lard constituted 40 percent of the total.

Coconut oil is used principally in Europe in edible products. Bureau of the Census records show that its principal usage in the United States is by industries which produce inedible products such as the soap, fatty acid, and protective-coatings industries. The confectionery and baking industries account for the only important edible usage of coconut oil in the United States. It is used in these industries for purposes where it cannot be replaced by domestic oils and fats as evidenced by the fact that prices paid for coconut oil exceed by several cents per pound the prices of domestic fats and oils. Coconut oil imparts far longer shelf life, that is, resistance to rancidity, to confections and crackers than can be secured without its use.

In Europe coconut oil is a major ingredient of margarine whereas the Bureau of the Census records show that it has not been so employed in the United States since the year 1950. Lack of mechanical refrigeration in private homes accounts for much of the preference of European margarine manufacturers for coconut oil as a margarine ingredient.

Table 3 shows that the American lard and soybean oil producers must encounter the competition of Philippine coconut oil in edible products in world markets on approximately one-fourth of their production. Cottonseed oil producers must encounter its competition, in world markets, on approximately one-third of their production. It would seem to be to the advantage of these producers to permit the consumption of larger quantities of Philippine coconut oil through repeal of the 3-cent processing tax in the United States in noncompetitive outlets, for example, inedible products such as soap and fatty acids and the types of edible usage in specialty products wherein our confectioners and bakers employ it solely for purposes for which domestic oils and fats are not suitable. Under present conditions our exports of lard, cottonseed and soybean oils encounter the competition of Philippine coconut oil in world markets at price levels depreciated by the 3-cent processing tax which the United States, the largest single consumer of Philippine coconut oil levies upon that product. H. R. 5818 seeks to rectify that situation.

TABLE 3.—*United States production and exports of principal fats and oils, year 1956*

[In million pounds]

Commodity	Production	Exports	Percent exported
Lard	2,565	611	23.8
Tallow and grease, inedible	3,118	1,486	47.7
Cottonseed oil	1,826	[1] 628	34.4
Soybean oil	3,200	[1] 724	22.6
Fish oils	197	141	71.5

[1] Crude basis.

Source: Bureau of the Census.

I now wish to show that passage of H. R. 5818 would be to the best interests of the domestic producers of inedible tallow and grease. Table 4 shows that the domestic factory consumption of inedible tallow and grease is principally accounted for by its consumption in soap manufacture. However table 4 shows that this domestic outlet for inedible tallow and grease has been steadily declining since 1948, the first year in which synthetic detergents reached important proportions in the United States. Synthetic substitutes for soap obtained a distribution of 1 pound per capita in World War II years when the supplies of coconut oil were limited. In 1946 the consumption reached 2 pounds per capita and in 1948 the consumption was at the rate of 4 pounds per capita. Table 4 shows that in 1948 the consumption of inedible tallow and grease in soap accounted for 81.5 percent of the United States factory consumption of these products. Table 4 registers from 1948 to 1956 a steady decline in the percentage of inedible tallow and grease in soap as relates to total factory consumption of these two items. A decline of 30 percent use in domestic soapmaking is registered in the 9-year period shown.

During the 9-year period covered by table 4 the domestic tallow rendering industry has been confronted, due to competition of synthetic detergents, with the necessity of exporting an increasingly larger proportion of its production. It is obvious that it would be desirable to sell a larger proportion of this tallow for domestic consumption as the exports must bear the costs of transportation, insurance, and other incidental costs encountered in reaching the foreign market. The passage of H. R. 5818 will help the tallow renderers regain a substantial part of the domestic market which they have lost.

Domestic soap is made from tallow and coconut oil. Tallow, which is the main increment, supplies the body or the lasting quality of the soap and the coconut oil furnishes the lathering quality. The two products obviously supplement one another in the making of a satisfactory soap as, despite the fact that the price of coconut oil plus the 3-cents-per-pound processing tax is commonly twice the domestic price of tallow, the soapmaker must include coconut oil in his formula. No domestic oil or fat will supply the free-lathering qualities resident in coconut oil. This is due to the low molecular weight of its component fatty acids—chiefly lauric acid—and their high saponification value.

The current price of "extra" tallow is 7⅜ cents per pound delivered, New York. The cost of coconut oil, excise tax paid, in the New York area is in the vicinity of 15 cents per pound. The ratio of tallow to coconut oil in good free lathering soap should be at least 4 parts of tallow to 1 of coconut oil. Synthetic detergents are made chiefly from benzene—largely a product of the coke oven—and sulfuric acid. Both of these chemicals are cheaper than tallow and coconut oil but some headway could be made by the soap maker in competing with synthetics if he was relieved of the burden of processing tax.

Processing tax-free coconut oil is the best antidote for the surplus of tallow and grease position. Wash water in most areas of the United States possesses a considerable degree of hardness. It is the opinion of the Western States Meat Packers Association and the Pacific Coast Renderers Association that if soap makers have the opportunity to make a freer lathering soap through employing more coconut oil, as a result of the elimination of the 3-cent processing tax, more inedible tallow and grease will be carried into domestic consumption in the soap kettle.

In a press release issued on March 30, 1953, the Department of Agriculture stated that the new role of inedible tallow and greases in the export market, as a result of the development of synthetic detergents, must be taken into account in appraising export demand for edible vegetable oils. The release pointed out that tallow and grease exports from the United States have released other materials from soapmaking in Europe. These materials such as palm oil are therefore more freely available for the manufacturers of margarine and cooking fats. In the light of this observation by the Department of Agriculture it seems evident that a larger consumption of inedible tallow and grease in soapmaking in the United States would be of assistance in enlarging the European export market for lard and edible vegetable oils for United States producers.

TABLE 4.—*Factory consumption of inedible tallow and grease in soap*

[In thousand pounds]

Year	Total factory consumption	Used in soap	Percent of total used in soap
1948	1,781,942	1,451,454	81.5
1949	1,706,634	1,345,597	78.8
1950	1,830,953	1,374,845	75.1
1951	1,719,372	1,194,815	69.5
1952	1,566,970	1,084,225	69.2
1953	1,595,289	1,025,845	64.3
1954	1,576,389	907,143	57.5
1955	1,592,493	864,821	54.3
1956	1,580,693	812,720	51.4

Source: Bureau of the Census, facts for industry.

Table 5 shows the consumption of oils and fats in margarine from 1930 to 1934. It will be noted that the percentage of coconut oil used in margarine manufacture in this period varied from 62 to 75 percent of total oils used. This circumstance was the principal reason for the levying of the 3-cent processing tax on coconut oil on May 10, 1934. Margarine manufacturers continued to use coconut oil until World War II when the War Food Administration prohibited the use of coconut oil in the manufacture of margarine in order to conserve the available supply for strategic uses similar to those for which coconut oil is currently stockpiled by the Office of Defense Mobilization. During this period margarine manufacturers in the United States developed new manufacturing techniques whereby the use of coconut oil could be dispensed with in favor of cottonseed and soybean oils. The latter half of table 5 shows that since the year 1950 no coconut oil has been employed in the manufacture of margarine. Coconut oil is therefore entirely eliminated from the only field of usage in which it offered any material competition to oils and fats produced from American crops.

TABLE 5.—*Fats and oils used in manufacture of margarine, 1930–34 and 1950–56*

[In thousand pounds]

Year	Total oils and fats used in margarine	Coconut oil used	Percent of total oils used
1930	297,809	185,066	62
1931	234,366	155,954	67
1932	178,116	127,967	72
1933	178,755	134,430	75
1934	199,028	140,083	70
1950	765,177	None	None
1951	850,750	None	None
1952	1,046,010	None	None
1953	1,048,617	None	None
1954	1,105,915	None	None
1955	1,074,408	None	None
1956	1,107,866	None	None

Source: Bureau of the Census, Facts for Industry.

COMMERCE BETWEEN THE UNITED STATES AND THE PHILIPPINES

In the year 1955 the Philippines imported from the United States merchandise valued at 703,853,000 pesos—$351,926,500. Of this total 221,344,000 pesos—$110,672,000—represented items of agricultural origin or products thereof as follows: Cotton and manufactures, 119,981,000 pesos—$59,990,500—grains and preparations, 24,986,000 pesos—$12,493,000—dairy products, 37,231,000 pesos—$18,615,000—tobacco and manufactures, 28,646,000 pesos—$14,323,000—inedible animal products, tallow, et cetera, 10,500,000 pesos—$5,250,000.

The Philippines exported to the United States in the year 1955 merchandise valued at 506,490,000 pesos—$253,245,000. Thus the balance of trade favored the United States to the extent of about $99 million.

Copra imports into the United States from the Philippines in 1955 amounted to 297,000 long tons, valued at $45,167,555. Coconut oil imports amounted to 145 million pounds, valued at $16,296,878. Copra is the chief cash crop which the Philippines must sell to the United States to acquire dollars with which to pay for imports purchased from this country. The Philippines are the most important export customer of the United States in southeast Asia. This important market can be enlarged if the adverse trade balance with the United States can be reduced.

The processing tax of 3 cents per pound collected on the first domestic processing of coconut oil when expressed in terms of a long ton of copra amounts to a tariff duty of $42, which is equivalent to over 30 percent ad valorem. Such a duty would, under ordinary circumstances, be considered cruelly unjust to a friendly country, particularly on a commodity not produced in the United States. The long overdue rectification of this injustice can be accomplished by the passage of H. R. 5818.

Exports of copra and coconut oil, expressed in terms of copra, from the Philippines in the 5-year period ending with 1956 averaged 878,180 long tons per annum. In the 5-year period average importations by the United States, in terms of copra, were 403,927 long tons, or 46 percent of the total. The balance was sold in world markets, chiefly Europe.

The total factory consumption of all oils and fats in the United States in 1955, according to the Bureau of the Census, was 17.3 billion pounds. Factory consumption of coconut oil was 557 million pounds, or 3.2 percent of the total.

Alaska Statehood

EXTENSION OF REMARKS
OF
HON. THOMAS H. KUCHEL
OF CALIFORNIA
IN THE SENATE OF THE UNITED STATES

Monday, April 1, 1957

Mr. KUCHEL. Mr. President, the Subcommittee on Territories and Insular Affairs of the Senate Committee on Interior and Insular Affairs is now holding hearings on the question of Alaskan statehood. Statehood for Alaska has the endorsement both of the party to which the distinguished Presiding Officer [Mr. DOUGLAS] belongs, and of the Republican Party.

I ask unanimous consent that an excellent statement by the Secretary of the Interior in favor of Alaskan statehood be made a part of the RECORD.

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

It is indeed a pleasure to appear here today to present this statement, which Secretary Seaton has approved, on the subject of statehood for Alaska. As many of you know, Secretary Seaton has for a number of years been a stanch advocate of immediate statehood for Alaska and Hawaii.

Secretary Seaton is still confined to Walter Reed Hospital for treatment for a back injury which flared up during his recent inspection trip to Hawaii. He asked me to inform you that he volunteers to meet, if you should so wish, with your committee or representatives of it, at Walter Reed to discuss further at your convenience the statement I am presenting here today for him.

Before we proceed any further, let me make this clear: The administration's position is that all of the Territory of Alaska should become the State of Alaska. Because of the unique position of Alaska, however, we ask the Congress and the people of Alaska to grant to the President, the Commander in Chief of our Armed Forces, special powers with respect to defense in this area.

Alaska became a part of this country 90 years ago. Its institutions and its economy are characteristically American. The people of Alaska have a vigor and self-reliance such as we ascribe to the men and women of our western frontier a few decades back.

Alaskans have courageously attacked the natural obstacles of their Territory's climate and terrain; they have built houses with modern conveniences, cities with modern facilities. To many thousands of Americans Alaska is home. It is for them a place to live, not a place to exploit and leave.

In 1867, when the United States purchased this vast area for $7,200,000, some called the purchase Seward's folly. The wisdom of this acquisition has now become clear to everybody. For evidence, one needs only to consider Alaska's strategic value to the people of the free world.

For a prolonged period Alaska developed slowly but steadily. In recent years its population and economy have grown rapidly. From 1950 to 1956 Alaska's civilian population increased from 108,000 to 161,000—48.6 percent. This Territory, with an area more than twice the size of Texas, is now reported by C. W. Snedden, publisher of America's farthest north newspaper, to be inhabited by about 212,500 people, including approximately 50,000 military personnel.

For many years fishing has been by far the Territory's greatest industry. Even in 1955, a relatively poor year, the aggregate wholesale value of this industry's output amounted to almost $70 million; 24,619 persons were at work in the Territory's commercial fisheries; of these, 6,745 were Indians, Eskimos and Aleuts. In 1955 employment in these commercial fisheries increased by 1,540 persons over 1954, an increase of 7 percent. The 1956 preliminary figures indicate that the salmon catch has increased about 25 percent.

Even more significant is the fact that new industries, based on such Alaskan products as pulp and timber, are being established. In all of these new operations, Alaska's timber will be managed on a sustained yield basis, with adequate provision for replenishment of the forest reserve during the cutting cycle. The first major pulp plant in Alaska, the Ketchikan Pulp Co., which began operations in 1954, is one of the most modern in the United States.

Representing an investment of more than $56 million, the plant was built as a joint enterprise of the American Viscose Corp. and the Pudget Sound Pulp & Timber Co. The plant uses modern methods which provide efficient production of pulp and, incidentally, do not cause pollution damage.

Other significant pulp and timber developments are expected at Sitka and Juneau. At Sitka the Forest Service of the United States Department of Agriculture has contracted with the Alaska Lumber & Pulp Co. for the sale of 5.25 billion board-feet of timber. This company proposes the construction of a pulp plant with a capacity of approximately 300 tons per day.

In the Juneau area the Georgia-Pacific-Alaska Co. proposes another large pulp plant based on 7.5 billion board-feet of timber from the Tongass National Forest. At Wrangell a preliminary award of 3 billion board-feet has also been made to the Pacific Northern Timber Co.

These developments are being made by large, substantial investors. The facilities will be permanent. They represent faith in the future of Alaska, its resources, and the American way of life. Such economic development will, I am confident, be acceler-

ated at even a greater pace when Alaska becomes a State.

The outlook is similarly encouraging when we consider Alaskan mining.

Although most of it is now being done for gold, coal and sand and gravel, other minerals are receiving attention.

Investigations of the Klukwan iron-ore deposits in the vicinity of Haines in southeastern Alaska are being made. The Klukwan site contains several billion tons of rock with about 13 percent magnetite iron.

Other iron deposits in southeastern Alaska have been studied by Government agencies and private concerns. The Utah Company of America is leasing deposits on Prince of Wales Island.

The past few years have witnessed renewed interest in copper deposits in the Cordova and Valdez areas on the Gulf of Alaska. Another promising copper prospect is located on the Kobuk River in the second judicial division.

Work is also being done on nickel deposits. The mercury occurrences in the Kuskokwim-Bristol Bay area are described as among the most promising in the country.

The widespread interest in oil and gas is well known. About 5 million acres of Alaska are now under oil and gas leases.

These facts, and many others, are evidence that, as America's last frontier, Alaska is a land of opportunity. Her great forests, her tremendous and as yet barely tapped natural resources will, I believe, continue to assure her economic growth for generations to come.

Alaska, as Hawaii, bears its full share of the burden of Federal taxation. In fiscal 1955 Federal internal revenue collections from Hawaii amounted to $126 million; from Alaska, they were $44.5 million. The per capita income-tax collections in Alaska for 1955 were higher than the per capita collections in 6 States. Tax collections do not, however, adequately reflect Alaska's current industrial activity; many large taxpayers doing business in Alaska file their Federal tax returns elsewhere.

In January of this year, I visited the major population centers of Alaska, discussing statehood with many people. Although some sincerely opposed Alaska's admission as a State, I became firmly convinced that the majority of Alaskan residents favor statehood. This was demonstrated in 1946, when by referendum the residents of Alaska favored statehood by a vote of 9,630 to 6,822, approximately 3 to 2.

The arguments against admitting Alaska are not new. When statehood was sought for my home State of Nebraska in 1867, the same year that Alaska became a Territory, objections were made that the population was not sufficient and that the burden of State government was being forced upon the residents of the Territory against their will. The great Daniel Webster thought even California should not be let into the Union. Objections such as we hear today about Alaska have been heard many times before in our history—objections to the admission of States that now hold up their share of the national effort and contribute actively to the well-being and strength of the entire Union.

These objections have brought forth forceful and cogent replies. One of the most forceful and cogent was made by Senator William H. Seward, of New York (who later, as Secretary of State, arranged for the purchase of Alaska), when he urged, in 1858, the admission of Oregon as a State. While a Member of the United States Senate, speaking in favor of statehood for Alaska, I quoted from one of Senator Seward's speeches in support of the admission of Oregon. Senator Seward's words, pertinent today, are these:

"In coming to this conclusion (to support the admission of Oregon as a State), I am determined by the fact that, geographically and politically, the region of country which is occupied by the present Territory of Oregon is indispensable to the completion and rounding off of this Republic. Every man sees it, and every man knows it. * * * There is no Member of the Senate or of the House of Representatives, and, probably, no man in the United States who would be willing to see it lopped off, fall into the Pacific or into the possession of Russia or under the control of any other power; but every man, woman, and child knows that it is just as essential to the completion of this Republic as is the State of New York, or is the State of Louisiana, on the Mississippi. It cost us too much to get it, we have nursed and cherished it too long, not to know and feel that it is an essential part. * * *

"Well, then, she is to be admitted at some time, and inasmuch as she is to be admitted at all events, and is to be admitted at some time, it is only a question of time whether you will admit her today, or admit her 6 months hence, or admit her a year or 7 years hence. What objection is there to her being admitted now? You say she has not 100,000 people. What of that? She will have 100,000 people in a very short time. * * *

"For one, sir, I think that the sooner a Territory emerges from its provincial condition the better; the sooner the people are left to manage their own affairs, and are admitted to participation in the responsibilities of this Government, the stronger and the more vigorous the States which those people form will be."

With this background in mind, I should like to consider the legislation now before you. As you remember, the President, in his budget message of 1957, said:

"I also recommend the enactment of legislation admitting Hawaii into the Union as a State, and that, subject to area limitations and other safeguards for the conduct of defense activities so vitally necessary to our national security, statehood also be conferred upon Alaska."

Our report to this committee contains amendments which have been prepared to implement the President's statement. These amendments will permit the President to create special national-defense withdrawals over which the Federal Government may exercise exclusive jurisdiction in the area north and west of the geographic line described in our proposed section. However, even within these areas, when withdrawals are established, residents will continue to have the right to vote in all Federal, State, and local elections; the functions of the few municipalities and school districts will continue to be performed by those subdivisions. The right to serve civil or criminal processes within such areas will also be reserved to the State.

Upon the issuance of an Executive order or proclamation exclusive jurisdiction will be established in the United States. This will vest in the Federal Government all legislative, executive, and judicial powers over the area within the special national-defense withdrawal. The laws of the State of Alaska would be adopted and enforced as Federal laws. The State would retain all powers necessary to prescribe voting requirements and procedures and the right to enforce its voting laws within the special withdrawals. Our intent in this regard is to assure that the State and local elections be entirely free from any Federal interference.

The exclusive Federal jurisdiction, until Congress provides otherwise, will be exercised in accordance with the provisions of our proposed section 10 (d). Briefly, this section is intended to accomplish the following: (1) General laws applicable in the area when a special withdrawal is made will be adopted as Federal laws, and during the period of special withdrawal the President will designate who will administer these laws; (2) laws pertaining to local political subdivisions will remain in effect and, by virtue of our amendments, the municipalities and school districts will continue to be administered by local authorities. Again our intent is to make certain that local political subdivisions will function under local laws despite any withdrawal that may be made, subject only to the requirement that any law or ordinance of, or pertaining to, such local political subdivision which is inconsistent with the full use and operation of any special national-defense withdrawal shall be inoperative during the period of such withdrawal.

The Federal district court for Alaska will be given exclusive jurisdiction over all civil and criminal actions arising within any wthdrawal made pursuant to section 10.

We think it is significant that the chamber of commerce of the city of Nome, the largest city north of the section 10 line, has publicly announced that the proposal outlined here today is endorsed by Nome residents.

With the consent of the people of Alaska, as provided in section 8 of the bills before you, these amendments will give to the President authority similar to that now available to the Federal Government in 25 States, pursuant to either the Constitutions or statutes of those States. In effect, the people of the new State will agree to exclusive Federal jurisdiction over the designated areas, if such withdrawals are made. Renumbered section 11 provides protection for defense areas established heretofore.

One of the questions I have often been asked concerning our suggested amendments is: What will be the status of Alaska's natural resources, including commercial fisheries, if this proposal is adopted by Congress? Alaska's jurisdiction, prior to any withdrawal, will extend not only to the whole of Alaska, but also to the three-mile limit in the tidal areas. If a withdrawal encompassing tidal areas is made, the laws of the State applicable thereto will be adopted and enforced as Federal laws.

We assume that these amendments will, therefore, give Alaska full opportunity to assert such State control as Alaskans deem necessary over this segment of their economy. Should a withdrawal be made prior to formal admission of Alaska as a State, Congress will have the power to adjust existing laws within such withdrawal to those of the State, if such action is necessary. In any event, after statehood Alaskan laws will govern. Only the enforcement of such laws will be the responsibility of the Federal Government in areas within a special national defense withdrawal when made.

The portion of Alaska subject to possible future Federal withdrawals contains approximately 276,000 square miles. It has a present population of about 24,000 people. About 5,000 of these are in military service, or are in the civilian employ of the Department of Defense; approximately 15,000 are Indians, Eskimos, and Aleuts. The Bureau of Indian Affairs of the Department of the Interior will continue its trusteeship for these natives after statehood. Because of the relative isolation of this part of Alaska, we feel that this remote area may be dependent upon the Federal Government for many services for some time to come. For instance, two-thirds of the schools in this area are now maintained by the Alaska Native Service. Even in the Territorial schools there, the ANS supports over 1,100 native schoolchildren—almost one-third of the total enrollment.

There are vast mineral resources in this area which are necessary for the full development of the population centers already established in Alaska. The Gubic gas field, located east of Naval Petroleum Reserve No. 4, and within Public Land Order 82, is a good example. Estimated to contain 300 billion cubic feet of gas, the portion of this structure outside Naval Petroleum Reserve No. 4 covers about 20,000 acres. The Department

of the Interior has been informed that plans are being considered which would provide private financing (about $45 million) to develop this field and transport the gas by pipeline to the nearest market center in the rail belt area, encompassing the major cities of Fairbanks and Anchorage as well as four major military installations.

Members of the Senate and the House of Representatives deserve unqualified commendation for the long hours, the energy, and the careful thought which they devote to the problems of the Nation's Territories and island possessions. I have been particularly impressed by the attention given legislation affecting these areas, because I recognize that the peculiar problems of the Territories are somewhat remote from the everyday interests of most Senators and Congressmen and of their constituents.

To confirm my own impression of that point, I had a check made as to the volume of Territorial legislation considered by Congress recently. No less than 59 separate bills handled by this Territories Subcommittee were enacted into law during the last Congress; 30 of those laws (just over half) related solely to Alaska. Among them were very important legislative items. For example, the Alaska Mental Health Act, a long-overdue reform which enables Alaska to care for her mentally ill in the Territory, was enacted in the face of widespread public misunderstanding of its purposes.

Other legislation permitted Alaska to incur bonded indebtedness, dealt with the Alaska constitutional convention, provided for a system of public recreation facilities in Alaska, authorized a survey program on water resources, gave Alaska the same share of receipts from her national forests that States receive, permitted advances to the Territory under the Federal Unemployment Act, and cleared up several troublesome land problems. Each and all of these bills had the approval of the Department of the Interior. The record of action on Alaskan matters in recent years has been fruitful.

We believe, however, that statehood will for the first time not only give Alaskans a full opportunity to their rightful heritage as full-fledged citizens of the United States but also will enable them to develop Alaska's natural riches and thereby enlarge their contribution to the economic good of all America. The transition period and the early years of statehood may, of course, pose serious problems for the new State. For that reason we have recommended adoption of the relatively generous provisions of recent statehood bills for land grants and financial assistance.

The Bureau of the Budget has cleared S. 49, provided that the safeguards discussed in the budget message are included; and the Bureau has added the following recommendations:

"Alaska was recently brought under the Federal-Aid Road Act by section 107 of the Federal-Aid Highway Act of 1956 (Public Law 627, 84th Cong.). It is recommended, therefore, that section 20 of S. 49 be eliminated, and that any special provisions needed for Alaska to participate as a State in highway apportionments be determined when the Congress considers future highway acts."

The Department of the Interior will expedite the presentation of an appropriate highway program for Alaska in order that Congress may consider whether the formula for Alaskan participation in the highway program should be revised. This program will include recommendations concerning transfer of title to public roads and trails to Alaska, and concerning financial assistance to Alaska for road maintenance during the transition period. Of course, this proposal will have to be cleared with the Bureau of the Budget.

My statement does not attempt to analyze in detail every individual item in the various statehood bills before you. As this committee well knows, final drafting of statehood legislation requires careful study of a multitude of details relating to land, to financial relationships, to procedures required for the change of status, and the like.

The officials of the Department of the Interior are, of course, at the disposal of this committee for any information you may desire or any other service you may want.

Speech of Hon. Winfield K. Denton, of Indiana, United States Representative, Eighth District, at the Thomas Riley Marshall Democratic Dinner, Honeywell Memorial Building, Wabash, Ind., Fifth Indiana Congressional District, Thursday, March 21, 1957

EXTENSION OF REMARKS
OF
HON. ED EDMONDSON
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Monday, April 1, 1957

Mr. EDMONDSON. Mr. Speaker, under leave to extend my remarks, I am pleased to place in the RECORD a speech by our distinguished colleague from Indiana, the Honorable WINFIELD K. DENTON, which was delivered at the Thomas Riley Marshall Democratic dinner at Wabash, Ind., on March 21, 1957.

This highly interesting speech was called to my attention by the Honorable Paul Hillsamer, a good friend in Marion, Ind., who shares my high regard for the splendid service in this House by WINFIELD DENTON.

The address is an eloquent tribute to a former Vice President, who fought hard for the principles which made America great—the same principles for which WINFIELD DENTON is today fighting. His speech follows:

We meet tonight to honor a great American and a great Democrat: Thomas Riley Marshall.

Tom Marshall was truly a distinguished son of Indiana—the Governor of our State for a very memorable 4 years, and for two terms Vice President of the United States. He was a typical Hoosier, and Wabash County can feel highly honored that he was born here, 103 years ago this month.

He was the son of Dr. Daniel Marshall, who was practicing in North Manchester during the 1850's, and whose family had settled in Indiana the year after statehood. His mother was a descendant of the famous Charles Carroll, of Maryland, who was a signer of the Declaration of Independence and a leader in the American Revolution. His paternal ancestors came from Virginia, and he is reputed to have been related to the great Chief Justice, John Marshall. But it was in true Tom Marshall style that he said, "So far as I know I am the only man of my name who does not trace his origin * * * to the great Chief Justice * * * with the utter recklessness of a Hoosier, I do not care."

Because of the delicate health of his mother, Marshall's family left Indiana when he was 2 years old and traveled and lived in the West for a time, but they returned to the State when he was 6 years of age. Tom Marshall was educated in the Indiana schools, and graduated from Wabash College. He began the practice of law as a typical country lawyer at Columbia City, in neighboring Whitley County, where he became a leader in the community, in his church, and in his fraternal order.

Tom Marshall was an active Democrat at the age of 18; after more than 20 years' faithful work in our party, he became 12th District chairman, and thus a member of the Democratic State central committee, in 1896. But he was a candidate for public office on only one occasion before he ran for governor in 1908; he was defeated in an election for county prosecutor in 1880.

When he was elected Governor of Indiana in 1908, our party had been out of power in the State for 12 years. Not only did he bring new life to the party, but his administration was refreshing to the whole State. Tom Marshall brought to the statehouse a rugged honesty, a lively sense of humor, a thorough fairness, and discretion, a strong spirit of economy—and he was a liberal, as he said, "a liberal with the brakes on."

Marshall did not place much importance on family history; but he did have good reason in his family for being a Democrat. His father and grandfather were stanch supporters of the Union cause during the Civil War, but they were also partisan Democrats, and remained so, when, with the Union Army in the field and soldiers dying, feeling ran strong against the Democrats.

At that time, the two elder Marshalls were notified by the minister of their church that he would have to strike their names off the church roll if they continued to vote the Democratic ticket. Marshall's grandfather announced that he was willing to take his chances on hell, but never on the Republican Party. His father withdrew from that church and joined a church of another denomination. You wouldn't think such prejudice as the Marshalls suffered then would show up at the present day; but I must mention that the man who now holds the second highest office in the land has accused all Democrats in effect of being traitors and disloyal to their country.

We Democrats can take pride in what Tom Marshall did as our Governor nearly 50 years ago. During his term in the statehouse, he advocated the direct election of United States Senators; a uniform primary election law; laws to prevent the watering of stock in corporations; better regulation of insurance companies; the creation of a State board of accounts; and labor legislation that included the employers' liability law (which paved the way for workmen's compensation), a mine-safety program, railroad-labor safety, a weekly wage law, and a child-labor law.

Marshall asked for a new State constitution; a State inheritance tax; a corrupt practices act; a voters' registration law; protection for bank depositors; and the power to break up business trusts and monopolies.

Such a program as that seems commonplace to us today (for most of it is now an accepted fact), but in Tom Marshall's time it was considered a very progressive program—some of it so progressive that he was unable to get it all enacted. In those days, Indiana ranked as one of the most progressive States of the Union.

What a far cry that is from what we have today—a State that now has enacted a misnamed right-to-work law.

Maybe those who pushed the right-to-work law get a kind of savage satisfaction out of punishing other people; but the passing of a law which would tend to destroy labor unions and deprive a working man of his hard-won right to organize and bargain collectively is not a laughing matter. It was a deadly serious business.

But doesn't it reflect the real spirit of the Republican Party in Indiana—clear to the highest office in the State? The new Governor, who was elected last fall with certain labor support, did not lift even a finger to prevent the passing of this nefarious bill,

but permitted it to become a law without his signature. (I understand he has already had more visitors at the statehouse since he took office than any other Governor has had in the history of Indiana.) Why didn't he either sign or veto the so-called right-to-work bill?

There has been another change at the statehouse since Tom Marshall served there. When Marshall was Governor, the State's expenditures were reduced, the sinking fund to pay the State debt was built up, and State taxes were lowered. Oh, if we could only have another State administration like that, after these years of Republican spending and waste in Indiana.

First, we had Governor Craig, who by his extravagance depleted the $75 million surplus which Governor Schricker had left in the State treasury when he retired from office. And now there is Governor Handley, whose regime in just 9 weeks has handed us an amazing list of tax increases and a State budget he has himself called fantastic.

This Republican budget ended up totaling nearly $800 million, even larger than the 1955 Craig budget, and it is the highest budget in the history of the State.

In spite of an early delay with some faulty arithmetic on tax rates, the Governor finally obtained a 50 percent increase in the gross-income tax. Also, he got a 50 percent increase in the gasoline tax. He got a payroll withholding tax on gross income. He got the taxes or fees raised on barbershop licenses, beautyshop licenses, birth certificates, marriage licenses, and death certificates. And he got the fees increased for fishing licenses and hunting licenses.

All of us have worried a lot about the cost of living. But, under Governor Handley, it is going to cost you more to be born, or to get married, or to die. Don't think you can get away from these taxes. You can't even relax and forget about them by going fishing or taking time out for a haircut.

With these new taxes popping up all around, one of my Republican colleagues in Washington received a letter the other day from a very angry Hoosier. He said, "If an election were held in Indiana today, the Republican ticket would draw only 3 votes; those 3 votes would be from Senator Jenner, Governor Handley, and Congressman Halleck."

I am going to let you in on a good one: Our Governor had been planning to make a trip to Washington last Thursday and give a talk to the United States Chamber of Commerce. Now the subject of his lecture to them was going to be, of all things, Economy in Government. (I heard he wanted to ask the Federal Government to move over a little and leave open more things on which he could levy taxes.)

But, as it happened, the Governor had to cancel the trip and remain in Indianapolis, because the legislature stayed in session 50 hours longer than he had thought they would. And, so long as that was the case, he might just possibly have a chance to put through a few more taxes here.

But let me get back to a more pleasing subject: Tom Marshall. After serving a very successful term as Indiana's Governor, he was nominated for Vice President on the ticket with Woodrow Wilson and was elected in the year 1912. He was reelected in 1916 and served in that office for a total of 8 years.

He raised quite a stir among the financiers when he got back East. Marshall was afraid of the power of great wealth, for he had already seen its manipulations here in Indiana. He feared that, unless the growth of wealthy interests was somehow controlled, free enterprise and democracy would be destroyed.

So, when Marshall became Vice President, he made a number of speeches dwelling on this danger in very plain-spoken terms. The eastern Republicans thought he was a reckless radical trying to pull down their temples. And the New York newspapers for years were incensed that Indiana had sent such a man to Washington. By 1920, these papers admitted he was a highly sensible Vice President.

That was no temporary problem about which Marshall gave warning. It is still with us. When we see a national administration today controlled by a Cabinet of 10 millionaires, and where the real power of Government is not in Washington but in Wall Street, we can realize all over again how sound was the advice he gave us then.

Woodrow Wilson's administration was a very progressive era, which saw the enactment of many long-needed reforms, and, while Marshall's private views differed with these in some respects, he gave them his loyal support as Vice President. Probably his greatest contribution to Wilson, however, was his patient and long-continued effort to obtain ratification of the League of Nations Covenant by the Senate, at the close of World War I.

Having worked so long and hard to build the idea of the League, only to fall critically ill at the peak of the struggle, Wilson saw his cherished plan at the mercy of the Republican Senate. Marshall, as the Presiding Officer there, sought by every possible means to steer the League Covenant through. Confronted on the one hand by Wilson's desperation, and thwarted at every turn by Senator Henry Cabot Lodge and his band of Republican followers, Marshall cast about in every direction to find agreement on joining the League, but at last it was defeated after seven votes that were needed could not be found. There, the United States lost a great chance to take world leadership which might have avoided the tragedy of World War II.

In that fateful struggle in the Senate, Tom Marshall saw before his eyes the costly result of bitter Republican partisanship on a grave question of foreign policy. Before Wilson had negotiated in Paris to form the League of Nations, Senator Lodge and other leading Republicans had endorsed the idea. But when Wilson came back to get their formal approval, this cynical group took the opportunity to humiliate and discredit him as a public figure in order to better the political chances for the Republican Party.

For the moment, the Republicans won a victory; but no one can guess how great was the cost to America in the long run. Possibly we as a people did not fully realize our strength at that time. But we had world leadership thrust at us, and for 12 years under the Republican rule that followed we failed to grasp hold of it.

The United States has gone a long way since that time. Even our Republican Secretary of State today believes we should play a great part in world affairs—although he can never quite decide just what part it should be.

John Foster Dulles is a great world traveler, but it seems that every place he goes he stirs up discord and strife. Someone said Secretary Dulles has been to every place but the moon, and it is only with the moon that we are still enjoying friendly relations.

And, now, Dulles' zeal for travel seems to have spread to the rest of the team. A few days ago, Dulles was in Australia; NIXON was in Africa; and the President was cruising on the high seas. It seems that the whole Eisenhower team was on the road last week. But all our foreign policy seems to be is travel and conference, without aim or direction.

Why, our foreign policy is so poor that other countries are practically forcing us back into isolationism. The other nations won't even have anything to do with us and we may be reaching the point soon where they won't even take our money.

We have no foreign policy today. What we need now is a foreign policy like we had under Woodrow Wilson, Franklin D. Roosevelt, and Harry Truman.

That Senate struggle in Tom Marshall's day when the League of Nations was beaten was not by any means the last time the Republicans have played politics with our foreign policy. We have seen plenty of that in recent years, no matter how much the Republicans like to make a show of bipartisanship. The Middle East situation is a prime example.

As all of us here remember very well, the Republicans unfortunately sought to make "war versus peace" an issue in the election campaign last year. They told the American people that our party was the party of war, but that the Republican Party was the party of peace. With good reason, the public was anxious about the possibility of a crisis developing around the Suez Canal. But the President and the Secretary of State went on playing the peace theme heavily and kept assuring everyone there was no danger of the United States becoming involved in the Middle East.

The fact is, though, that the United States has a very important interest in the Middle East—to keep the great oil resources there available to ourselves and our allies in case of war and to keep this oil away from the control of our enemies. And, too, this Republican administration is very sensitive to what happens in the Middle East, because of the holdings of some large American oil companies in that area.

But, with the Republican peace cry being repeated day after day, apparently both our enemies and our allies took the Eisenhower administration at its word and felt they had a free hand to make their moves in the Middle East. Then the Suez Canal situation exploded and fighting broke out in late October.

Having pressed the peace issue so widely here at home, the Eisenhower administration found itself almost totally without influence among the troublemakers in the Arab world. As soon as the election was over, the administration began to try to shake off the peace label; but the Republican officials felt they had to get something besides their own word to back them in dealing with the Middle East situation.

So, the President and Secretary Dulles hurried to Capitol Hill early this year to ask that Congress reassure them of power already granted in the Constitution for the President to use American troops to protect our interests in the Middle East. The President also asked much greater freedom in spending $200 million of foreign-aid funds in that area. But the administration had first drawn up the proposal without consulting any Democrats in Congress, and got it publicized all over the world as American policy. Then they dropped it in the lap of Congress and staged a great plea for bipartisanship.

At that point, a refusal to support the Middle East proposal might have given the impression to the world that there was a division between the Republican President and the Democratic Congress on a matter so vital as preventing Communist aggression. Congress had no sensible alternative then but to approve the measure in some form, but we did modify the Middle East resolution, to make it clear that the President still has the constitutional duty of carrying out foreign policy, and also to make sure Congress keeps some control over spending for foreign aid.

Here we saw a Republican administration in severe difficulty, because of their reckless campaign statements, now calling upon a Democratic Congress to save them from the predicament in which their folly had placed them. The Democrats in Congress had a tempting opportunity to take partisan advantage of this Republican administration, who had blundered into this Middle East

crisis and then reaped political profit from it last November.

Instead, the Democrats in Congress rose above party and showed once again their refusal to play politics with the national interest in the face of danger. How different things might have been if the Republican Party had shown such bipartisanship with the League of Nations when Tom Marshall was Vice President.

The Republican Party did not have much of a program in Tom Marshall's day. Mainly, it consisted of blind, bitter opposition to every move of the Democrats, such as we saw in the League of Nations debate. And the Republicans have never developed any program since then.

Oh, for 20 years they cried and yelled about Government spending and financial insolvency. They said that Franklin Roosevelt and Harry Truman were taking the Government to wrack and ruin. I wonder how the Republicans feel about that today?

When their General was a candidate in 1952, he went up and down the country making pious statements about economy, and ridiculing the Democrats for what he called crazy spending. General Eisenhower promised he would cut the budget down to $60 billion, reduce the national debt, and cut taxes. But, even with an administration loaded with the tycoons of industry and business, what has happened?

The Eisenhower budget this year is $73.6 billion—the highest in peacetime history. Whereas the Truman administration showed a net surplus of $4 billion in the 6 fiscal years after World War II, under Eisenhower the Government has gone in the red nearly $6 billion.

In 4 years with Eisenhower the national debt has gone up $9 billion, while the Truman administration had reduced the debt $12 billion below its World War II peak. By the end of June, the Eisenhower administration will have spent $81 billion more than the expenditures under Harry Truman in a comparable 4½ years. I wonder if the economy General Eisenhower promised is still somewhere just around the corner?

As to the tax cut he promised, that came to pass—not for you and me, of course, but for the corporations, who got 73 cents out of every dollar of benefit.

So long as we have known our party, the Democrats have always moved forward with a positive program. We have seen such programs as the new freedom in Tom Marshall's time, and, in more recent times, the New Deal and the Fair Deal.

Now when President Eisenhower looked over the election returns last fall, and saw the Republicans were unable to elect a Congress, no matter how popular their candidate for President was, he decided maybe they had better bring out something new.

So, the President announced he was going to remake the Republican Party (and for that statement he deserves a medal for bravery)—he was going to remake it along the lines of a New Republicanism. Now let's see what this New Republicanism is, if we can.

From the President or various officials in his administration have come statements saying we should repeal the union-busting provisions of the Taft-Hartley law; that we should extend the minimum-wage law to more people; that we should enact a law giving women equal pay for equal work; that we should extend the public-housing program; and that we should provide Federal aid for school construction.

Also, they are urging that the States improve their workmen's-compensation and unemployment-insurance laws; that employers give more job opportunities to people over 45; and that Congress provide increased appropriations for medical and educational research, reduction of juvenile delinquency, and assistance for retarded children.

All of this sounds very much like New Deal and Fair Deal programs, which the old-line Republicans denounced so bitterly for 20 years. I am afraid it is going to be a bitter pill for them to swallow such proposals now, and I predict they won't.

But the real test of whether the Eisenhower administration is sincere about this New Republicanism and liberal welfare programs is going to come when we see if the administration asserts itself and exercises the leadership necessary for these programs to get the support of Republicans in Congress.

There have been a few occasions when the President did exert leadership to get certain bills through Congress. He used White House pressure to get the tidelands oil bill passed without amendment; to kill a bill to preserve the waterpower resources in Hells Canyon for the benefit of all the people; and to prevent any change in Ezra Taft Benson's program of sliding-scale farm prices.

Do any of us really think the President will use the same influence of his office to put across the New-Deal-type measures he claims to favor, as he did when the interests of the big oil companies and utilities syndicates were at stake? I have my doubts.

When President Eisenhower submitted this year's budget that broke all peacetime records, his closest friend in the Cabinet, Secretary of the Treasury George Humphrey, immediately called a press conference—obviously with the approval of the administration. At this press conference, Humphrey said the budget should be cut, and that, if it were not cut, there would be a depression that will curl your hair.

We called Secretary Humphrey before the House Appropriations Committee, and asked him for suggestions about where the budget could be cut. But he was unable to give any particulars. Since then, other administration officials have kept the publicity going about wanting a budget cut, but they never name any items they want cut.

Thus, we find the administration trying to play both sides of the street. They propose liberal programs to please the liberals, and are willing to let the reactionary Republicans kill the legislation in Congress. They propose a recordbreaking budget, with large expenditures for all liberal programs; and then they have Secretary Humphrey, the darling of the conservatives, proclaim that the administration wants Congress to cut the budget.

There you have the New Republicanism. This plan of talking out of both sides of the mouth has worked very well under General Eisenhower, who is regarded by many people more as a constitutional monarch than as a President. But when the Republicans have to select another candidate for President, from among less popular men, I don't believe they will find a man who will have such a chameleonlike disposition that he can be all things to all people.

Signs are on the horizon that a bitter storm is brewing in the Republican Party over the question of how far to push the New Republicanism. But, in the meantime, if anyone asks you what a new Republican is, you can tell him: A New Republican is one who talks like Franklin Delano Roosevelt—and then votes like Herbert Hoover.

When Tom Marshall was nominated and elected Governor of Indiana, the Democratic Party had been out of power for 12 years. The party here in the State was disorganized, and it was broke.

I have heard the elder Judge Spencer, a former State supreme court justice who lived in my home county of Vanderburgh, tell of the condition of the party's finances when he served with Tom Marshall on the Democratic State Central Committee. There was no money in the party treasury; there was not even money for postage. So, each of the 13 members of the State committee contributed $5 to buy stamps. That made $65, and it was all the money the Democratic State Central Committee had.

In 1908, the Indiana Republicans were split, as they are now. But there was also bitter dissension in the Democratic Party. There were six candidates for Governor in the Democratic convention of 1908. There were the organization candidate, and the antiorganization candidates; then there were Tom Marshall and three other candidates.

Marshall was nominated on the fifth ballot, as a dark horse. His own district, the 12th, supported him solidly, but he was largely unknown over the State of Indiana.

When he made his acceptance speech, he stated, in effect, that when a new emperor was crowned in ancient Rome, the soldier legions marched in review before him. The head of each legion lifted his hand to heaven and swore to be loyal to the emperor and to Rome, and then every common soldier, raising his right hand, cried out, "This for me."

Marshall noted there were then a number of hyphenated Democrats in Indiana, of one faction or another, but that, like the Apostle Paul who had determined to know none among the Corinthians save Jesus Christ, he was determined to know none among his party save just plain Democrats.

Tom Marshall concluded that speech by saying that he would not accept the nomination unless every man in the convention rose to his feet, lifted his hand to heaven, and pledged that from that time forward he would be a Democrat and nothing else.

He immediately undertook the task of solidifying the Democratic Party in the State. Marshall was elected in 1908, in spite of the fact that the Republican candidate for President carried Indiana that year, and that all the State offices went Republican but two.

Marshall was so successful in unifying the party that a Democratic Senator was nominated and elected 2 years later without serious opposition. And, 4 years later, Samuel Ralston was nominated for Governor unanimously and the Democrats of Indiana rallied behind Tom Marshall in a solid body when he was nominated for Vice President.

Today, we have a Democratic majority in both Houses of Congress, in spite of the fact there is a Republican President. There are 29 Democratic governors to the Republicans' 19.

Here in Indiana, we have our share of county and township offices over the State. Today, 73 out of Indiana's 106 mayors are Democrats—the highest percentage in the history of the State. Why, I have heard it said that the Republican Party was founded here in Wabash County, but the city of Wabash now has a Democratic mayor.

But there are two Republican Senators from Indiana, a Republican Governor, and a Republican in every office in the statehouse. It is true we have discord and dissension in our party. But conditions are too serious in the State and the Nation, and Republican mismanagement is too great, for us to enjoy the luxury of party strife.

Let us follow the example of Tom Marshall and serve notice that there will be no hyphenated Democrats, and that we are determined to know just plain Democrats.

In Tom Marshall's figure of speech, let each Democrat lift his hand to heaven and pledge to be just a plain Democrat and nothing else.

If we can but go forward as a united party, the Democrats will be returned to power in the State of Indiana. Indiana is ripe for a Democratic victory.

Urban Renewal Programs

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, April 1, 1957

Mr. DINGELL. Mr. Speaker, the urban renewal programs of many of our cities are threatened by a financial crisis. Local public agencies are finding it difficult if not impossible to obtain the money to pay their share of the costs of these programs. In today's tight money market, funds, if available at all, can be borrowed only at prohibitively high interest rates. At the same time, we are accumulating billions of dollars of reserves in our social-security trust funds. These reserves should be put to work for the benefit of our people.

To make this possible, I have introduced a bill to authorize the managing trustee of the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund to invest up to $1 billion in bonds or other obligations issued by local public agencies for urban renewal projects. Not only bonds issued for projects being assisted by the Federal Government, or for local grants-in-aid for such projects, but also for any project found by the Housing and Home Finance Administration to be substantially within the definition of urban renewal projects in the Federal law would be eligible for investment of social-security funds. Such bonds would be guaranteed by the Housing and Home Finance Administrator as to both principal and interest. Local agencies would pay premiums for this insurance which would be deposited in a guaranty fund to be used as a revolving fund for paying defaulted obligations. An appropriation of $20 million would be authorized for the establishment of the guaranty fund.

Thus insured, these obligations would be gilt-edged investments for the social-security trust funds. In addition to the interest earned for the trust funds, they would yield large social dividends in the rebuilding of blighted areas in our cities. I shall press for enactment of this bill as a measure of constructive financial management.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 2, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, in the hours of this new day, may we achieve a nobler goodness of character for ourselves and accomplish a larger measure of blessedness and good for others.

We penitently confess that we are often so selfish and determined on personal safety and security, rather than dedicating our life in service and sacrifice for needy humanity.

Show us how we may give courage and consolation, help and hope, unto all who are staggering under the heavy burdens of fear and foreboding.

May we give ourselves unreservedly to the guidance of Thy spirit and seek to do Thy will more perfectly for in the doing of Thy will is our peace.

Hear us in Christ's name. 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 a bill of the following title, in which the concurrence of the House is requested:

S. 1314. An act to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

THE GREATER LAWRENCE STORY

Mr. LANE. 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 Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, Lawrence, Mass., is being honored today by the Advertising Club of Boston, which is presenting the Greater Lawrence Story at its luncheon meeting as an example of a community's courage and resourcefulness when confronted with economic collapse.

Lawrence was built up around the textile industry.

At one time it could say that it had the largest woolen-worsted manufacturing plant in the world.

This concentration on one industry, however, made the whole community dependent upon the success or failure of textiles.

When that industry collapsed a few years ago, and more than 20,000 people lost their jobs, every business and profession and person in the area reeled under the blow.

In spite of the disaster facing them the people of Lawrence fought back.

Groups of enterprising citizens bought the empty mills, staking their dollars and their faith in the ability of Lawrencians to come up off the floor and stage a great comeback that would turn defeat into victory.

This they did and in record-breaking time.

The campaign waged by public-spirited citizens and groups accomplished the impossible.

Lawrence has guts and it has ability. Both are admirable assets that inspire confidence in others.

Lawrence went out to get business, and it succeeded. Far and wide it spread the facts of Greater Lawrence; its skilled labor force; its sound government; its strategic location; and, above all, the indomitable spirit of its people.

Other industries became sold on Lawrence. They started to move in.

As a result, Lawrence is prospering today.

People are working again, and the once-empty mills are humming with activity as Lawrence begins a new life, because its economy is stronger through diversification.

How Greater Lawrence did this is a thrilling story that will serve as a model for other communities, showing them the pioneering methods developed by a community that was hit harder than any other area in the United States but refused to quit.

I shall bring you more details of the Greater Lawrence Story as it is presented by the Advertising Club of Boston within a few days.

NEW YORK CITY HOUSING AUTHORITY

Mr. FINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, I have this day forwarded to the chairman of the House Committee on Banking and Currency a series of newspaper articles which reveal a near scandalous situation in the New York City Housing Authority.

The New York Daily News which ran these articles on the housing authority showed shocking evidence of Communist infiltration, mismanagement, and crimes in many of the city's housing projects. It gave proof of increased crimes, inadequate police protection, and widespread violence in these public houses.

What did the city administration do to correct this disgraceful condition? It asked its investigation commissioner to conduct a probe. This he did, but the administration, instead of giving the people a complete report on these findings, gave it only interpretations of the report.

Mr. Speaker, do you know who helped in the interpretation of this report? Some of the officials of the city housing authority whose management is under attack. The 7-page report which the commissioner of investigation had prepared, and which the taxpayers were entitled to see, was reduced to a 2-page report of interpretations of the original report. Even the hushed interpretation admits to mismanagement and cites evidence of increased crimes in the 82 city projects, many of which are federally subsidized.

Mr. Speaker, interpretations of investigation reports are not enough. The people who pay the taxes that subsidize these housing projects are entitled to a true and complete story. Not half or part of the story but the full and complete story.

It is obvious that from the juggling and maneuvering that is going on in New York City the taxpayers will not learn of the actual shameful conditions that exist in the New York City Housing Authority. As a matter of fact, city hall's